

## **Turquoise to Start Iran Private Equity Fund With Swiss Bank Reyl**

By Golnar Motevalli

January 28, 2016 — 12:27 PM CET

Iranian asset-management firm Turquoise Partners plans to start a \$200 million private equity fund with Swiss bank Reyl & Cie's Dubai unit in the first half of the year as the country opens up to foreign investors.

The fund will mainly invest in Iranian consumer goods, pharmaceuticals, consumer finance and hospitality companies, which "can be ramped up and turned around because they're inefficiently managed," Chairman Rouzbeh Pirouz said in an interview in Tehran on Wednesday.

As a joint venture between Turquoise and the Dubai-based entity Reyl Finance, the fund plans to capture "the value of the consumer market that Iran has to offer," Pasha Bakhtiar, chief executive officer of Reyl Finance, said by telephone from Dubai on Thursday. The \$200 million target will be raised in several rounds, he said.

Iran is opening up to foreign investors after the lifting of international sanctions earlier this month ended a decade of isolation. Griffon Capital, a Tehran-based firm set up by a group of international and Iranian investors, said this week it's seeking to raise 100 million euros (\$108.8 million) for a new offshore fund specializing in the country's stocks.

Turquoise also started an institutional fund with Charlemagne Capital Ltd. to buy Iranian securities earlier this month. That fund, which has raised about \$50 million so far from mainly European investors, has gained about 20 percent after investing mainly in consumer and pharmaceutical stocks, Pirouz said.

Iran's stock market is the fifth-largest in the Middle East, with a market capitalization of about \$90 billion. Inflows may reach as much as \$1 billion after six to eight months, according to Reza Soltanzadeh, a founding partner at ACL Assets Management, a firm focused on the country. Saudi Arabia opened its stock market, the region's biggest, last year and has a market value of about \$349 billion.