

JOSE GARCIA

Spearheading the Future of Life Settlement Investments

“ Our success at Carlisle Management is grounded in three core pillars: the expertise of our team, our strong relationships across the industry, and a robust investment management process. ”

Cover
Story



As traditional investments face increasing volatility, alternative assets like life settlements are gaining traction for their stability and low market correlation. This complex market requires deep expertise in areas such as actuarial science and regulation. **Carlisle Management Company** has emerged as a leader in this field, offering innovative investment solutions. At the helm is **Jose Garcia**, whose extensive experience in sourcing, structuring, and underwriting longevity-based assets has positioned Carlisle as a standout in the life settlement space.

Jose Garcia, the **Chief Executive Officer** at Carlisle Management Company S.C.A., emphasizes how his extensive background in sourcing, structuring, and underwriting longevity-based assets has profoundly influenced his approach to investment management. Carlisle Management Company distinguishes itself as a life settlement-focused investment team, unlike many firms that pivot into the sector from larger private equity groups or multi-asset managers with no specialization. The management team at Carlisle brings nearly 100 years of combined investment management experience in this specific asset class, equipping them with a comprehensive understanding of the market dynamics, risks, and opportunities inherent in life settlements.

Building Trust in Life Settlements

According to Jose, the foundation of Carlisle's success is built on three main pillars:

- The expertise of key sourcing personnel,
- Strong relationships with key industry players, and
- A robust investment and sourcing management process.

Carlisle's extensive experience has allowed the firm to cultivate a trusted network within the life settlement industry. This network includes brokers, policyholders, structuring specialists, actuaries, intermediaries, and service providers. Jose highlights that these deep, personal-level relationships are invaluable, as they provide unique opportunities and insights that are inaccessible to less specialized firms. Carlisle's reputation for trust and collaboration in the industry has further cemented its position as a reliable and ethical player, fostering innovation and mutual growth with key stakeholders.

Jose also underscores the complexity of the life insurance industry, noting that the intricacies of insurance products and their significant variations often pose challenges for investors unfamiliar with the sector. Carlisle's in-depth understanding

of these complexities provides a substantial competitive edge, enabling the firm to develop tailored investment solutions that align with the distinct needs of its investors. This specialized knowledge enhances Carlisle's ability to navigate the intricacies of the market effectively, delivering informed, innovative, and strategic investment decisions.

Pioneering Alternative Investment Solutions

Jose reflects on the inspiration behind launching new investment vehicles utilizing alternative assets, tracing it back to 2008, in the aftermath of the global financial crisis. The prolonged era of ultra-low interest rates forced investors to search for yield and diversification. While the advent of exchange-traded funds (ETFs) allowed portfolios to diversify at a lower cost, this came at the expense of limited alpha generation. Recognizing the growing demand among investors for strategies combining limited correlation with solid yield, Jose and his team identified an opportunity to innovate.

In a landscape defined by low interest rates and heightened market volatility, many investors turned to alternative assets as a means to enhance returns and mitigate risk. This shift in sentiment paved the way for the development of investment vehicles targeting alternative assets, such as life settlements. These longevity-focused, fully regulated structures are designed to deliver consistent returns with limited correlation to traditional financial markets.

Jose notes that these innovative vehicles align closely with global financial market trends, particularly the increasing emphasis on sustainability and impact investing. Alternative assets in sectors like longevity and healthcare not only provide financial opportunities but also address critical societal challenges, such as aging populations and improving healthcare accessibility. By incorporating these elements into investment strategies, these vehicles aim to achieve attractive financial outcomes while making a meaningful contribution to society.

As the era of zero interest-rate policies drew to a close, Jose recognized the need to adapt by broadening the firm's product offerings. This included introducing closed-end absolute return structures designed to navigate volatility, address liquidity challenges, and better meet the needs of increasingly sophisticated institutional investors. These vehicles are positioned to thrive in evolving market conditions while continuing to provide tailored solutions for a diverse investor base.

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We've learned that life settlements are not just a unique asset class—they are a catalyst for societal good.”



