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"Market-based and institution-based financing: analysis of the development of the financial sector in Mexico"

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A mis padres, que trabajan incansablemente para darme los recursos necesarios para crecer, que siempre han creído en mi y que son mi motivación para convertirme en la mejor versión de mi mismo.

A mi hermana, con quien comparto mis más grandes sueños para llegar lejos y que con su ejemplo me motiva a trabajar todos los días para alcanzarlos.

Abstract

This paper analyzes the current development of the Mexican Stock Exchange (BMV) and the private equity industry in Mexico. Only 150 companies are listed in the BMV, as well, the PE industry has not fully developed when compared to other developing nations; this is a consequence of misconceptions of the capital markets in the country. The objective of this paper is to present a perspective of the importance of small and medium companies in Mexico and the reasons why they are not considering the participation of public and private investors as shareholders. First, an analysis will be presented about the development of the BMW and its major challenges. It then goes to describe the growth of the private equity industry and the difficulties for its development. Finally, the paper presents the cases of two energy firms that have benefited from the use of market-based and institution-based financing.

Key words: *family corporation, Mexican Stock Exchange, public company, financial market, initial public offering, private equity*

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1. Introduction

In Mexico, the size of financial markets does not correspond to the aggregate size of the economy. It is widely acknowledged that the number of firms listed in the Mexican Stock Exchange (hereafter BMV), currently 150, is relatively small in relation to the country's gross domestic product[1], and that represents challenges and opportunities for firms and investors alike. For example, Revista Expansion (2013) says that Endeavor estimated that around 7,000 domestic firms have been identified as having the qualifications to be publicly listed, they also estimated that if 70 medium sized companies enter the BMV, placing either equity or debt, the economy could grow an additional one percent.

Likewise, the share of the local private equity industry (PE) is relatively small when compared to the size of the Mexican economy. It is understood that private equity investments represent only 0.003 percent of the country's GDP, which is clearly a small percentage vis-à-vis other developing nations like India with 0.31 percent of GDP, China with 0.15 percent and Brazil accounting for 0.09 percent (Forbes, 2016). This industry faces some of the same limitations as the BMV when trying to attract the interest of shareholders to open to their companies to other investors.

[1] In 2016, the market capitalization of the Mexican Stock Exchange (BMV) accounted only to the 33.5 percent of the gross domestic product (World Bank).

Small and medium sized companies, most of which are family owned, represent one of the main pillars of the Mexican economy. According to Mexico's National Commission for the Protection of User of Financial Services (CONDUSEF)[2], just in 2017 these firms contributed as much as 52 percent to the country's GDP and generated about 72 percent of jobs in the country. Nonetheless, the fact these companies are private, that is, they are not listed in the stock market, is an obstacle to the expansion of financial markets as these firms are closed to the participation of public and private investors.

The objective of this paper is to present a perspective of the importance of small and medium companies in Mexico and the reasons why they are not considering the participation of public and private investors as shareholders. Also, this paper seeks to analyze the benefits that access to financing through public and private equity brings to organizations in their path for development, being energy firms a case in point. Among these benefits is the encouragement of firms to consider new alternatives of financing that go beyond traditional bank loans and that could help expand operations and guarantee a growth rate that could take the company to a higher level in the market.

The energy industry in Mexico has experienced a rapid transformation since the constitutional reforms were approved by the congress in December 2013. New companies have surged in the country and existing ones have been expanding their operations.

[2] Comision Nacional para la Proteccion de Usuarios de Servicios Financieros

Companies such as Vista Oil and Gas and Zuma Energía have used the financial markets and other alternatives for financing, like private equity institutions, to raise capital to support their expansion and consolidation in the Mexican market. These companies are analyzed in this work as examples of the success that organizations can achieve when they decide to allow the participation of public and private investors.

The organization of this paper is as follows. First, it will deal with market-based financing, which includes the current situation of the Mexican Stock Exchange, the requirements that companies need to fulfil to present a request for an initial public offering (IPO), followed by an analysis of the family companies in Mexico and their performance and presence in the BMV. In the second section, the discussion sheds light on institution-based financing focusing primarily in private equity funds. A perspective will be presented on the status of the industry in the country followed by the challenges it is facing during its development in Mexico. Furthermore, this research presents the benefits that small and medium companies obtain when they access the market through the stock exchange or when they receive investment from private equity funds. Finally, in order to exemplify the benefits that alternative financing brings to Mexican companies, a case study will be presented focusing on the energy industry; the cases of two companies that accessed market-based and institution-based financing will be discussed, first Vista Oil and Gas which debuted in the Mexican Stock Exchange in 2017 followed by Zuma Energía that was funded by large investments placed by private equity institutions.

2. Problem

The lack of development of the financial industry in Mexico is caused in great part due to the lack of knowledge on the part of companies about alternatives for financing projects and operations. There is a lack of knowledge among Mexican companies regarding market-based and institution-based financing alternatives. For example, the idea that only large consolidated corporations can access the Stock Exchange is discouraging for small and medium firms to consider it as an option for accessing to capital.

The fact that most of the small and medium sized companies in Mexico are family owned is also complicating the development of the Mexican financial sector. Issues like family legacy, the fear to lose the control of organizations through buyouts, and the problematic of aligning family and company's interests, are examples of reasons why these firms are not considering the inclusion of private and public investors as shareholders.

The importance of addressing this issue is related to the promotion of these alternatives of financing that benefit not just companies, but also the economy as a whole. Better financed enterprises can expand and grow at rates that can contribute to the growth of the Mexican economy. The success of these enterprises means generation of jobs, productivity gains at the firm and country level and expansion of investments placed in the Mexican market.

3. Methodology

The methodology used in this paper is the review of databases related to the size and sophistication of the Mexican stock market and private equity industry in Mexico. This research analyzed databases such as the World Bank for official data regarding market capitalization of the stock exchange and other figures like gross domestic product, the World Bank is one of the most reliable sources for official values of GDP and market capitalization of listed companies. Due to the timeliness and assurance of market related data, Bloomberg was used to obtain information about companies' performance and market capitalization as well as stock float, which shows the percentage of ownership of tradeable shares. The BMV Group was used to access general information of listed companies; trough corporate fillings, this intuition gathers official market data, performance numbers and general information of public companies, making it the most suitable resource for accessing information of the Mexican Stock Exchange. The Mexican Association of PE and VC firms served to obtain related data to understand the current situation of PE institutions in the country; since this organization currently represents most of the PE funds in Mexico, the relevance of data presented can be used to reference the situation of the entire private equity industry in the country.

Finally, semi-structured interviews with key actors of the financial industry were used to corroborate arguments and obtain information to construct thoughtful statements. Information gathered from the interview was reviewed with the existing literature to find empirical and conceptual gaps. Interviews were held with Enrique Covarrubias, chief economist at Actinver, Mr. Richard S. Swasey Jr., Senior Lecturer of Finance in the D'Amore-McKim School of Business at Northeastern University, and a finance professional from Zuma Energía who requested to remain anonymous. Questionnaires of interviews held with the representative of Zuma and with Enrique Covarrubias can be found in Exhibit 1 and Exhibit 2, respectively.

4. Literature

As noted earlier, the purpose of this paper is to analyze the current situation of market-based (BMV) and institution-based financing (PE) in Mexico, as well as the benefits they can provide to companies that decide to use them as alternatives for accessing capital. In this research, market-based financing is represented as the Mexican Stock Exchange and institution-based is represented by private equity firms.

I. Growth and development of the Mexican Stock Exchange

The Mexican Stock Exchange is comprised of 150 companies that operate in different industries such as financials, telecommunications, real estate, food and beverages, retail and energy. As of 2017, the BMV has a market capitalization of about $417 billion dollars[3] with positive forecasts for growth; however, the Mexican financial market is not growing at the pace that the size of the economy requires. Figures 1 and 2 illustrate the market capitalization of the Mexican Stock Exchange compared to the market capitalization of other emerging economies. As it is noted in the graphs, Mexico is falling behind other emerging economies when comparing the size of their Stock Exchanges as a percentage of their GDP. The market capitalization of the BMV accounts only to 33.5 percent of Mexico's GDP; in other cases,

[3] Estimated market capitalization of listed domestic companies in 2017 by the World Bank

like Brazil and South Korea, the stock exchange represents larger proportions of the GDP with 42 and 89 percent, respectively.

