Early Warning System

IFC-45903

Valor IV

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Quick Facts

Countries	Brazil
Specific Location	UNINFORMED
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-12-09
Borrower	VALOR IV
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 16.00 million

Project Description

The proposed is an equity investment of up to $20M in Valor Venture Fund IV (“Fund IV”). Fund IV is Cayman domiciled, investing in early stage technology companies in Latin America (“LAC”), predominantly in Brazil

People Affected By This Project

1. Increased access to early stage equity and operational value add for technology companies in Brazil. The fund will provide access to equity and value-creation for investees by helping raise follow-on capital, introducing experts into portfolio companies to accelerate growth and leveraging their networks and relationships to enable scale. The fund has demonstrated success with their previous funds. Access to VC in Brazil has increased significantly over the last few years but remains low compared to the size of its economy. The country's penetration rate (VC investment volume relative to the size of the economy) of 0.07 percent is only half that of the total emerging market penetration rate. 2. Increased disruption of key markets through the support of market-disrupting digital business models: The Fund is supporting investees developing tech-led innovative solutions to disrupt various real sector business models. IFC expects this will increase competitiveness across markets in Brazil that are characterized by low productivity, poor efficiency and low competition. The investees' innovative businesses models can strengthen supply chains by reducing the role of brokers and intermediaries, improve price transparency, and have a demonstration effect by catalyzing replication from new entrants. In markets where investees grow rapidly and become sizeable market players, innovation at scale can generate large impacts on a market's competitiveness by pushing traditional players to innovate or reducing traditional incumbents' market share.

Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Valor Venture Fund IV (Financial Intermediary) **is owned by** Valor Ventures LLC (Parent Company)

Private Actors Description

According to the IFC, the Fund IV manager is Valor Venture Management LLC; GP is Valor Venture Partners IV L.P., Cayman. Fund IV is successor to the following early-stage funds: Valor Venture Fund I, a 2013 vintage fund with $36.3M in commitments, Valor Venture Fund II, a 2017 vintage fund with 80.7M in commitments, and Valor Venture Fund III, a 2019 vintage fund with $203M in commitments. The Manager has also previously raised Valor Opportunity Fund I, a 2019 vintage, $150M growth stage venture fund

Contact Information

Valor Capital Group
Scott Sobel
Partner
212-803-7170

http://valorcapitalgroup.com

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries.

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

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/