

Leadenhall Capital Partners funds break \$650 million barrier

Leadenhall Capital Partners has welcomed an additional \$65 million in investments into its two funds specialising in Insurance Linked Securities (ILS) such as catastrophe bonds, taking the value of funds under management beyond the \$650 million mark for the first time.

The fresh investments are from pension funds in the UK and other parts of Europe into the Leadenhall Value Insurance Linked Investment Fund PLC and the Leadenhall Diversified Insurance Linked Investment Fund PLC

The two Irish domiciled funds – which give investors access to returns from the insurance and reinsurance markets through investments in cat bonds, cat swaps and other insurance-linked investments - have grown from \$100 million when launched in October 2009 to \$332 million today. Leadenhall also looks after an additional \$320 million in insurance linked instruments under separate managed account arrangements taking the London based LLP's total AUM past \$650 million.

For the first year and a half, the two funds grew organically attracting small investors, rising to \$135 million under management by mid-2011. However, since the middle of last year, the value of funds under management has grown as pension funds - recognising the high returns ILS were delivering relative to equities and their low correlation to fixed income and equities markets - began to see them as an increasingly attractive asset class.

Leadenhall Capital Partners is a joint venture launched in 2008 between a team of professionals in the insurance-linked capital markets and Lloyd's insurer and reinsurer Amlin.

Leadenhall Chairman John Wells said: "I am extremely pleased with the growth of our funds, which have delivered what they said they would do for investors in terms of returns, low correlation with fixed income markets and equities, and low volatility.

"Increasingly, institutional shareholders are recognising the value of this asset class, and also the value proposition of Leadenhall, which is a unique combination of our capital markets experience and the resources and expertise of Amlin as a traditional insurer and reinsurer.

"Our growth over the past year has been extremely strong where we have increased the funds and still maintained a level of return that has satisfied the investor objectives of our clients."

Catastrophe bonds are vehicles which allow investors to provide capital for insurance companies. However, they only pay out – in which case investors lose their money - in extreme catastrophic events when other forms of cover such as insurance and reinsurance have been exhausted to cover insurance claims.

While stock market returns have been sluggish in recent years, the Swiss Re BB index of cat bonds has shown an average growth of 9% per annum since its launch in 2002 to the end of 2011.

Ends

Issued by rein4ce on behalf of Leadenhall Capital Partners

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About Leadenhall Capital Partners

Leadenhall Capital Partners is a joint venture launched in May 2008 between the Amlin Group, an international underwriter of insurance and reinsurance, and John Wells and Luca Albertini, both of whom have significant experience in insurance linked-capital markets, latterly at Swiss Re.

Leadenhall Capital Partners LLP is authorised by the UK Financial Services Authority to manage and advise third party offshore funds.

This management company is the first such venture to be backed by a Lloyd's insurer, whose considerable underwriting expertise significantly strengthens the fund offering. Amlin is an investor in the fund. www.leadenhallcp.com

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