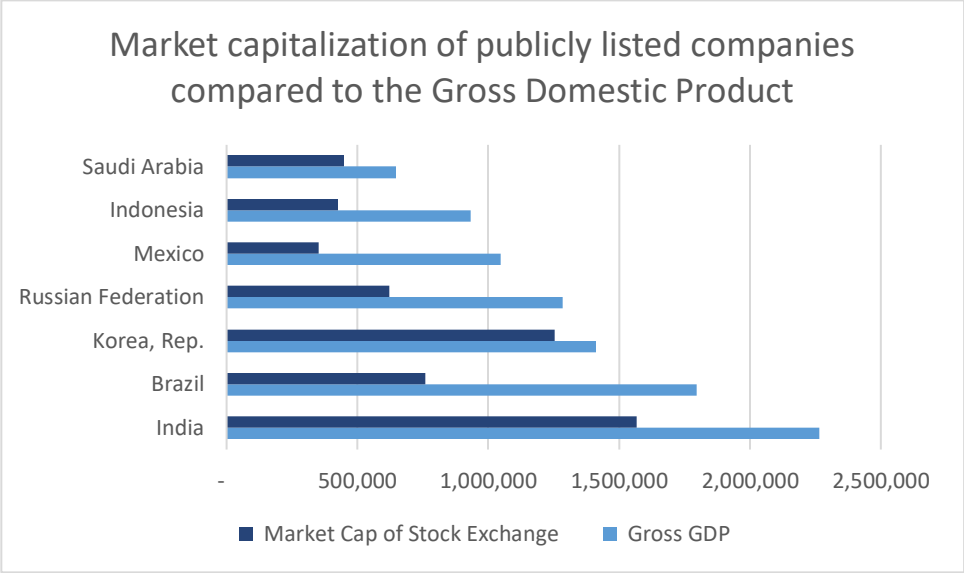

Figure 1. Comparison between the market capitalization of stock exchanges and the gross domestic product of emerging economies. *Source: elaborated by the author based on data from the World Bank*

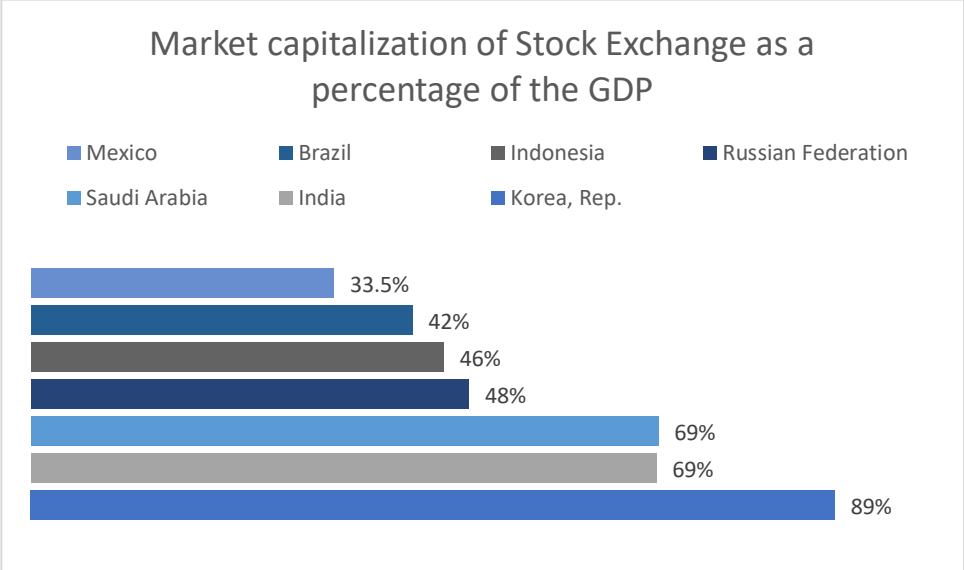

Figure 2. Market capitalization of the Stock Exchange as a percentage of the Gross Domestic Product. *Source: elaborated by the author based on data from the World Bank.*

There have been almost no changes in the recent years regarding the number of companies that are listed in the stock exchange. The number of companies listed in the BMV between 2003 and February 2018 can be seen in Figure 3; the number of companies listed has varied over the years, but it has not exceeded 160 listings. As can be seen in 2006, the BMV experienced a high turnover with 24 companies leaving the stock exchange and 4 companies presenting their initial public offering. The number of listings remained constant during the 2008-2009 economic crisis and since then the number of public companies has been recovering. As Revista Expansion mentioned in 2013, Endeavor conducted an analysis which estimated that if 70 medium sized companies enter the BMV, placing either equity or debt, the economy could grow an additional 1 per cent.

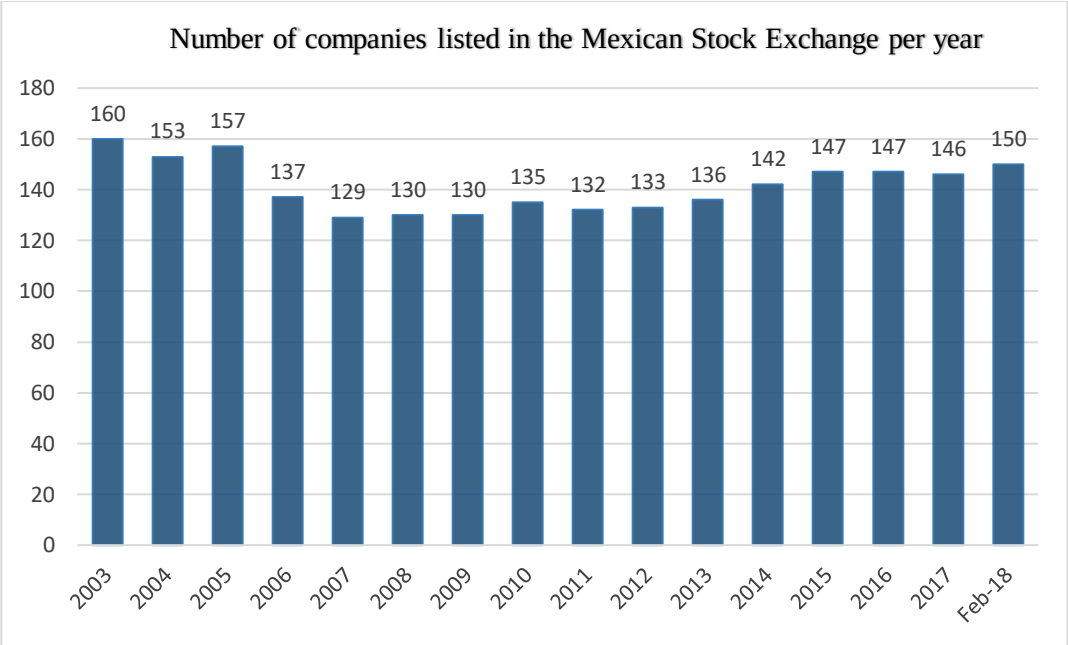

Figure 3. Changes in the number of listed firms in the Mexican Stock Exchange Between 2003 and February 2018. *Source: Created by the author based Asociación Mexicana de Intermediarios Bursátiles (2014)*

Mexico is also experiencing a geographical segregation of the stock exchange. Only 10 out of the 32 states that conform the federation have companies listed in the BMV. Mexico City and Nuevo Leon concentrate 81 percent of the listed organizations (Sánchez, 2015). States whose GDP has grown more exponentially like Quintana Roo, Queretaro and Sonora do not even have one public company (Sánchez, 2015). Figure 4 shows which are the states that currently have a listed company in the Mexican Stock Exchange; states with representation in the BMV are: Mexico City, Nuevo Leon, Jalisco, Mexico, Guanajuato, Durango, Coahuila, Chihuahua, Sonora and Baja California.

Figure 4. Map highlighting the States in Mexico that have at least one company listed in the Mexican Stock Exchange. *Source: Elaborated by the author based on data from Sánchez, A. 2015.*

Different alternatives have been proposed to eliminate the segregation of states that do not have listed companies in the BMV. The most relevant has been the formation of a second Stock Exchange in the country; one of the proposals was to divide the country in North and Center-South regions. The inclusion of province-based companies based on other states is needed to strengthen the Mexican Stock Exchange. However, even when headquarters of companies are located in specific states, the value of these companies is generated in communities all over the Mexican Republic. It is important to recall that the location where value is created is more important than the location of headquarters.

