



Mexico



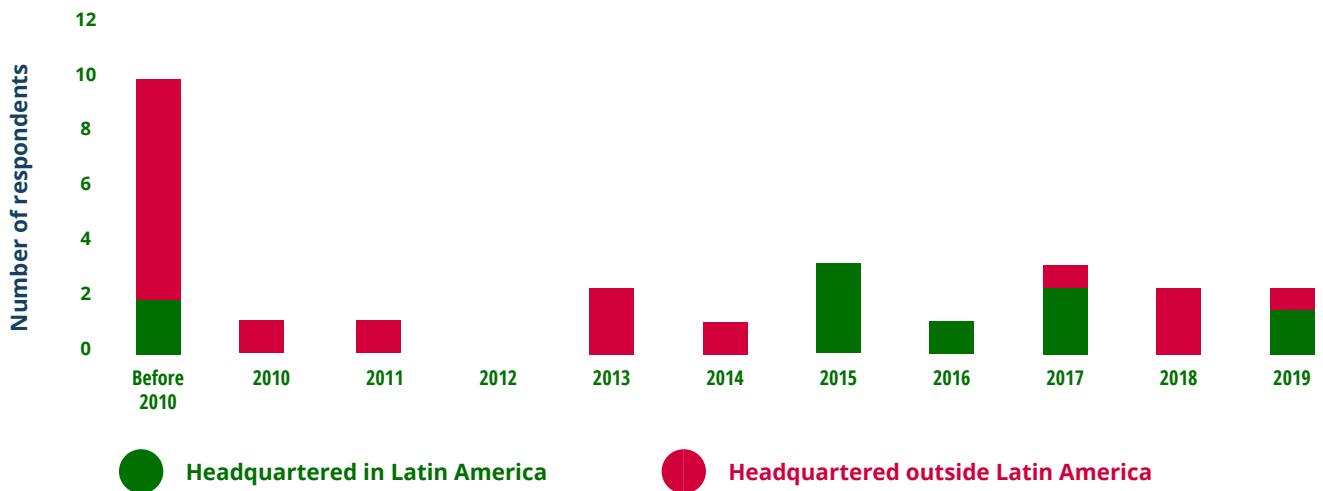
In September 2020, the Aspen Network of Development Entrepreneurs (ANDE) published a study titled “Impact Investing in Latin America”, which examines trends in the region during 2018 - 2019 and features deep dives into three focus countries. Read below about data collected on impact investing in Mexico.

To view the full report, visit ANDEglobal.org

This study includes 31 impact investors who have dedicated AUM to investments in Mexico. Eleven are investors based in Mexico, three are based in other Latin American countries, and 17 are based outside the region.

Impact investors that participated in this study began investing in Mexico as early as 1999. Respondents based in Latin America mostly began investing in Mexico the last five years, while those based outside the region have been consistently entering the market for the past decade (Figure 26).

