

Litigation Finance

What is Litigation Finance?

Litigation finance is a specialized asset-backed lending strategy that provides capital to plaintiffs, law firms, or legal entities in exchange for a share of potential case proceeds. The financing supports legal expenses, working capital, and trial-related costs and is typically repaid only upon a successful settlement or judgment. Returns are uncorrelated to traditional markets and depend primarily on legal outcomes and case-specific dynamics.



Why invest?

- **Non-correlated returns:** Outcomes are driven by legal judgments, not public market movements.
- **High yield potential:** Legal claims, especially commercial or intellectual property cases, may generate substantial risk-adjusted returns.
- **Diversified exposure:** Strategies include portfolios of cases across sectors, geographies, and claim types.
- **Structured risk mitigation:** Fund managers often invest across multiple legal matters to balance outcome variability.

Risks to consider

- **Case outcome uncertainty:** Repayment is contingent on favorable legal resolution.
 - Mitigation: Emphasis on case selection, legal merit, jurisdictional precedent, and experienced litigation counsel.
- **Lengthy resolution periods:** Legal processes may take years, limiting liquidity.
 - Mitigation: Staggered case maturities and diversified deployment help manage duration and capital planning.
- **Regulatory and ethical considerations:** Jurisdictional rules can affect enforceability and structuring.
 - Mitigation: Legal structuring and compliance oversight ensure adherence to applicable laws and ethical standards.

Conclusion

Litigation finance offers investors a differentiated, high-return strategy with minimal correlation to traditional asset classes. By funding meritorious legal claims and leveraging rigorous case underwriting, it serves as a compelling addition to private credit and specialty finance portfolios.

Common sectors or products in Litigation Finance



Commercial litigation funding: Capital for corporate disputes, contract enforcement, and fraud claims



Class action and mass tort financing: Support for large-scale consumer or pharmaceutical cases



Patent and intellectual property claims: Financing for the enforcement of patent or copyright protections



Law firm portfolio financing: Facilities secured by multiple ongoing or settled legal claims

About MA Asset Management

We have a 10+ year track record of investing in directly originated private asset-backed credit across differentiated lending strategies.

The team are focused on income generating assets that provide investors with a steady stream of monthly income. Beyond traditional private credit, we also negotiate both long-term loan flow agreements and credit facilities with originators.

MA Asset Management, LLC is a wholly owned subsidiary of MA Financial Group, a publicly listed company on the Australian Securities Exchange (ASX).

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