Enrique Covarrubias, chief economist at Actinver, the biggest investment management firm in the country, argues that a country with the growth rates of Mexico, should have between five to ten times more companies listed in the Stock Exchange, that is at least 750 companies. Actinver is also a clear example of companies that struggle to find Mexican companies to invest in; Actinver is the institution that holds the more number of traded shares of Mexican firms in the world, however, they only hold equity from 60 Mexican public companies.

The low number of public companies is a consequence of three major limitations. First, the fact that family companies feel that including participation of public investors is a betrayal to the legacy of the family. Second, the lack of professionalism of companies in

terms of having complete and accurate financial statements. Third, the lack of corporate governance structures in companies which is essential for institutionalizing organizations.

Mr. Covarrubias mentions that there is a cultural factor in Mexico that affects both the buy side and the sell side of markets[4]. In terms of the sell side, there is skepticism and lack of interest from companies due to family legacy reasons; believing that when they place equity in the market they are betraying the family because its legacy is on sale. However, the BMV offers examples of family-controlled companies that has expanded internationally owed to the access to capital provided by markets. While the argument on the family legacy is valid, it fails to illustrate the case of successful public firms.

On the buy side, there are two main constraints. The first one is that culture of education in financial markets is not prominent. In Mexico, the figure of programs such as the 401k[5] in the United States, has no presence in society. These types of programs require people to be more proactive in understanding the financial markets since each individual is responsible for their investments, even when they are clients of investment advisors. In Mexico the figure pension funds are represented by AFORES (Administradoras de Fondos

[4] The sell side of the market is involved in the promotion and sell of financial instruments such as stocks, bonds, etc.; the buy side is conformed of investing institutions like mutual funds, pension funds or hedge funds that purchase large amounts of these instruments.
[5] 401k is a defined contribution (DC) retirement account used in the United States that allows employees to invest a pre-tax portion of their paychecks.

para el retiro); nonetheless, the number of alternatives for investing are limited to only 10 administrators and the involvement of the employee in investment strategies is minimum.

The second constraint, is the culture of saving among Mexicans which is one of the lowest from countries of the OECD, by law the percentage of retained income is 6.5 percent[6], the average rate in the country is only around 7 percent of the household income. This is not just a cultural trait, this is a consequence of the level of income that the median population earns, which is not enough to support savings among Mexican families.

Mr. Covarrubias argues that even though there are limitations on the number of public companies in the Mexican Stock Exchange, financial markets in the country have been developing in the past years, mostly by the increasing number of companies placing products different to equity into the market such as bonds, Fibras[7] and CKDs[8]. During the last two years, more companies are placing debt instruments into the stock exchange as expectations of increasing interest rates have prevailed among the markets. This year Petroleos Mexicanos (Pemex), Bimbo and BBVA Bancomer have placed large amounts of debt in the market; together they have placed almost 2 billion dollars in corporate bonds (Bolsa Mexicana de Valores, 2018).

[6] The 6.5 percent is conformed by 1.125 percent retained from the employee's salary, 5.150 percent paid by the employer and 0.225 paid by the government.
[7] FIBRAS, or Fidecomisos de Infraestructura y Bienes Raices are trusts destined to the construction and purchase of real estate properties with the purpose of leasing them to generate returns over investments.
[8] CKD, or Certificados de Capital de Desarrollo are instruments dedicated to finance projects and acquisitions of firms

The optimal capital structure for companies in Mexico does not include a high percentage of debt, this is because there are not enough fiscal incentives from the government to promote the placement of these types of instruments into the financial market. Currently there are only about 100 companies that have placed debt instruments through the Mexican Stock Exchange. This number is again small when compared to the pace to which the Mexican financial markets should be developing.

II. Requirements for companies to go public

The Mexican Stock Exchange determined the basic requirements for companies to present a proposal for an initial public offering (IPO); this list includes financial requirements and six steps to follow to present a bid for listing. In terms of financials, companies should have at least 3 years of operations, statements of financial position with more than 20,000,000 Mexican Unit Index in balance (1UDI=6.00 MXN) and a positive sum of net income in the last three years (Calzada 2017). The BMV Group published on their website the six steps to follow to fill-in a request for an initial public offering (Figure 5):

1. Create a corporate governance structure that includes mechanisms to determine the relations between shareholders, board of directors and management.
2. Define a placement broker to subscribe the placement agreement with the setter, who will also be in charge of revising the company's businesses and activities.
3. Choose a credit rating agency to calculate the firm's ability to fulfill its obligations and the firm's risk of default.
4. Fill the IPO Application following the provisions of the National Banking and Securities Commission (CNBV).
5. Promote and sell stocks by introducing the company to key public investors. They need at least 200 investors in the Initial Public Offering.
6. Maintain emissions by obeying the basic norms established by the CNBV that apply to the type of securities placed in the Stock Exchange.

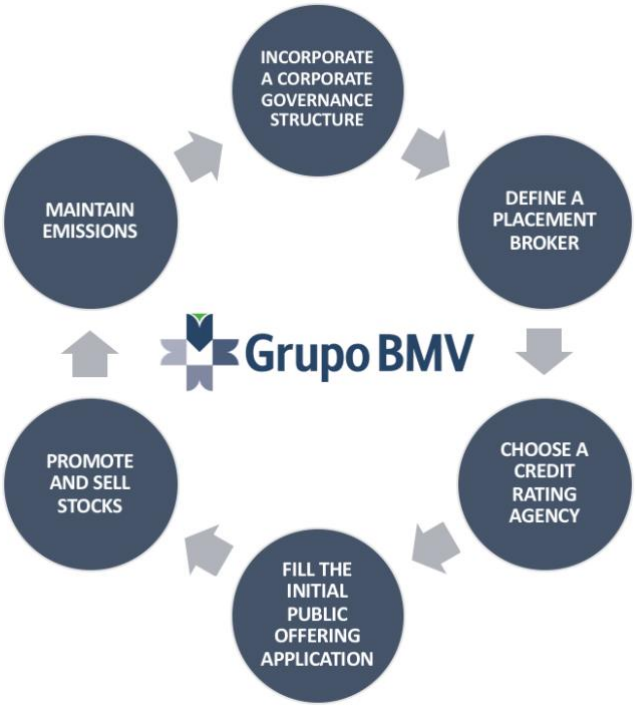

Figure 5. The route to go public in the Mexican Stock Exchange.

Source: Elaborated by the author.

The BMV Group, with the assistance of the Mexico's National Securities and Banking Commission, has been working to ease the procedures for medium-size companies[9] to enter the market. They are investing heavily in the promotion of the Mexican Stock Exchange to eliminate the constraints caused by the misconception that entering to the BMV is difficult and costly. The group facilitates the access to placement brokers, consultants and rating agencies to encourage companies to take advantage of the benefits that the stock exchange offers to them.

[9] According to Mexico's Department of Economy, a company can be classified as medium-size when it has between 31 and 100 workers and annual sales between 100 and 250 million pesos (5 to 13 million dollars)

III. Family representation in small and medium public companies.

According to a study of the challenges that family companies need to overcome, undertaken by KPMG Mexico, 90 percent of registered firms (excluding the micro firms) are family owned. The importance of family in the country, highly valued in the Mexican culture, is transmitted to business organizations. Their interests lie in the wellbeing of the family, nuclear and extended, and they see their organizations as an opportunity to accomplish their personal and professional goals. The firm is considered a legacy that the parent will be giving to his heirs for generations. This creates a belief that going public jeopardizes the future of the family legacy.

Ding and Pukthuanthong (2013) define the family company as "an organization managed or controlled by one or more families". The control that family members have in the company is usually related to the participation of the family in the ownership of the firm. In this term, firms can be differentiated into private family and public family organizations. Private family firms are organizations in which families execute total control with regards to the ownership and management of the organization. Public family companies, on the other side, are open to public investors through the stock market or other financial institution such as private equity banks. Even though these firms are opened to other investors, one or more families still own the majority of the stocks and have a strong influence in the management and governance of the institutions.