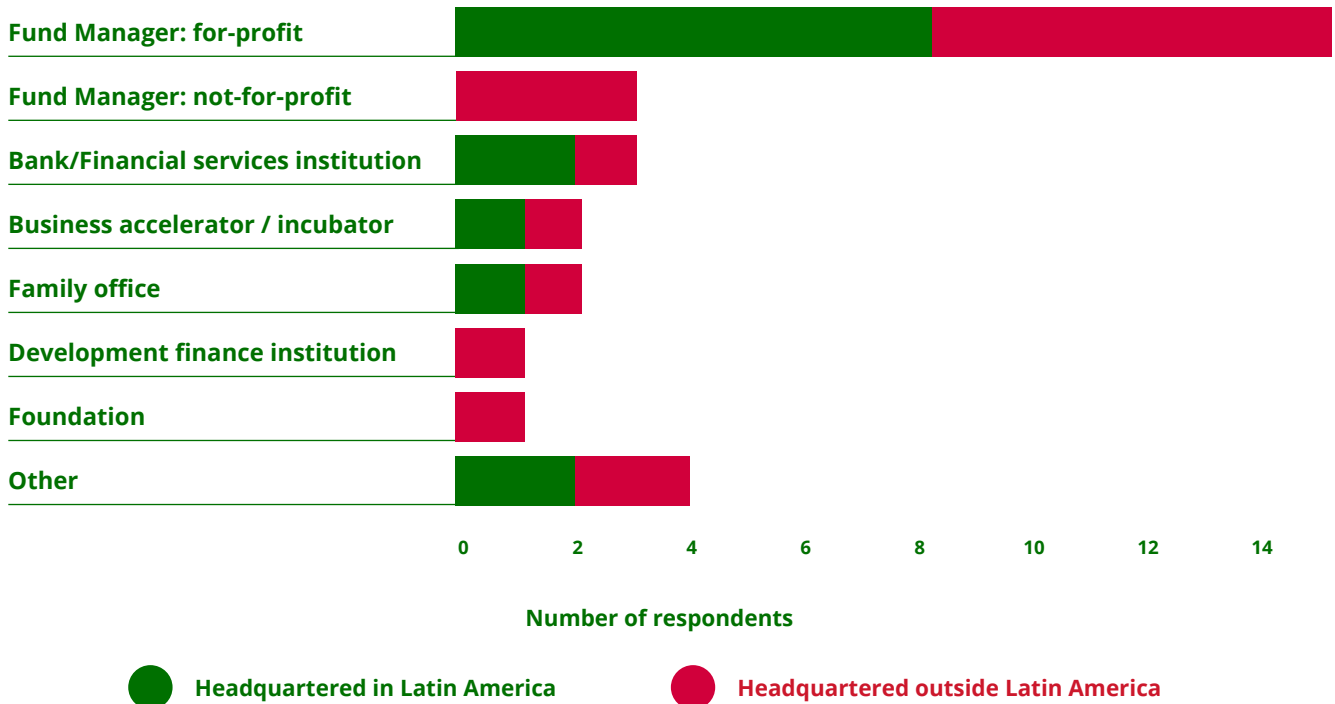
Figure 26: Year of first investment in Mexico by investor headquarters location



N = 26

As shown in Figure 27, most impact investors with AUM targeting Mexico identify as for-profit fund managers (48%), followed by not-for profit fund managers (10%) and bank or financial service institutions (10%).

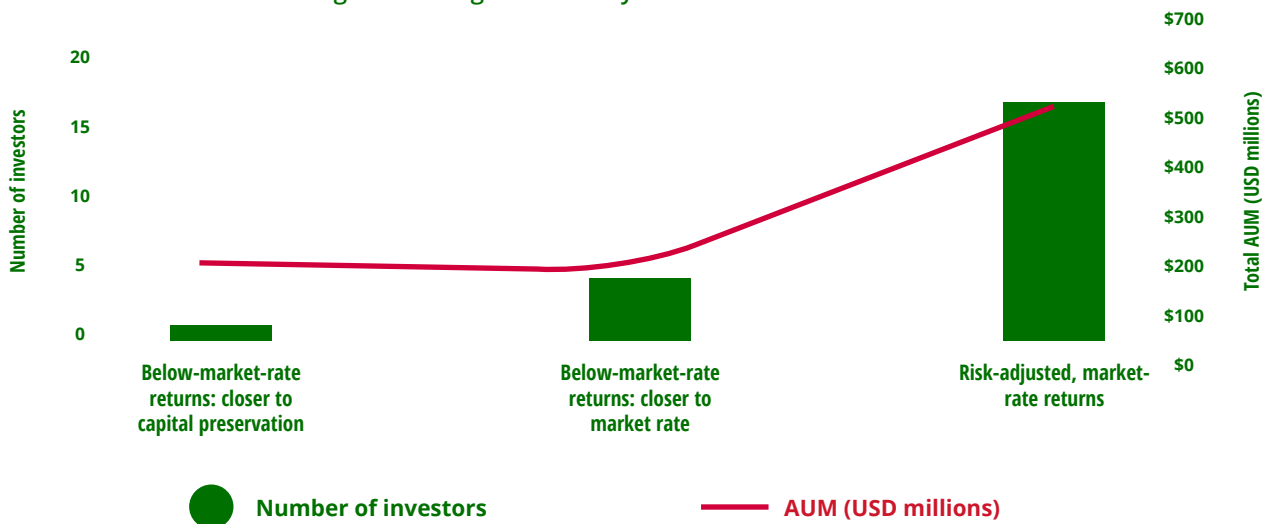
Figure 27: Organization type by investor headquarters location



N = 31

Respondents are most likely to target market-rate returns, both in terms of the number of investors and the total AUM represented by these investors (Figure 28).

