Early Warning System

IFC-42623

DCG Vietnam Debt Fund C

Quick Facts

Countries	Vietnam
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-12-14
Borrower	DRAGON CAPITAL GROUP LIMITED
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

According to the bank document, "the proposed investment comprises of a 5-year senior loan of up to US$50 million to be extended to Vietnam Debt Fund Segregated Portfolio C (“VDeF C” or the “Fund”), a segregated portfolio to be established by Vietnam Debt Fund SPC (“VDeF SPC”), a subsidiary of Dragon Capital Group Limited (“DCG” or the “Sponsor”).

VDeF SPC currently holds two portfolios concentrating on investments in corporate bonds issued by Vietnamese mid and large size private companies. VDeF C will be established with $20 million of equity from DCG itself. In addition to the senior loan, IFC will mobilize up to US$30 million from other investors to the Fund. Through the investment, IFC will support a reputable fund management group with strong in-house capacity to assess Vietnamese local businesses, in contributing to the demand side of the market and facilitate expansion of the supply side through its work with first-time issuers.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

Vietnam Debt Fund SPC is an investment holding segregated portfolio company incorporated in the Cayman Islands, and a fully-owned subsidiary of Dragon Capital Group Limited (“DCG”). It currently holds two segregated fixed-income portfolios on behalf of itself and investors, VDeF A and VDeF B, with total of US$92 million AUM (31 December 2019), managed by DCG’s subsidiary Dragon Capital Management (HK) Limited. The portfolios invest in VND denominated debt obligations owed or guaranteed by the Government, Vietnamese provincial governments and municipal authorities, state-owned enterprises and private-owned companies.

DCG is the holding company for an institutional-grade group (the “Group”) which has been managing foreign assets in Vietnam since 1994 and is an independent asset manager with approximately US$3 bn (as of 31 December 2019) under management, invested in listed equity, clean-tech, fixed income and real estate, managed on behalf of international pension, sovereign wealth funds and endowments. The Group is the biggest player in terms of investment value for Vietnamese listed equity after the Government of Vietnam. It operates out of offices in Ho Chi Minh City, Hanoi, Hong Kong, Bangkok and the UK. The Group’s funds focus has been primarily in Vietnam while it also manages a strategic proprietary equity portfolio invested in various companies across the South East Asia region.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Dragon Capital Group Limited	Parent Company	-
-	-	-	-	Vietnam Debt Fund SPC	Client	-

Contact Information

1/ The Project Contact

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2/ IFC Contact

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/