Classifying companies into these categories helps to delineate the faculties that will be given to families in any organization if it opens to other investors. This also helps to emphasize how families influence in the management and operations of firms rarely change after non-family investors become shareholders. Family is of great importance in the management practices because of its influence in the performance and the execution of the company's strategy (San Martin, Durán 2017); this influence usually prevails in the operations of the company after new investors become part of the organization. In the BMV, nearly 90 percent of listed firms are public family companies (KPMG 2013). A limited number of families hold the majority of the stocks of their respective firms and have strategically placed family members in key managerial positions; all with the intentions of retain the majority of shares to continue the strong influence that the family had in the company before going public.

The large influence of families in public companies is not only present in Mexico. This tendency is followed in most Stock Exchanges around the world. A study conducted by Belausteguigoitia and Balaguer (2013) shows that nearly one third of companies included in the S&P500 are family organizations. The same study says that 25 percent of listed companies in Spain's IBEX[10] and 50 percent of firms in the PSI-20[11] are dominated by families. The case of Mexico is much more notorious since numbers presented by KPMG

[10] Index of the Madrid Stock Exchange
[11] Index of the Euronext Lisbon

show that 90 percent of listed firms can be considered family company. Ferrovial is an example of family representation in public Spanish firms; the company whose main business is the development of airports, roads and infrastructure is controlled by the Del Pino family which holds 42 percent of the equity. Meliá Hotels International, the Spanish hotel giant with a market capitalization of $2.763 billion Euros has a family representation of 53.8 percent of the shareholder's equity. It is important to recognize two different factors when talking about public family firms in the stock exchange: participation of members of the family in key managerial positions and percentage of ownership of shares hold by the family.

In that regard, Karen Watkins Fassler (n/a), researcher at Universidad Popular Autónoma del Estado de Puebla and IESDE School of Management, discusses the influence of family in the managerial structure of firms listed in the BMV. She found that 42 percent of these listed companies are led and run by members of the founding families. The relevance of this number resides in the fact that there is high level of family representation in key managerial positions and that usually there is a reduced number of replacements in these positions.

Watkins finds that strong representation of family holding key management roles and board sits can affect the performance of the company for two main reasons. First, there is an increasing risk of not having the right people managing organizations since family members might be less qualified than external professionals for leading the firm. Second, there are

limitations on the succession of key management roles required by special market or industry conditions. Televisa is an example of this case; Emilio Azcárraga Jean, grandson of founder Emilio Azcárraga Vidaurreta, had to step down as CEO of the leading telecommunications company of Latin America. He left the position he held for 20 years due to pressures over the economic and financial crisis that the company is facing[12].

Nonetheless, family companies s in the Mexican Stock Exchange tend to have better performance in terms of generating bigger returns for investors. Belausteguigoitia and Balaguer (2012) present a study comparing the performance of family and non-family firms in the Mexican Stock Exchange. They specifically compared the average Return on Equity (ROE) and Return on Assets (ROA) for these companies between 2006 and 2012 and concluded that in both metrics, the rentability of family companies was higher than for non-family firms in the given period[13].

[12] Earning from sales of visual content represents less than 40 percent of the operating earnings of the business by contrast 10 years ago they represented 60 percent of sales and 70 percent of utilities (Villamil, 2017)

[13] The study conducted by Imanol Belausteguigoitia and Alain Balaguer includes the analysis of returns generated up to 2012. For the purpose of understanding the performance of family-managed business, this paper uses these numbers only as reference; encouraging an update in the values obtained by the study.

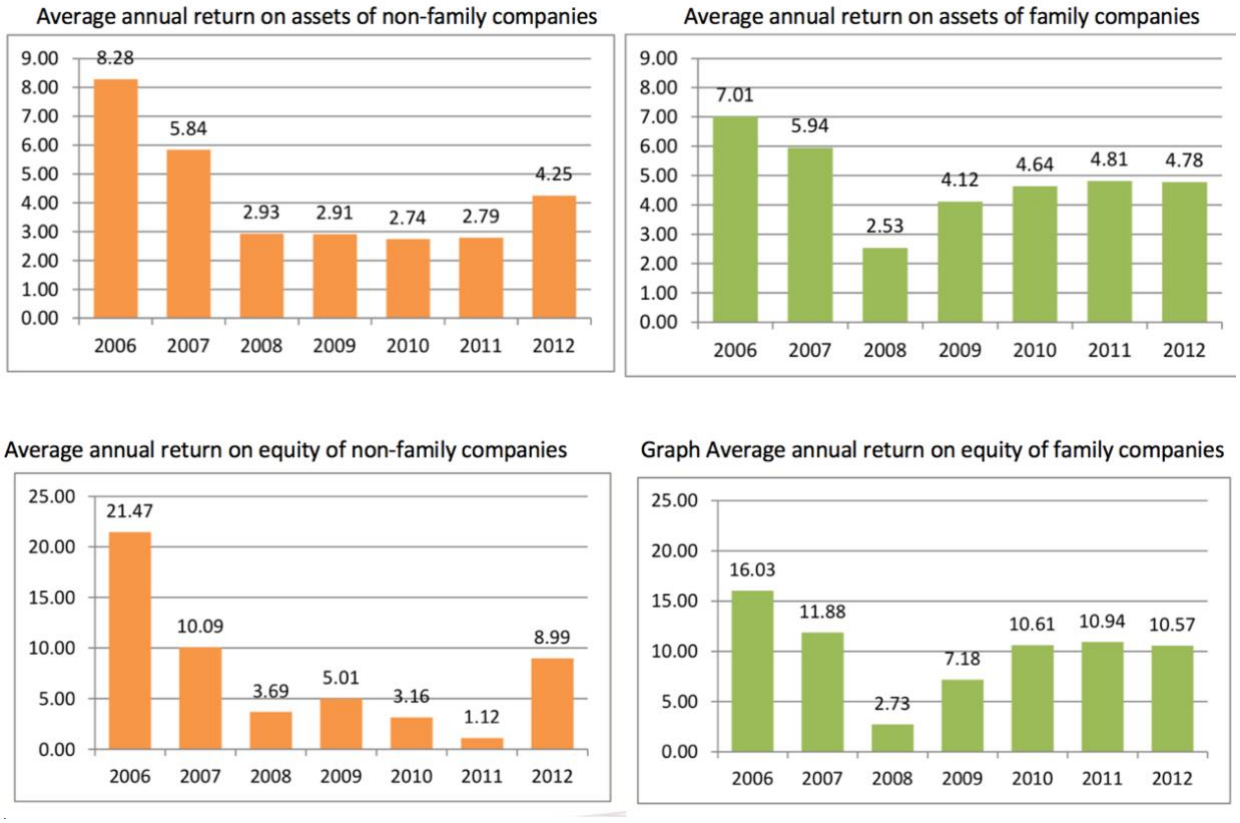

Figure 6. Comparison of ROA and ROE of family and non-family companies listed in the Mexican Stock Exchange. *Source: Comparison of graphs containing ROA and normalized ROE for family and non-family companies. Reprinted from "Empresas Familiares Y No Familiares En La Bolsa Mexicana De Valores: Comparación De Rendimientos De 2006 A 2012" by Imanol Belausteguigoitia Rius and Alain Balaguer Mercado, 2013.*

Figure 6 illustrates the comparison of family and non-family firm's performance in terms of ROE and ROA. The average return on assets of family companies listed in the stock exchange was higher than the one for non-family enterprises. The average excess return of family companies averages 105 basis points (bps) during the seven years, the most notable difference can be noticed during the post 2008 crisis where differences accounted for nearly 200 bps.

The case for the average return on equity did not follow the exact same tendency as ROA. As Figure 6 also illustrates, family public companies outperformed public companies in five out of the seven years that the study analyzed. However, when outperforming public companies, family businesses obtained returns that were in average 465 basis points higher. Between 2010 and 2011 family firms overperformed their counterparts by 745 and 982 bps, respectively, showing the high volatility that the Mexican market experienced with this ratio.

