



## LAVCA 5th Annual Summit

**“Conveying the Story of LatAm Opportunities”**

**Guatemala - March 16th, 2007**

**Mexican Association of Private Equity AMEXCAP**

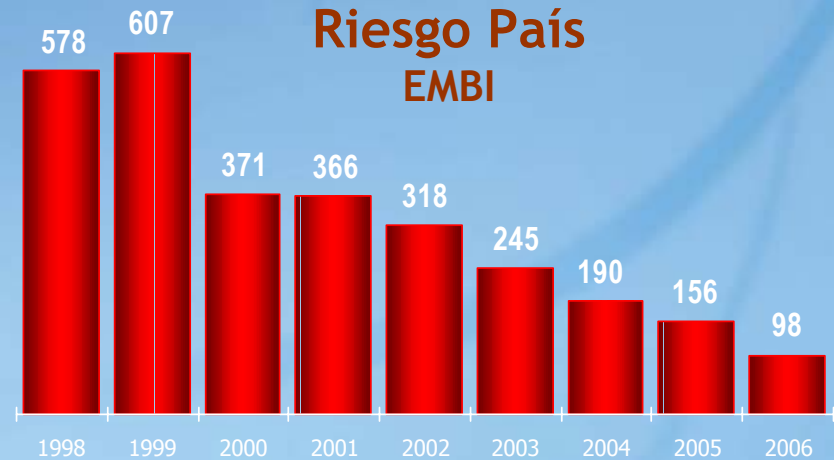
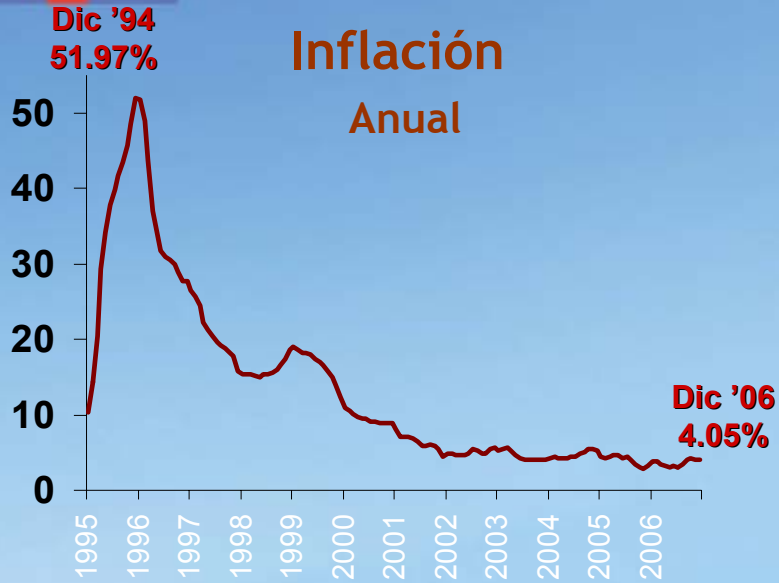
# ***AMEXCAP Mission and Initiatives***

- **Our mission is to further the role of VC/PE in Mexico**
  - **Propose public policy for VC/PE development**
  - **Train investors, entrepreneurs and advisors**
  - **Foster public awareness of our industry**
- **2006 Initiatives**
  - **9 national conferences**
  - **6 venture capital seminars**
  - **3 representations at international events**
  - **Bi-monthly e-mail bulletin**
  - **Website Q&A with entrepreneurs**
  - **Census of VC/PE activity in Mexico w/Deloitte**

# ***AMEXCAP Lobbying and Training***

- We helped develop key regulations that will facilitate VC/PE fund investing
  - FICAPs (domestic tax-transparent vehicles)
  - SAPIs (more flexible and secure incorporation statutes)
- In coordination with Nafin's Fund of Funds, we had our First Annual Conference (200 participants, 15 presentations)
- Our training effort multiplied through joint programs with leading universities IPADE and ITAM in 6 key cities
- We also tailored seminars for Focir in Mexico and for BMI in El Salvador

