

**Press release****DEG: USD 11.8 million for Brazilian impact fund**

- **Participation in the Vinci Impact and Return Fund IV**
- **Target volume of up to USD 150 million**
- **Focus on positive development impact**

**Cologne, 17.11.2020  
No. 11**

Enquiries:

Press office  
Anja Strautz  
Phone: +49 (0)221 4986-1474  
Email: [presse@deginvest.de](mailto:presse@deginvest.de)  
[www.deginvest.de](http://www.deginvest.de)

5 DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, is helping small and medium-sized enterprises in Brazil to gain access to long-term finance: it is the anchor investor in the Vinci Impact and Return Fund IV (VIR IV), contributing up to USD 11.8 million. The fund invests in small and medium-sized enterprises. The sector focus is on areas  
10 currently seen as particularly relevant, such as education, healthcare, IT and healthy and environmentally friendly consumer goods.

DEG – Deutsche Investitions- und  
Entwicklungsgesellschaft mbH  
Kämmergasse 22  
50676 Cologne  
GermanyResponsible:  
Cordula Rinsche  
Head of Corporate Communications,  
Spokeswoman

Other investors that already approved VIR IV include the Brazilian Development Bank (BNDES), the Inter-American Development Bank (IDB) and the French development financier PROPARCO. By the end of  
15 the first subscription round, approved commitments had already reached USD 87 million. The fund is aiming for a total volume of up to USD 150 million.

For SMEs in Brazil, the limited supply of equity capital is an obstacle to growth. This is where the Vinci Impact and Return Fund IV comes in. The  
20 focus is on businesses in less developed regions, such as the north and north-east of the country, and enterprises managed by previously disadvantaged groups. Other important factors include positive development impact and high environmental and social standards on the part of the financed enterprises.

25 As Gunnar Stork, head of DEG's Corporates/Project Finance/Funds Africa/Latin America division, comments: "With our commitment we are supporting Brazilian SMEs, which are particularly important during the coronavirus pandemic. As the anchor investor in VIR IV, DEG strengthens the fund's capital base, thereby mobilising other investors".

30 The fund manager of VIR IV is Vinci GGN Gestão de Recursos Ltda, a subsidiary of Vinci Partners Investimentos. Vinci has invested more than R\$ 4.1 billion (approximately USD 1.8 billion) across 30 investments to date within the most diverse market cycles. Vinci Impact and Return has

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35 improved its successful investment strategy of pursuing growth equity and equity-like investments in Brazil, now adding impact to its core with VIR IV.

40 As one of Europe's largest development finance institutions, DEG not only finances businesses directly but also makes long-term funding available to banks and funds. These financings help to promote the provision of long-term loans to small and medium-sized enterprises. DEG also supports investors by advising on environmental and social management. This has positive effects on the companies they co-finance, for instance in the form of improved occupational health and safety.

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