Regarding ownership, there is a common ground for public companies in Mexico since most of them are still controlled by a selected group of families. According to Venegas (2007), 55 percent of the titles that circulated in the Mexican Stock were owned by families; his has not changed in the last decade and these families have even built monopolies in certain industries. It is important to mention that the number of shares that are placed in the market is not always the 100 percent of available shares of the company. Some companies tend to select and retain a percentage of equity for family members or for a selected group of people. That's equity that will not be placed into the market.

Some of the most important public companies listed in the Mexican Stock Exchange have strong family representation. By analyzing data from Bloomberg terminal, Figure 6 shows some of the most notable examples of family members holding large percentages of traded shares of public companies.

	% of Shares Held by Insiders	Holder Name
	as of 5/13/2018	
Alsea (ALSEA)	26.15%	Torrado Martinez Alberto Torrado Martinez Armando
Industrias Peñoles (PE&OLES)	35%	Bailleres Gonzalez Alberto
TV Azteca (AZTECA)	8.36%	Salinas Pliego Ricardo
Grupo Carso (GCARSO)	78.46%	Carlos Slim Helu
Grupo Famsa (GFAMSA)	70.99%	Gonzalez Humberto Garza Valdez Humberto Garza Garza Valdez Hernan Garza Valdez Oziel
Grupo Gigante (GIGANTE)	24.30%	Moreno Losada Angel Barrutieta Losada Gonzalo Losada Braulio
Grupo Mexico (GMEXICO)	15.45%	German Larrea

Figure 7: Percentage of traded shares held by family members in family companies listed in the Mexican Stock Exchange. *Source: elaborated by the author based on data obtained in the Bloomberg terminal*

- In Alsea (ALSEA) 26.15 percent of the shares available in the BMV are owned by people that have active participation in the management of the company, out of which the Torrado Martinez brothers hold 23.43 percent.
- Alberto Bailleres holds the 35.36 percent of shares of Industrias Peñoles (PE&OLES).

- Ricardo Salinas Pliego owns the entire portion of shares held by insiders at TV Azteca (AZTECA) with 8.36 percent of stock.
- The Losada family is represented in Grupo Gigante (GIGANTE) by owning 24.30 percent available equity
- 71 percent of shares of Grupo Famsa (GFAMSAA) are owned by the Garza family
- German Larrea owns the 15.54 percent of stocks of his company Grupo Mexico (GMEXICOB).
- In Grupo Carso (GCARSOA1) where Carlos Slim owns 78.46 percent of the company's tradable shares.

IV. Development of Private Equity industry in Mexico

Private equity (PE) institutions are a group of investors who place their money into private companies. In the case of public companies, investors usually execute a buyout to obtain the total control of the public equity. PE institutions are well developed and are essential in providing companies more opportunities to raise capital, make acquisitions and fund new projects.

Institutions such as Invex Activos, EFM Capital, Lottus Capital Partners and106[14] others are relatively new for the Mexican market. In developed economies such as the United States, the United Kingdom and Germany, and in developing economies like Brazil and India, private equity industry is consolidated. Mexico, on the other hand, has found a much less mature market for private equity funds. The Mexican Association of Private Equity and Venture Capital Funds (AMEXCAP) recognizes that the Mexican market is young and that even though this industry is growing rapidly, it is still underdeveloped.

When compared to other nations, the contribution that this industry generates to the Mexican GDP is certainly low. According to the International Finance Corporation (2016) in 2015, PE in Mexico contributed to 0.003 percent of the country's GDP. In the US, this industry contributes to 1.4 percent, in India to 0.31percent, in China to 0.15 percent and in

[14] 110 funds are currently registered in AMEXCAP, the organization that represents private equity and venture capital companies in the country

Brazil to 0.09 percent of its GDP. Expectations are that in the following years the PE industry will grow at a faster pace in Mexico, even when economic and political conditions in the country are challenging.

According to Martinez Leal and Del Sesto (2013), between 2000 and 2012 private equity firms invested $14.9 billion dollars in Mexico. In 2017, AMEXCAP estimated that this number increased to $51.4 billion dollars, exemplifying the speed and the magnitude of growth in this sector. The last decade has been crucial for the development of private equity in the country with an estimated annual growth rate of 15.25 percent. Also, the number of private equity firms has increased since the industry began to develop; there are currently 177 active funds, 7.5 times more than there were in 2005. The association argues that "PE funds raised USD $4.32 billion in 2016, lower than the 2015 but still higher than the average levels before 2013" (AMEXCAP, 2017).

The growth of the private equity industry is a consequence of the high performance and returns that companies are offering to investors. According to the IFC (2016), Fondo de Fondos, a major player in the industry in Mexico, estimated that the average annualized Internal Rate of Return[15] (IRR) of the Mexican PE market was around 15 percent in 2015. This rate of return is higher than the one obtained by stocks in the Mexican Stock Exchange

[15] Metric that estimates the profitability, in the figure of returns, that can be generated by potential investments. Investopedia

which obtained an average annual IRR of 8.7 percent during the period of 1992 to 2015. This could serve as an insight into how the PE market in the country is expected to grow by generating higher returns for investors. The purpose of private equity funds is to invest in companies that analyst estimate have great potential for expansion and growth.

The capital provided by these funds is intended to strengthen the competitive advantages of companies in order to accelerate their growth rates. In Mexico, this capital is mostly directed at small and medium companies that have not had access to the capital markets, and that have struggled to obtain capital through regular banking institutions. Figure 8 describes the life cycle of companies and in which stage PE institutions are most likely to provide capital to companies.

Private Equity firms allocate their resources in companies with a medium stage development. The AMEXCAP says that PE firms are interested in more established companies that have been able to position themselves in the market. This is a difference from venture capital firms, which invest in early stages of a company's life cycle, with maturity of less than five years.

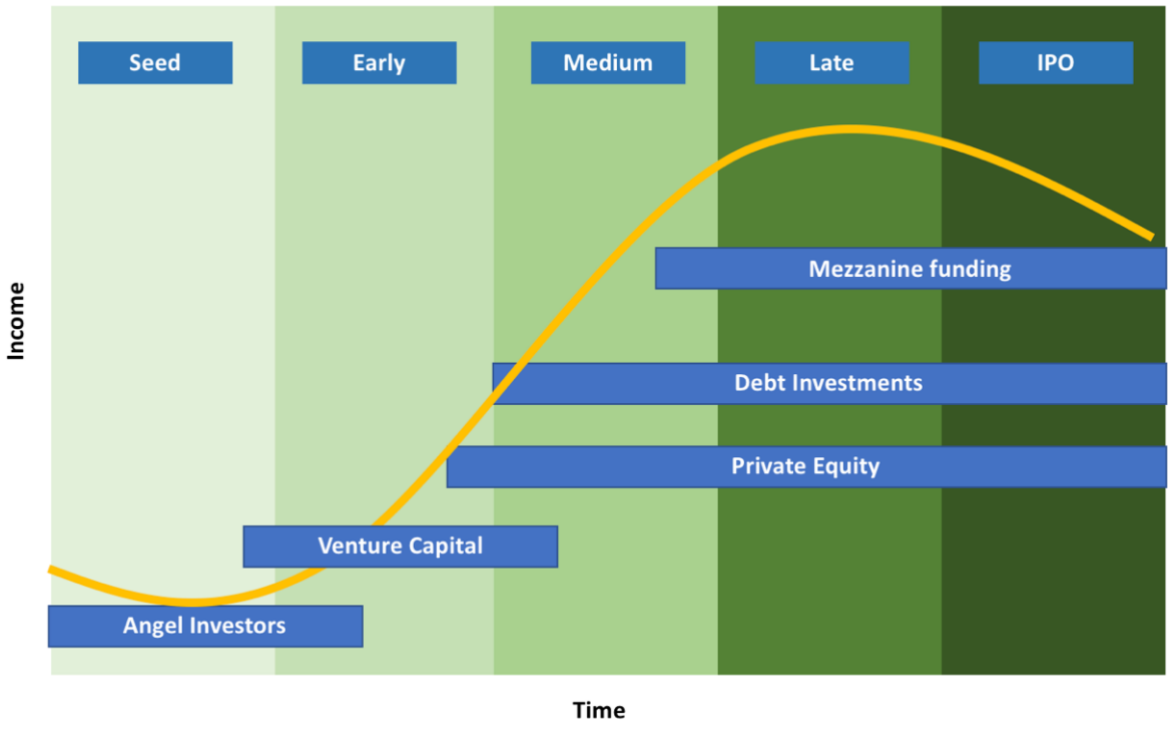

Figure 8. Lifecycle stages of an investee according to its strategy. *Source: Elaborated by the author based on The Impact of Private Equity on businesses in Mexico: 17 success stories by KPMG, 2013.*

V. Challenges for Private Equity funds in Mexico

The developing industry of private equity in Mexico faces major challenges that are affecting the maturity of the industry. This sector is highly sensitive to the economic, political and social conditions, and its evolvement depends on the security that the country can offer to protect investments, investors and institutions as well as the incentives created by government entities to promote inclusion of these institutions. This paper contends that the three challenges that the industry needs to overcome are corruption, security and uncertainty, inequity in the market and lack of regulation.