Figure 28: Target returns by number of investors and AUM

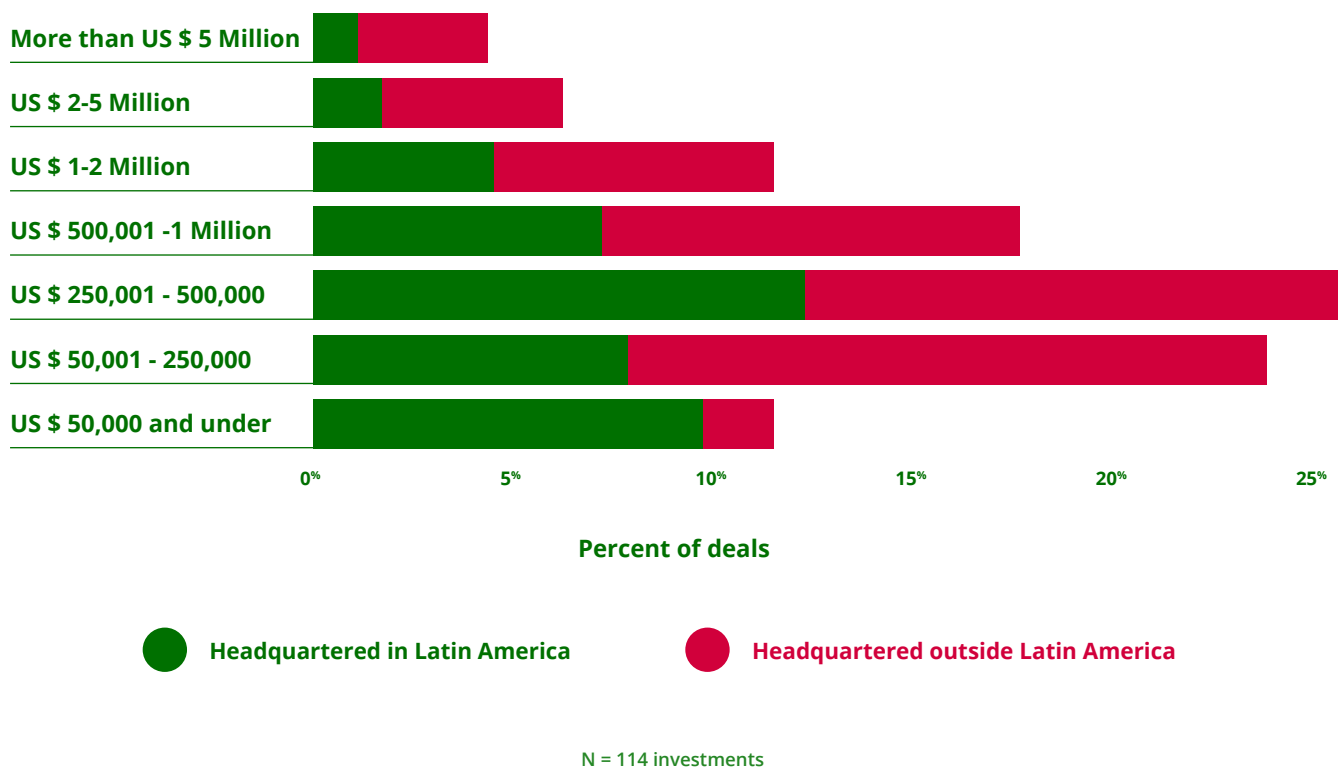


N = 24 investors with total AUM of \$718 million targeting Mexico

Seventeen investors shared information about their individual deals made in Mexican companies in 2018-2019, including 114 deals totaling \$107 million. More than three-quarters (77%) of the impact investments made in Mexico in 2018 and 2019 were directed towards expansion/growth stage ventures. These deals accounted for 93% of the capital disbursed. The next most common deal stage was early, with 14% of deals and 7% of capital deployed. Most deals were made using debt (79%), followed by equity (13%) and quasi-equity (8%).

While a similar number of deals were made by investors headquartered in and outside of Latin America, the majority of capital deployed came from investors headquartered outside the region, as these investors tended to invest using larger ticket sizes (Figure 29).

Figure 29: Deals in Mexico by ticket size and headquarters location



Agriculture (25% of deals), biodiversity (21%), and microfinance (18%) were the most common sectors targeted by investments in Mexico. In terms of capital disbursed, financial services and microfinance received more than half (54%) the total capital invested in Mexico in 2018-2019.

Of the eleven impact investors headquartered in Mexico, all measure their impact and eight (73%) use the IRIS+ system. This is significantly higher than the region as a whole, suggesting that Mexican investors are regional leaders in uptake of standardized measurement systems.