

Calamander sets up world's first Sri Lankan private equity fund

22 Jun 2009. Source: AltAssets

Singapore-based investment firm Calamander Group will create the world's first Sri Lanka-focused private equity fund, cashing in on the island nation's projected economic boom as it emerges from decades of ethnic conflict.

The dollar-denominated fund, to be managed by the Calamander Capital Sri Lanka team, will invest around \$50m in export-oriented, commodity-based industries such as tea (40 per cent), rubber (25 per cent), ceramics (20 per cent) and coconuts (15 per cent).

The fund will aim for a minimum annualised IRR of 30 per cent by buying stable, middle-market companies that ride the commodity boom. The minimum investment will be \$100,000.

According to Calamander's website, the firm sees the Sri Lankan economy as having strong growth potential, having recently increased to around seven per cent growth. The firm believes that per capita GDP will continue to rise in the next few years and that the exports and services industries will be the main economic drivers in that time.

Calamander says that Sri Lanka has recently seen an increase in private sector investment, and projects that the country's macroeconomic situation will remain attractive for next five to ten years, making now the ideal time to invest.

The Sri Lankan civil war appeared to end in May after over 25 years of violence, when government forces eliminated the last area controlled by Tamil Tiger rebels.

Calamander currently manages three investment funds in addition to the Sri Lanka fund.

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