First, Mexico has been shadowed with scandals of corruption including all levels government. 2017 was also considered the most violent year in the country's modern history[16]. The unstable relationship with the United States has created an atmosphere of uncertainty in the market, especially with the possible withdrawal of the US from the North American Free Trade Agreement. All these factors have created uncertainty among investors as their capital cannot be secured. However, the market is still positive in the country. Mexico is still being considered as an attractive place for investments[17]; this will contribute to the expansion of the PE market with which more companies can benefit from.

[16] 2017 has been declared the most violent year in Mexico's modern history where more than 23,400 murders took place in the country during that period.
[17] According to the Department of Economy, in 2017 the country received $29.7 billion dollars of Foreign Direct Investment, 11.1 percent more than the amount received in 2016.

Second, Forbes also found that inequity in the market prevails as there is a significant difference between large competitive firms with international presence and small and medium-sized companies which are struggling to find their way to access financing. As mentioned before, the PE market in Mexico intends to open and provide more finance opportunities for PYMES[18], nonetheless, it faces again the problematic caused by the large number of family companies.

This problematic is derived by the lack of knowledge of the industry and, again, the negativity of family companies to allow participation of private investors. As with the Stock Exchange, when partnering with private equity firms, family companies believe they are selling the company to other investors. Most of the times this is considered as a betrayal to the family legacy since the interests of others will be pursued as opposing to the ones of the family. In this term private equity is stricter with the requirements of institutionalization of firms. More pressure is put towards replacing family members in key managerial positions with more qualified and experienced professionals. PE funds explicitly require internal rates of return that are usually higher than the ones required by public investors which contribute to getting these firms more involved in the professionalization of target companies.

Finally, incentives from the government are not providing enough resources for PE funds to mature in the country. Again, there are not enough incentives and programs created

[18] Pequeñas y medianas empresas Mexican classification of small and medium size companies.

by government agencies to create opportunities for these funds to expand and develop in the Mexican market. One great step was made by the Mexican authorities when in 2009 they reformed the AFORES lineaments allowing fund administrators to invest 10 percent of the capital into private equity funds (International Finance Corporation 2016). Almost 10 years have passed since these laws were modified and since then less has been done to incentivize the expansion of these financing alternatives.

5. Discussion

The Mexican market has to open to new alternatives for financing. Regular bank financing is falling behind in providing small and medium companies with the resources necessary for sustaining their expansion and their growth. The economic environment in the country is not favoring the conditions for loan financing, mostly because of expectations of raising interest rates[19], which have been increasing since December 2015 as shown in Figure 9. Access to different financing sources is beneficial not only in terms of raising capital, but also as a way to restructure companies to face changing conditions in the market.

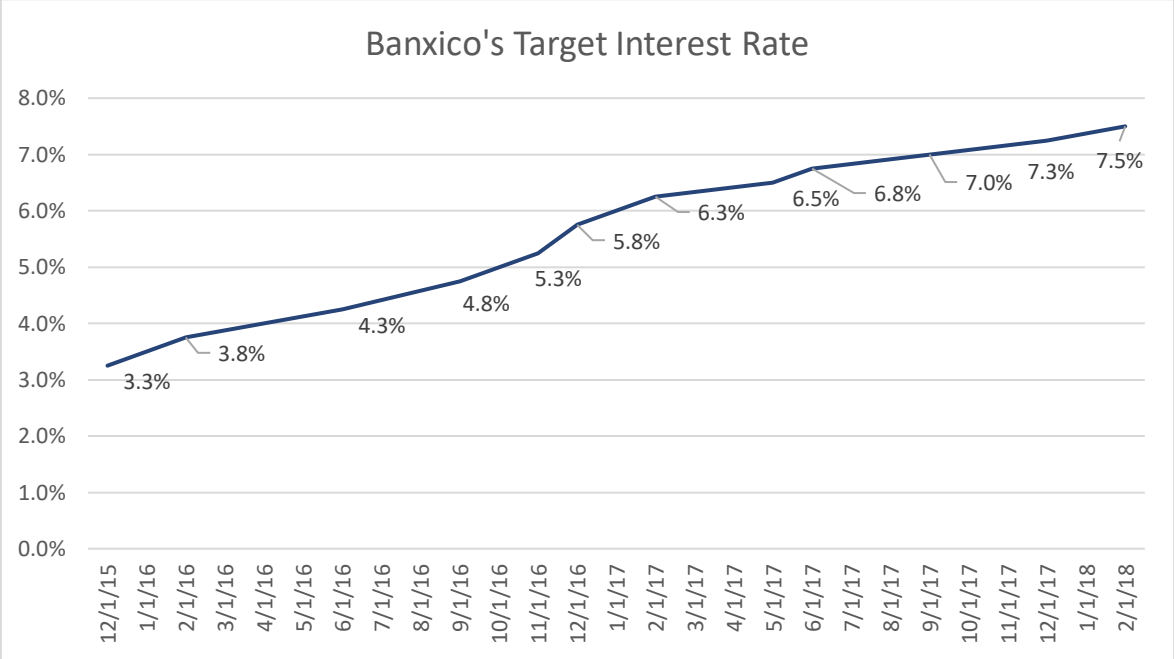

Figure 9. History of reference interest set placed by the Bank of Mexico. *Source: Elaborated by the author based on data from Banco de México.*

[19] As of May 2018, the target interest rate from Banco de Mexico is 7.5 percent, an increase of 25 basis points from last board meeting held in December 2017.

The Mexican Stock Exchange is an important alternative for companies that are looking for large amounts of capital at a low cost. Javier Artigas argued in an interview for Revista Expansión (2012) that "It is more attractive to access funding though the capital markets than through banking debt: there are no down payments, no banking reciprocities and the interest rates are attractive". The BMV Group has emphasized through its promotion campaigns that the Stock Exchange is not only ideal for big companies, but that it should also be an alternative for medium sized companies.

As previously mentioned, there are not many requirements that companies need to fulfill in order to place a request for an initial public offering. As well, there are enough institutions in the Mexican market that can provide support and guidance to companies in their path to become public, such as investment banks and private equity funds.

For family businesses, accessing the Stock Exchange can also provide continuity for their business. Only 32 percent of family companies are passed down to the second generation and 12 percent to the third (PricewaterhouseCoopers 2013). These organizations can benefit from the institutionalization process required by the Mexican Stock Exchange in order to present a proposal for an IPO. The BMV Group (2016) argues that the institutionalization process does not seek the "de-familiarization" of the enterprise; on the other hand, they consider it essential to guarantee the process of family succession. Professionalization through the incorporation of corporate governance structures is neither

difficult nor costly, and the benefits that companies can access are more significant than the difficulties of its implementation.

Placing equity is not the only way by which companies can access the Mexican Stock Exchange; there are many products that companies can use to place debt into the market. As mentioned in previous sections, the number of companies trading bonds is increasing, but this market is just developing. Only around 100 companies are currently placing debt in the form of corporate bonds. The number of companies with equity and debt instruments in the stock exchange is almost minimum. The bond market is attractive when the amount of capital required by companies is not significantly large; however, this also becomes a limitation for the company, since it is difficult and costly for institutional investors to buy bonds that represent low amounts of money.