Navigating the New Era of Alternative Investment Frontiers

Jose anticipates that the evolution of traditional financial markets will significantly influence the demand for alternative investments in the coming years. He highlights the profound impact of the painful adjustment from the zero interest-rate policies that central banks relied upon following the global financial crisis. Market dynamics and volatility spikes, influenced by shifting economic conditions, geopolitical events, and unforeseen circumstances, play a critical role in shaping market sentiment, forward return expectations, and liquidity availability. Over the past decade, institutional investors have increasingly recognized the untapped value beyond public markets, driving greater interest in private markets as sources of diversification and returns. Supporting this trend is the staggering growth in private market assets under management (AUM), which surged 170% over the decade through 2020 to reach \$4 trillion.

Jose also points to a new generation of young, affluent, globally diverse, and financially educated investment

managers—many operating through family offices—who are managing vast sums of money. This demographic, unsatisfied with the diminishing returns of traditional financial markets, seeks active investment management and participation. They aim not merely to preserve wealth but to grow it. As a result, alternative investments in private markets are poised to garner even greater attention. However, Jose emphasizes the importance of discernment, urging investors to carefully evaluate private-market opportunities and select managers with the requisite skills, experience, reputation, and networks to identify and execute best-in-class opportunities.

Focusing on the life settlements sector, Jose foresees its role as a key alternative investment class growing substantially. The steady year-over-year increase in life settlement market volumes, alongside rising interest from large private equity firms, underscores the asset class's burgeoning appeal. As traditional markets grapple with low interest rates, inflationary pressures, and geopolitical uncertainties, investors will continue to seek diversification and uncorrelated returns. Life settlements and other longevity-based products offer a compelling solution to mitigate risks associated with traditional exposure. The increasing

standardization and efficiency of the life settlement market further enhance its attractiveness, making it more accessible and comprehensible for institutional investors.

In this evolving financial landscape, Jose believes industry-focused investment managers, such as Carlisle, have a significant edge over large multi-billion-dollar "one-stop-shop" firms.

Carlisle's deep operational expertise, honed through years of experience in the longevity space, enables it to navigate market complexities with agility and precision. Its extensive sourcing network allows it to identify and capitalize on niche opportunities that may elude larger firms, which often lack the flexibility to engage in such targeted investments. This strategic advantage positions Carlisle to thrive in the growing alternative investment market.

Overcoming Hurdles in Life Settlement Investments

Jose reflects on the key challenges faced while managing Carlisle Management Company's investments in emerging and longevity markets, starting with the critical need for enhanced education around life settlements. Despite their growing prominence as an investment option, many investors and consumers remain unfamiliar with the intricacies of this market, leading to misconceptions and hesitance. A prime example is the mischaracterization of life settlements as "death bonds," overshadowing their sustainability benefits. Life settlements act as a market catalyst, enabling seniors across the U.S. to recover a significant portion of the economic value of their policies while alleviating the burden of future premium payments. Few realize that life settlement markets rescue 31% of the intrinsic economic value of life insurance for consumers.

To address these misconceptions, Carlisle launched comprehensive educational initiatives, including webinars, conference presentations, and informative content that demystify life settlements and underline their benefits as part of a diversified investment strategy. By equipping investors with knowledge, Carlisle not only fostered greater confidence in its offerings but also contributed to the development of a more informed market.

A second significant challenge has been navigating the ever-evolving regulatory landscape. Both private market investment products and longevity-related markets face increasingly demanding regulatory frameworks. While Luxembourg provides a robust structure for fully regulated investment funds and the AIFMD certification represents the



gold standard of regulatory consistency, meeting these requirements necessitates highly specialized resources, which can strain operational efficiency.

To overcome this, Carlisle invested in a dedicated compliance team that meticulously monitors regulatory changes and ensures investment strategies remain aligned with current standards. Additionally, the company plays an active role in industry associations, advocating for regulations that support market growth while safeguarding investors. This proactive stance has allowed Carlisle to adapt swiftly to regulatory shifts, maintaining its competitive edge.

The third challenge lies in effective risk management, particularly given the complexities of Carlisle's products and the primary risk being longevity. Employing the right approach, combining both quantitative and qualitative assessments for each portfolio position, has been crucial. Over the years, Carlisle developed proprietary risk management techniques that include:





- Substantial stress testing and sensitivity analysis.
- Ongoing underwriting to ensure data accuracy.
- Constructing portfolios with a large number of lives to enhance diversification.
- Engaging multiple external specialists to evaluate mortality projections and incorporate improvements.

Carlisle's team boasts direct experience across all phases of the life settlement process, enabling the firm to apply unparalleled risk and yield assessment strategies. This expertise has been instrumental in navigating challenges and delivering consistent results for its investors.

