

# Alternatives Investing in 2025: New Strategies for a New Era

*On November 5th, 2024, Carlisle Management Company hosted a 2-hour breakfast event in Singapore. With 100 Limited Partners (LPs) registered, the event demonstrated substantial engagement with alternative investment strategies.*



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The event brought together a remarkable group of speakers and panellists: **Kerry Goh**, CEO & CIO, Kamet Capital / **Wouter Kneepkens**, Partner, Blauwpark Partners / **Mayank Rao**, Director of Quantitative Strategy, Temasek / **Elena Plesco**, Chief Capital Officer, Abacus Life / **José Garcia**, CEO, Carlisle Management Company / **Fei Xue**, Vice President, ABL Wealth

The presentations and panel discussions received high marks from attendees, with ratings ranging from **4.0 to 4.6 out of 5**.

## Key Takeaways:

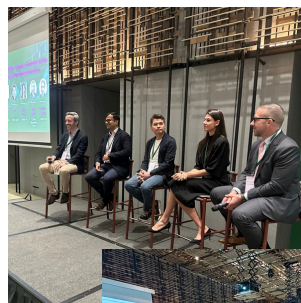
- Investment Trends:** Over **60% of participants** indicated plans to increase allocations primarily into private equity and alternative credit in 2025.
- Life Settlements in Portfolios:** The speakers emphasized the compelling role of life settlements in a diversified portfolio, citing their **unique characteristics**:
  - Uncorrelated returns: the asset works as a mortality driven zero coupon, where mortality events are the performance driver which is uncorrelated from most financial markets and economic variables.
  - Highly rated counterparties: Backed by US life insurance companies.
  - Historical yields: Returns in the mid-to-upper teens.



- Regulation: Governed by US state insurance departments.

## The Current Market Opportunity:

- Strong Returns:** Life settlement rates have increased, targeting 14-15% net returns for investors, making this a very attractive time to allocate capital.
- Upcoming Fund:** Carlisle is raising \$200-\$250 million in equity through a fund comprising 2,000+ policies, making it the most diversified in the industry. Diversification is essential for mitigating longevity risk and minimizing standard deviation.



## Life Settlements Overview:

The US Life Settlements Market allows for the transaction of US life insurance policies as private property. Policyholders, typically senior US citizens, sell unwanted or unneeded policies for a lump sum payment. Buyers assume ownership, cover future premiums, and ultimately receive the death benefits upon the insured's maturity. This arrangement provides a financially favourable option for policyholders while creating a unique, high-yield investment opportunity for buyers.

Insureds may choose to sell or let their policies lapse for various reasons, including changes in estate planning goals, no longer needing coverage for beneficiaries, the immediate value of cash outweighing future benefits, a desire to supplement retirement income, the inability to afford ongoing premium payments or many personal reasons.

This event underscored the growing interest in alternatives like life settlements and demonstrated Carlisle's leadership in providing innovative solutions for investors navigating today's complex markets.

*With the recent acquisition of Carlisle Management by Abacus Life, a US publicly-traded alternative asset manager, the group becomes the largest origination company and asset manager in the life settlements industry.*