Grupo Dasi[20] is an example of this, in 2017 the company placed bonds in the BMV to collect 150 million pesos (around 80 million dollars). 90 percent of their bonds have a short-term maturity (5 years) and they offer 280 additional basis points to the interbank interest rate as their annual coupon rate. Even with the attractive coupon rate, the amount of debt placed is low. Institutional investors lose interest due to limitations inside their organizations in regard to the percentage products that they are allowed to buy of the same

[20] Grupo Dasi is the owner of fast food chain Sushi-itto. The company decided to issue corporate bonds to finance the expansion of franchises to more locations in the Mexican Republic.

emission. To illustrate this, imagine a firm can only buy 10 percent of the bond emission; in the case of Grupo Dasi this would mean 15 million pesos. For investment institutions, the cost of hiring an analyst to track the performance of Grupo Dasi is bigger than the profit they can generate by purchasing its corporate bonds.

Cultural traits in Mexico are not favorable for the development of the financial industry. As it was discussed, there are cultural limitations in both sides of the market. First, with the companies that do not want to allow participation of external investors; most of them believing that this will mean losing control of the company. This is more present in family companies, where the fear of de-familiarization of organizations prevails in the market.

Another important trait is security. Richard S. Swasey Jr., Senior Lecturer of finance in the D'Amore-McKim School of Business at Northeastern University, mentions that one of the most common reasons why family companies in Latin America refuse to enter the equity market is that they don't want to make public financial information of the family. Mexico is not facing favorable conditions in terms of security and this promotes negativity of families to supply personal information.

Private equity is then another alternative for firms that are not willing to open completely to the public. In Mexico the private equity industry is growing, these funds have become generators of wealth for companies and for the economy. They are investing millions of dollars in companies to assist them in expanding their operations and consolidate in the

market. The target market of PE institutions are small and medium companies that have not fully accessed banking finance systems (AMEXCAP, 2013).

The $52 billion dollars that private equity funds have invested in Mexico account for an important portion of the economy. Due to this, much more has to be done to incentivize the expansion of this industry so that its contribution to the GDP increases. The private equity sector also contributes to benefiting of the society.

> *"In addition to supporting the growth and professionalization of companies, they encourage the development of priority sectors of the economy, support the creation of well paid jobs, boost the development of social and environmental responsibility programs, and provide transparency on investee tax payments, which ultimately results in increased government revenue." (KPMG Mexico, 2013).*

KPMG Mexico, in collaboration with the AMEXCAP, conducted a study about the benefits that 17 companies with PE investments have achieved in sales, EBIT, financing, performance and institutionalization. In terms of sales, the organization found out that 12 companies that received investments from PE firms, increased their annual sales by a multiple of 4.5x during a period of five years after they began receiving support from private equity funds (Figure 10). This means that for every $1 peso sold, companies received an aggregate value of $4.5 pesos. The study compared the multiple generated by companies

listed in the Mexican Stock Exchange during the same period and it is notable that the increase of their sales after going public was of only of a multiple of 2.06x.

Something similar is presented when analyzing the performance in terms of EBIT[21], the multiple factor of the company's EBIT was 5.79x (Figure 10). Therefore, for every $1 peso of profit generated by companies at the beginning of the period they received $5.7 pesos at the end of the period, this with the support of PE funds. Again, profit generated by these firms was higher than what was produced by companies listed in the BMV, which multiple factor as of 1.53x for the same period.

[21] Earnings before interests and taxes. Profitability calculated as revenue minus expenses, excluding taxes and interests.

Figure 10. Comparison on the increase in sales and EBIT between firms receiving capital from private equity institutions and companies listed in the Mexican Stock Exchange. *Source: Elaborated by the author based on The Impact of Private Equity on businesses in Mexico: 17 success stories by KPMG, 2013*

The improvement in performance that companies experience after receiving PE investments is, in part, because of the institutionalization process that is required by private equity funds before placing investments. These companies are interested in investing in well institutionalized firms for two main reasons. First, protecting their investments, they need to guarantee and secure their investments and avoid risky enterprises. Second, they need to institutionalize organizations in order to make their exit process easier when selling the company to new investors or when listing the firm in the Mexican Stock Exchange (PE funds are not intended to last large number of years with their investments in companies). Because

of this, there is constant support from private equity funds to reorganize companies, something that organizations that are in their process of development in their life cycle could use as benefit for their growth.

Arguments have been presented on the benefits that companies can obtain when they decide to look for more attractive alternatives for financing their operations. The energy sector in Mexico has been key for the recent development the financial markets. The Energy Reform approved by the Mexican congress in December 2013 opened the door to new business opportunities that will require important amounts of capital to become a reality. Vista Oil and Gas and Zuma Energía are two clear examples of the broad benefits that institutional and market-based financing bring for companies in terms of their expansion.

I. Vista Oil and Gas (VISTA)

Vista Oil and Gas is a Mexico-based company which primary business activity is investing in conventional and non-conventional oil and natural gas. The company is the first Special Purpose Acquisition Company (SPAC) registered in Mexico; which main goal is raise funds to invest in big scale projects that generate value for their shareholders (Vista Oil and Gas 2017). According to their business strategy, they focus on investments derived from the combination of the favorable business environment showed after the Energy Reform, their competencies of improving the operational capabilities of the acquired projects and their ability to leverage the differences noticed on the market and intrinsic value of the assets that they are interested in.

This company serves as a clear example of the success that firms may achieve when they decide to go public and benefit from the Stock Exchange. Vista Oil and Gas filled in for an IPO in 2017, with expectations to rise about $500 million dollars from public investors. The purpose of the IPO was to raise enough capital to finance the acquisition of projects of exploration and production of hydrocarbon in Mexico, Brazil, Colombia and Argentina. The IPO was a success for the company, they were able to rise $650 million dollars in their opening day by selling a volume of 65 million shares at a price of $10 dollars. This is considered the third most successful IPO in the Mexican Stock Exchange since 2015, and it

marks a precedent for energy companies in Mexico and Latin America that intend to expand operations through SPACs (Webber 2017).

Success has been broad for the company, as of May 2018 the company has a market capitalization of more than 15.51 billion dollars, making it one of the biggest firms, in terms of market cap, listed in the Mexican Stock Exchange. Nonetheless, the company has been experiencing turbulent times during its presence in the market, since it has experience high volatility in the share price over the 9 months that the company has been listed in the BMV. Figure 11 shows the historical price of the A shares of the company for the last 1 year; as it can be observed, the company experienced high volatility in its prices having prices that oscillated between $170 pesos and $199 pesos. As it can also be seen in the figure 11, the company had relatively low trade volume with an average of 30 trades per day.

