



THE LANDSCAPE OF IMPACT INVESTING IN MEXICO

February 2017

Investors profile



42 firms made impact investments in Mexico between 2014 and 2015



15 investors focused exclusively in Mexico while 27 are international investors



The majority (81%) started investing in the country after 2008

Assets under management

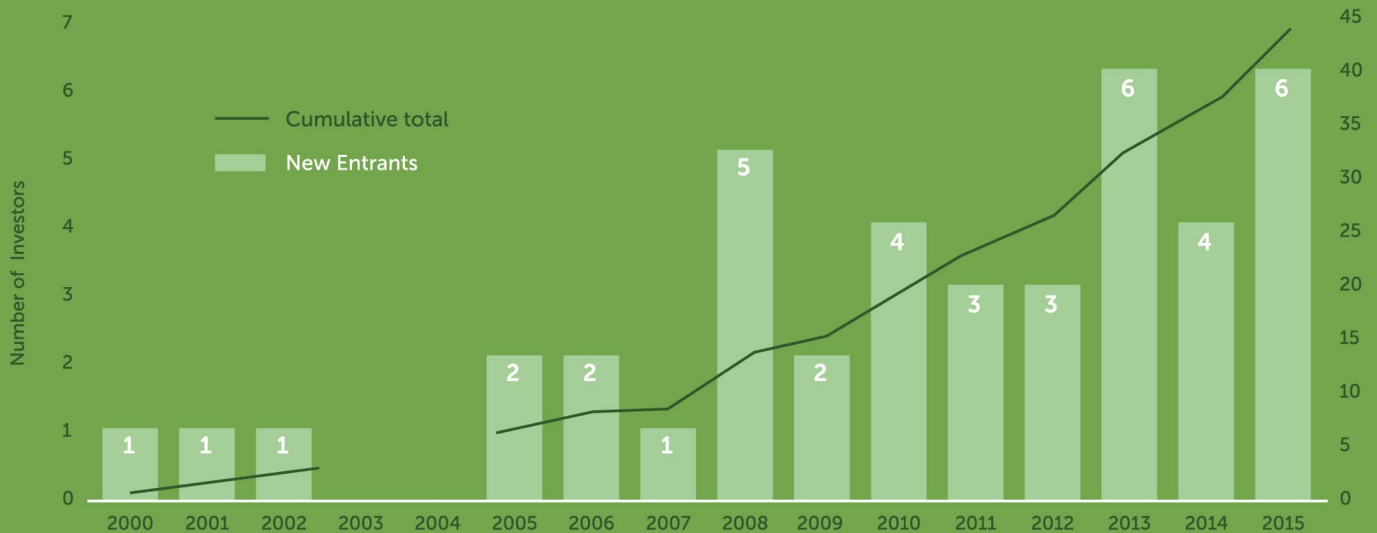


US\$392 MILLION REPORTED BY 15 INVESTORS

US\$33 MILLION IS ONLY OF MFI INVESTORS

US\$26 MILLION ON AVERAGE PER FUND

Year of First Impact Investment in Mexico (2016 data excluded)



Sectors Financial inclusion is 33% of the investment, Health 13% and Agriculture 11%

Deals by sectors in 2014-2015

Sector	Number of Deals	Total Capital Deployed (US\$M)	Average Deal Size (US\$M)
FINANCIAL INCLUSION (NON-MFI)	8	\$11.1	\$1.6
FINANCIAL INCLUSION (MFI)	7	\$31.8	\$4.5
HEALTH	6	\$5.9	\$1.2
AGRICULTURE	5	\$5.2	\$1.0

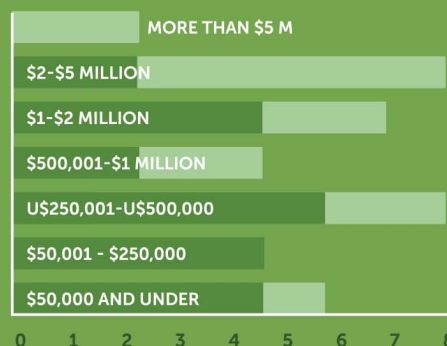
Ticket size

Average ticket size

2014: US\$ 2 million
2015: US\$ 1,2 million



When deals invested in microfinance institutions are excluded, the average deal size from international investors is US \$770,000, compared to average deal size of US \$1 million from Mexican-focused investors.

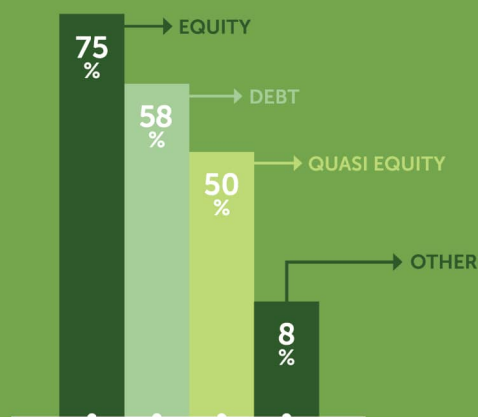


Distribution of Average Ticket Size by Investor Type

● MFI INVESTORS
● NON MFI INVESTORS

Type of investments

Financial Instruments Used



Return expectation

Net annual return expectation in Mexico

	International (n=12)	Mexico (n=11)
Negative	8%	0%
0-5%	25%	9%
6-10%	17%	9%
11-15%	33%	0%
16-20%	17%	18%
21-25%	0%	27%
More than 25%	0%	36%

Fundraising expectation

5 Mexico focused investors plan to raise US\$ 136 million in 2016



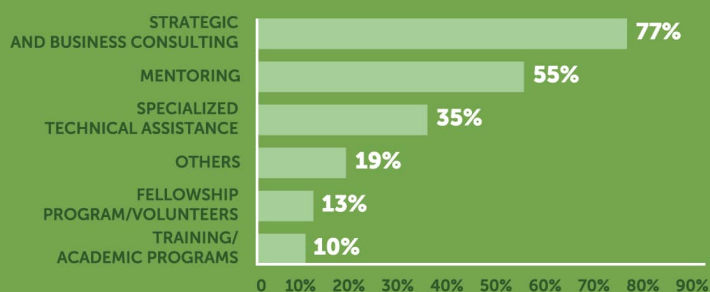
72% of Mexican based funders have been able to raise funds from local actors



Financial inclusion, agriculture and health are the sectors most likely to receive investment in 2016

Post Investment Support

Type of technical assistance



Impact measurement

- 50% of Mexican focused firms are actively measuring their social impact.

- Most of them use in-house metrics, GIIRS or IRIS to evaluate impact.

Gender:

41% of investment firms have no women among their portfolio as part of founding teams. 26% of investment firms have 10% of their portfolio with women as founding teams.

RECOMMENDATIONS FOR THE SECTOR IN MEXICO



Foster collaboration, especially with public and private sector



Broaden university engagement and work on Talent development



Riskier Approaches to early stage investment



Coordinate communication efforts to other sectors

Access the complete study at www.andeglobal.org
Further info contact katia.dumont@aspenninst.org