A Voyage of Operations to Strategic Mastery

Jose shares that his role as Chairman and CEO of Carlisle Financial Group has evolved substantially since founding the company in 2002. In the early years, his focus was deeply rooted in the operational aspects of the business, such as managing investments and overseeing portfolio performance. This hands-on involvement was critical to building a strong foundation and gaining a comprehensive understanding of the markets Carlisle was entering.

As the company grew and matured, Jose's role transitioned into a more strategic leadership position. He now concentrates on long-term vision and direction, focusing on developing and implementing Carlisle's overarching business strategy, identifying new market opportunities, and strengthening relationships with key stakeholders. This shift has allowed him to dedicate more time to strategic planning, guiding the firm's investment philosophy, and ensuring adaptability within an ever-changing financial landscape.

A key aspect of this evolution has been his commitment to building a robust leadership team capable of efficiently managing day-to-day operations. By delegating operational responsibilities to trusted leaders, Jose has been able to focus on high-level decision-making and driving innovation. This approach has not only improved Carlisle's operational efficiency but also enhanced its ability to navigate market challenges and seize emerging opportunities.

Jose's journey from managing daily operations to spearheading strategic initiatives reflects the company's growth and underscores its dedication to delivering value to clients and investors. This strategic leadership is vital as Carlisle continues to expand its presence in the financial markets and adapt to the dynamic needs of its clientele.

Setting the Gold Standard in Fund Management

Carlisle Management Company has implemented a range of strategic initiatives to advance fund management and solidify its leadership in the longevity markets. Recognized as one of the largest investment managers in the life settlement space, Carlisle is distinguished by its ability to offer diverse, tailor-made fund structures.

From the outset, Carlisle recognized the importance of partnering with best-in-class industry participants and embracing consolidation. Given the relatively small size of the life settlements market, with approximately \$2 billion USD in investable capital annually, supply and demand dynamics can lead to market saturation and competitive pressures. To address these challenges, Carlisle has maintained a proactive approach, setting a new standard for transparency, integrity, and opportunity within the industry. The company currently manages over \$2 billion in assets on behalf of hundreds of institutional and private clients while advocating for operational excellence and superior investor service.

Unlocking New Horizon

A transformative milestone occurred in 2024 when Carlisle became part of Abacus Life, a publicly traded company on the NASDAQ Stock Exchange (NASDAQ: ABL). Abacus Life is the largest originator in the life settlement and longevity space, with a 20-year track record of success. This strategic integration provides Carlisle with an expanded range of complementary services and capabilities, reinforcing its position in the market and enabling it to deliver investment solutions at scale to investors seeking diversification in longevity-related investments.

The partnership with Abacus Life brings several key advantages:

- **Enhanced Global Reach:** Access to leading institutional shareholders and a broader pool of capital enhances financial flexibility and reduces capital costs.
- **Unmatched Origination and Servicing:** Being part of the largest industry originator ensures access to top-quality origination and streamlined servicing across the value chain, optimizing operational efficiency in an increasingly competitive financial market.
- **Innovative Technology Integration:** Leveraging cutting-edge valuation, quantitative, and data technologies through ABL Tech Solutions enhances Carlisle's data analytics, streamlines operations, and improves

decision-making processes. These tools provide deeper insights into market trends, empowering the company to refine its investment strategies.

Garcia, addresses through a carefully structured, multifaceted strategy. With over 20 years of experience navigating private markets, Jose Garcia has guided Carlisle in its mission to deliver uncorrelated investments by aligning investment duration and liquidity profiles with appropriate fund structures.

Under Jose's leadership, Carlisle has developed and refined its closed-end fund (CEF) structures to address the unique characteristics of private assets, such as life settlements. Unlike open-end funds, CEFs have a fixed number of shares, which mitigates the risks associated with sudden market sell-offs and liquidity demands. This approach allows the company to maintain a long-term investment focus, independent of the short-term pressures caused by quarterly inflows and outflows.

Jose Garcia's strategic vision positions Carlisle to navigate volatile markets effectively. The company leverages its extensive industry expertise to look beyond short-term market noise, identifying and capitalizing on opportunities created by shifts in supply and demand. Carlisle's ability to strategically time asset sales—unconstrained by investor redemptions—further ensures operational flexibility and resilience in a dynamic environment.