# Mexico's Positive Indicators



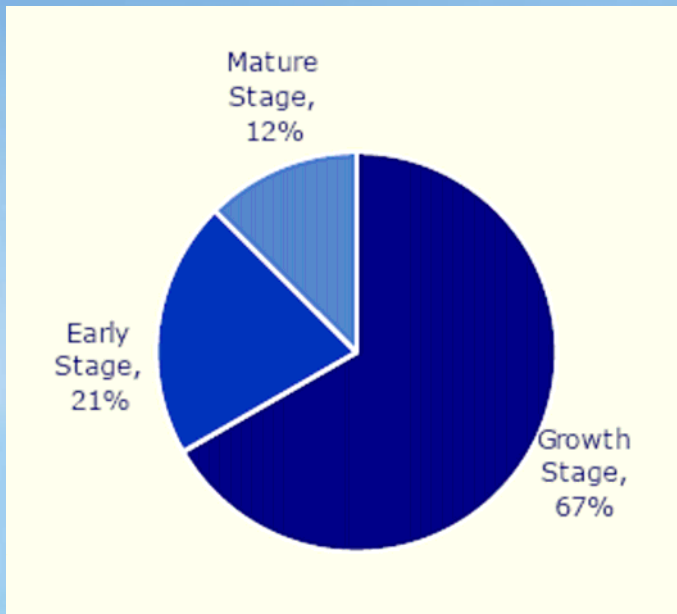
Riesgo País América Latina	Puntos Base (Dic 06)
<b>México</b>	<b>98</b>
<b>Argentina</b>	<b>223</b>
<b>Brasil</b>	<b>196</b>
<b>Uruguay</b>	<b>175</b>
<b>Chile</b>	<b>83</b>

# Key Survey Findings

- 32 active funds, 21 participated in Deloitte survey
- 13 are subs of foreign managers, 8 are local
- 40% of respondents manage 2 or more funds
- Pledged capital had 36% CAGR to **\$ 2,8 billion in 2006 !!**
- Average fund size also almost doubled to **\$ 160 million**
- Annual investments averaged **\$ 900 million in 2004-06**
- Average investment size ranges from \$ 6 to 27 million
- One-third of situations lead to minority ownerships

# Key Survey Findings

## Focus on growth equity...

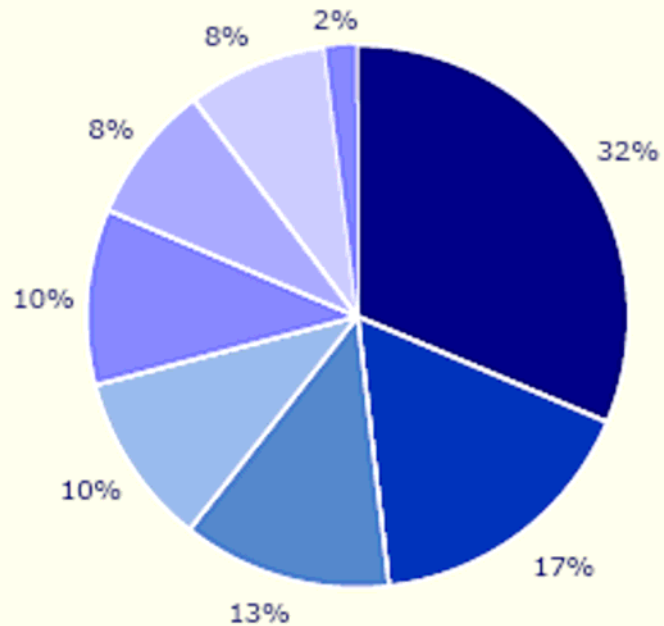


## No IPO expectations...





# Obstacles



- Falta de cultura de inversión por parte de las empresas
- Falta de seguridad jurídica
- Otro impedimento
- Falta de habilidades de la Administración
- Alta regulación o leyes más restrictivas
- Falta de políticas de Gobierno Corporativo
- Falta de normatividad
- Rendimientos esperados fuera de realidad

- The most important obstacle is lack of VC/PE culture
- Second most important is legal security
- AMEXCAP efforts are now geared towards more intensive promotion:
  - Product
  - Legal Framework
  - Success Stories

# ***Current AMEXCAP Issues***

1. How can we best convey the Mexico story to LP's?
2. How can we foster the VC/PE culture to entrepreneurs?
3. How can we gather complete industry stats? **\$\$\$ and IRR**
4. How can we increase domestic funding for VC/PE?

**[www.amexcap.com](http://www.amexcap.com)**