

LGT Capital Partners builds out Lumen Re and welcomes external equity investor

LGT Capital Partners (LGT CP) welcomes external co-investor as part of the further build-out of Lumen Re and the confirmations of the roles of two senior managers in Bermuda.

Pfaeffikon, 12 September 2022. Lumen Re serves as a cornerstone of LGT Capital Partners' ILS investment activity, both as a dedicated property catastrophe reinsurance carrier, and as a fronter/service provider to the LGT CP ILS fund suite. The reinsurer was established by LGT Capital Partners' specialist ILS team (LGT ILS Partners) in 2012 to facilitate the structuring of investments in ILS on behalf of ILS funds and mandates of LGT Capital Partners. In 2017, Lumen Re was upgraded to a fully regulated commercial reinsurance carrier.

LGT Capital Partners is pleased to announce that US-based investor The Kresge Foundation has become an external equity investor in reinsurer Lumen Re. Structured as a co-investment alongside the Princely Family of Liechtenstein acting as key equity investor, this direct equity investment in Lumen Re allows for the most efficient allocation to insurance-linked strategies (ILS) for any long-term investor.

"After several years with increased catastrophe event activity, the ILS market has undergone a fundamental shift, with improved rates and conditions. We saw this as an attractive entry point for a long-term ILS allocation through a uniquely-structured investment in Lumen Re with LGT Capital Partners, a firm that we view as a high quality partner," stated Adrian Ohmer, Investment Director and Head of Diversifying Strategies of the Kresge Foundation.

Roberto Paganoni, CEO of LGT Capital Partners said: "We welcome The Kresge Foundation as a co-investor in Lumen Re and are excited to continue the build-out of Lumen Re's balance sheet strength by leveraging our experience as a long-term investor in this asset class since 2005."

Furthermore, Lumen Re confirmed the roles of Klaus Sapelza as Chief Underwriting Officer and Mario Spescha as Chief Operations Officer at Lumen Re in Bermuda; both formerly part of the ILS team at LGT Capital Partners in Switzerland.

LGT Capital Partners

LGT Capital Partners is a leading alternative investment specialist, managing over USD 85 billion for more than 600 institutional clients in 42 countries. An international team of over 650 professionals is responsible for a wide range of investment solutions. LGT is also one of the world's leading investors in insurance-linked investments, offering funds and mandates with a range of risk and return characteristics to optimally meet the investors' appetite.



Lumen Re is a Bermuda-based, fully regulated commercial reinsurance carrier established in 2012 by the dedicated ILS unit of LGT Capital Partners. The reinsurer is rated “A / excellent” by AM Best, with a stable outlook¹. The rated balance sheet of Lumen Re allows for managing the entire value chain of insurance-linked investments in-house, from deal origination to underwriting and structuring – including collateral management and at client’s request in ESG-approved assets. Investors benefit from a highly efficient investment solution, which limits the risk of “trapped collateral”, whilst the trading counterparties of Lumen Re benefit from the unique combination of the low credit risk of a highly collateralized capital markets reinsurer and the ease of operations of a traditional reinsurer.

<https://www.lgtcp.com>

The Kresge Foundation

The Kresge Foundation is a private, national foundation that works to expand opportunities in America’s cities through grantmaking and social investing in arts and culture, education, environment, health, human services and community development, nationally and in Detroit, Memphis and New Orleans. In collaboration with their partners, Kresge helps to create pathways for people with low incomes to improve their life circumstances and join the economic mainstream.

<https://kresge.org>

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