Jose's leadership has also emphasized the value of private assets, particularly life settlements, as effective diversification tools. These assets are not correlated with traditional market liquidity volatility, meaning their valuation is driven by fundamentals rather than market sentiment. This distinction makes them especially attractive during periods of rapid market decline, reinforcing Carlisle's commitment to providing stable, uncorrelated returns to its investors.

Through Jose Garcia's strategic leadership and Carlisle's commitment to innovation and risk management, the firm continues to deliver effective diversification solutions and consistent performance in a challenging financial landscape.

Shaping the Future with Technological Integration

The integration of emerging technologies and financial engineering is playing an increasingly vital role in shaping the future of investment management at Carlisle Management Company. These innovations enhance operational efficiency, improve decision-making capabilities, and strengthen risk management processes, positioning the firm to navigate the complexities of the life settlements market more effectively and deliver superior value to its investors.

Carlisle is also focused on developing innovative investment products to meet the evolving needs of its international investor base. By utilizing the insights and resources gained through its partnership with Abacus Life, Carlisle is expanding its product offerings and creating a framework to serve clients across geographies. The company's dedication to bringing life settlement solutions and investments to the global market underscores its commitment to driving growth and delivering value in the longevity space.

Mastery of Diversification and Stability in Volatile Markets

Balancing the need for diversification with the inherent risks of alternative investments in today's volatile market environment is a challenge that Carlisle Management Company, under the leadership of Chairman and CEO Jose



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Today, as our strategy evolves, my role has shifted to ensure we continue to innovate and expand while keeping a laser focus on what has always been our strength—expertise, relationships, and strategic vision.”



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Our investment strategies have always been about more than just returns. It's about finding opportunities that align with our values and objective.”

A key driver of Carlisle's technological evolution has been the addition of ABL Tech and its cutting-edge tools to its management processes. These advancements have fortified the company's technology applications, enhancing all aspects of decision-making and operational management.

The life settlements market relies on accurate and comprehensive data regarding policyholders' health, mortality profiles, and demographic factors. Emerging technologies such as advanced data analytics and machine learning enable Carlisle to process and analyze vast datasets with greater precision and efficiency. By leveraging predictive modeling, the company can make more informed investment decisions, conduct nuanced risk assessments, and optimize portfolio management strategies.

Financial engineering techniques also play a critical role in Carlisle's approach. Sophisticated risk modeling and scenario analysis empower the firm to better understand and mitigate the unique risks associated with life settlements. By employing advanced financial instruments and derivatives, Carlisle can effectively hedge against potential market fluctuations and enhance risk-adjusted returns for its investors.

Additionally, emerging technologies are transforming the way Carlisle engages with its investors. Enhanced reporting tools and platforms provide real-time insights into fund performance, portfolio composition, and market trends. This level of transparency not only strengthens investor relationships but also equips clients with the information they need to make well-informed decisions.

Charting a Bold Future

Looking ahead, Jose's long-term goals for Carlisle Management are centered around sustainable growth, innovation in investment strategies, and enhancing value for its stakeholders. The recent acquisition by Abacus Life, a leader in the life settlements industry, has significantly accelerated Carlisle's growth trajectory and opened a wealth of opportunities that Jose is eager to capitalize on.

The integration with Abacus Life allows Carlisle to leverage the extensive expertise and resources of its new partner, enhancing its operational capabilities and broadening its market reach. This collaboration is expected to create synergies that will benefit the company's funds, shareholders, and employees alike. For example, the partnership will provide improved access to high-quality life settlement assets, enabling Carlisle to optimize its investment strategies and deliver superior returns. Moreover, this collaboration will foster innovation, allowing the firm to develop new products and services that cater to the evolving needs of its clients.

As Carlisle looks ahead to 2025, one of its primary focuses will be the successful execution of the upcoming closing of its fourth vintage, the Absolute Return Fund IV. This fund is designed to offer investors attractive risk-adjusted returns, and the company is committed to ensuring its successful launch and management. The Absolute Return Fund IV is expected to not only enhance the firm's portfolio but also solidify Carlisle's reputation as a leader in alternative investments.

Jose is excited about the prospect of launching a new closed-ended strategy soon. This initiative reflects his commitment to innovation and responsiveness to market dynamics. By introducing new investment vehicles, Jose aims to attract a broader range of investors and provide unique opportunities in the life settlement space.