

Calamander Is Raising \$150M Sri Lanka Fund

By Shasha Dai

Industrial Goods/Services 6/26/2009 – Singapore investment firm Calamander Capital Ltd. has begun raising \$150 million for investments in Sri Lanka.

Calamander anticipates holding an October first close on the vehicle, Sri Lanka Private Equity Fund, at \$50 million to \$75 million, said Roman Scott, the firm's chairman. A second and final close is expected for mid-2010 on an additional \$75 million or so.

The fund will be the first private equity investment vehicle to be raised by Calamander, which traces its roots to a family office that has typically invested in real estate as well as tea and timber assets in Southeast Asia.

The vehicle will invest in companies producing tea, rubber, ceramics and coconut products. Demand for such products in Asia is recession-resistant and has become even stronger due to economic stimulus policies in countries such as China.

The fund won't be too much of a stretch for Calamander's team, which has been active in Sri Lanka for a decade, investing in such assets as tea plantations, Scott said. The team first contemplated raising a private equity fund in 2003, and had done years of diligence. Calamander stopped short of launching an offering effort previously because of the breakdown in a peace process between the Sri Lankan government and the Tamil Tiger rebels.

"What we really needed is a definite end to the conflict, not a peace process," Scott said.

The 25-year civil war finally ended in May, with the government cracking down on the Tamil Tiger movement. Calamander swiftly hit the fund-raising trail.

"Now it's time to press the 'on' button," Scott said.

Calamander will target primarily Asian investors, especially institutions and wealthy people in India, given Sri Lanka's proximity and economic ties with India.

"It's almost another province of India," Scott said. "But the asset prices are half as those in India, so the value proposition is pretty obvious."

Still, Calamander hopes to enlist some U.S. and European investors to diversify the fund's limited partner base.

The team is led by Scott, who was previously with Boston Consulting Group Inc. and had years of experience turning around troubled Asian banks. Other team members include Director Mafaz Ishaq, who worked at cement concern Holcim Ltd.

Calamander also manages several real estate and bank funds.

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<http://www.calamandergroup.com>