

 Early Warning System

IFC-45903

Valor IV



## Quick Facts

Countries	Brazil
Specific Location	UNINFORMED
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	FI
Voting Date	2021-12-09
Borrower	VALOR IV
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 20.00 million



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## 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



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## 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.



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## Investment Description

- International Finance Corporation (IFC)



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## Contact Information

Valor Capital Group  
Scott Sobel  
Partner  
212-803-7170

<http://valorcapitalgroup.com>

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

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