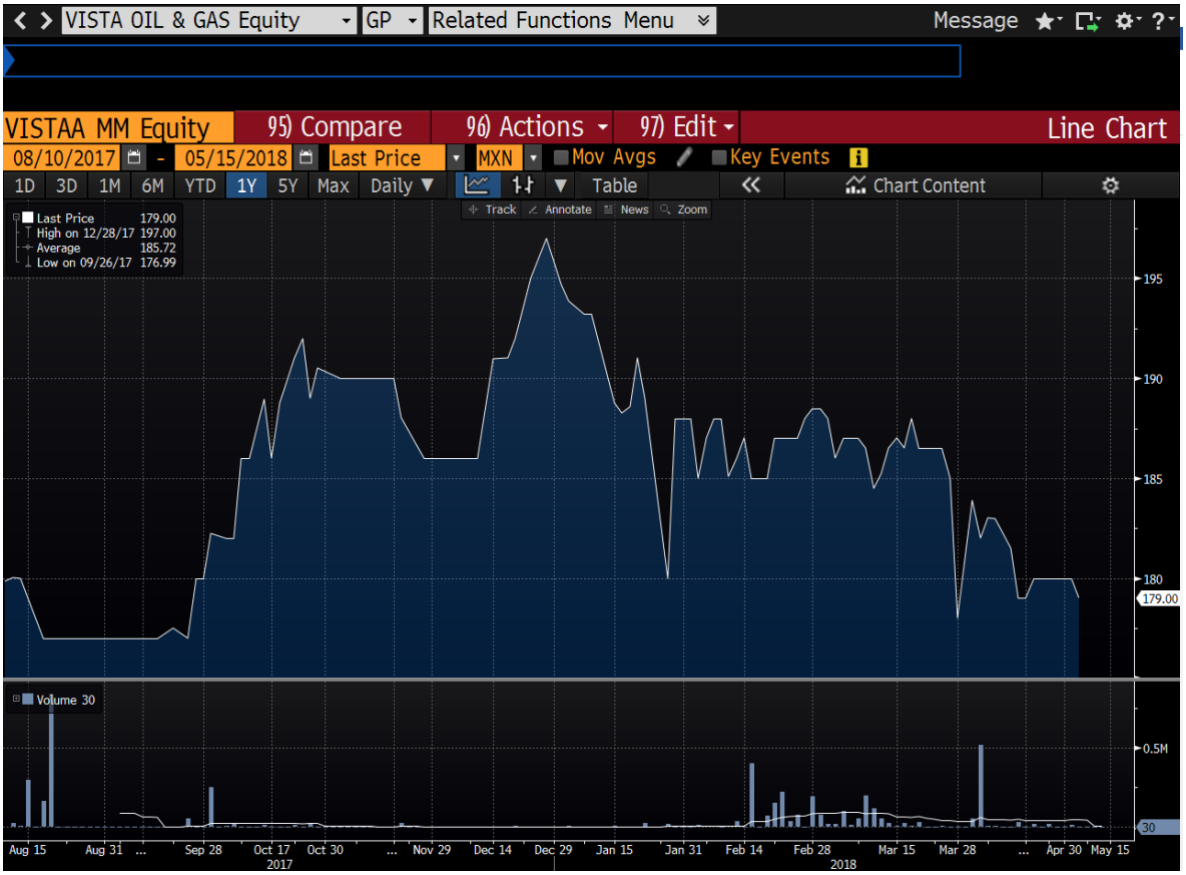

Figure 11. Historical prices of A shares of Vista Oil and Gas during the las 1 year
Source: Bloomberg terminal

Figure 12, on the other hand, shows how the company has lost nearly 30 million pesos in market capitalization[22] since the last quarter of 2017. The company has, up to May 15, 2018, a market capitalization of $780.9 million pesos with a total enterprise value of $778.2 million[23], in Q4 2017 Vista had a market cap of $810.4 million pesos and a total enterprise value of $807.7 million. The decrease in market cap is a consequence of the price drop that the A shares have been experiencing since December 27th, 2017.

[22] Market capitalization refers to the total dollar market value of a company's outstanding shares.
[23] Enterprise value includes the market capitalization minus cash and equivalents

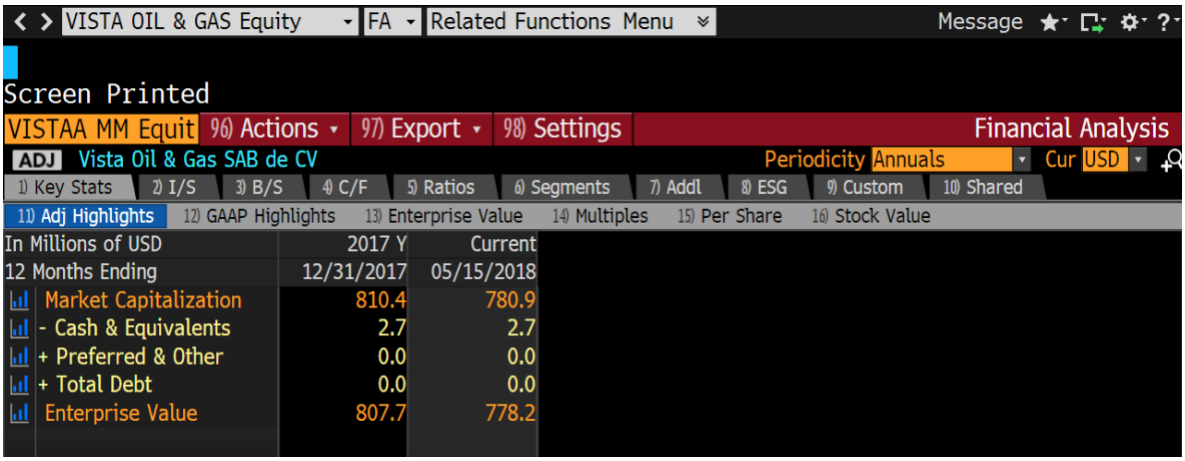

Figure 12. Financial analysis of A shares of Vista oil and Gas. *Source: Bloomberg terminal*

II. Zuma Energía

Zuma Energía, which main business is the development of alternative energy projects of wind and solar parks, faces success by financing its operations through institution-based alternatives. The company currently has four major projects: one already in operations and three in the process of construction. These four projects have positioned Zuma as the leader in the development of renewable energy in Mexico. Based on information provided by Zuma Energía in their web portal, projects are conformed of:

1. Ingenio Wind Farm in Oaxaca
   - Located in Santo Domingo Ingenio, Oaxaca, considered to be one of the areas with the largest wind potential in the country.
   - Ingenio began operations in January 2016 and has a capacity of 49.5 MW.
   - With a technology of 33 AW1500 machines of 1.5 MW
   - It contributes with clean energy production and the reduction of 80,000 tons of CO2 emissions.
2. Reynosa Wind Farm in Tamaulipas
   - Located in Reynosa, Tamaulipas the wind farm will capacity of 424 MW.
   - With an extension of 8,000 hectares, 123 V136 wind turbines of 120m hub height will be installed.
   - It will produce enough electricity to provide clean power to approximately 900 thousand Mexicans and mitigate 739 thousand tons of CO2 emissions annually.
   - Commercial operation is expected to commence at the end of 2018

3. Orejana Solar PV Farm in Sonora

- Situated in Hermosillo, Sonora, the state with the highest solar energy potential in Mexico.
- The park will have a total capacity of 158 MWp, with an estimated annual production of 379 GWh.
- This project will be constructed in an area of 300 hectares.
- The park will have single axis polycrystalline solar cells of 325 W.
- Commercial operation is expected to commence in the second quarter of 2019.

4. Santa Maria Solar PV Park in Chihuahua

- Located in Galeana, Chihuahua, Santa Maria with a capacity of 178 MWp.
- Construction will begin in 2017, and commercial operations are expected to commence in the second quarter of 2019.
- The project will be constructed in an area of 500 hectares.
- The park will have single axis polycrystalline solar cells of 325 W, which will produce an estimated 422 GWh of energy annually.

The company was founded based on the investments placed by two private equity funds Actis and Mesoamerica, who still hold their portion of equity in the company. Actis, an English private equity fund, owns 80percent of the company; they are the biggest PE fund in the World with investments in emerging markets; the expertise of the company is investments in modern energy. Mesoamerica, a Costa Rican institution that holds a smaller

proportion of equity is also specialized in canalizing investments to Latin America in sectors related to Health & Wellness, Energy, and Consumer Food Retail.

For the moment the capital needed by the company for sustaining its projects is provided mostly by the two private equity funds mentioned above. The success of the company wouldn't have been possible if they did not have the support, advise and resources of Actis and Mesoamerica; this is one clear example of the benefits that organizations can access with this alternative of institution-based finance. A person familiar with the topic in Zuma, who preferred to remain anonymous, says the company has accessed the necessary resources for its rapid expansion because of PE investments, they also recognize that these investments have a time horizon and that in the future the company will have to redefine the way in which they will finance their operations but at this time they are positive in the expansion that the company is experiencing with the support of private investors.

Development banks have strong presence in Latin American countries and Mexico is not an exception. Zuma has also accessed to capital through the scheme of project financing, categorizing their financing as special purpose vehicle (SPV) which allowed them to finance their initial projects without having previous business records. Because of this they have used in their solar projects financing coming from the four development banks that are currently present in Mexico: Banco Nacional de Obras (BANOBRAS), Nacional Financiera (NAFIN) and Banco Nacional de Comercio Exterior (BANCOMEXT). This project financing does not

represent an investment from these institutions, it only represents credit contracts. For Zuma, these have served for developing their projects but are only a small portion of the capital they have raised compared to their PE investors.

Private equity has also been used as the backup for the company to access financing; the company was founded after the 2013 Energy Reform in Mexico; the company was born based on the contribution and commitment of private equity firms that invested 350 million dollars in the firm. The large investment placed by the PE funds and the fact that they are important part of the company is being used by Zuma as leverage to succeed in accessing to big credit loans for their projects and operations. This is another advantage that firms can use when they use private equity investments in their structure.

6. Conclusions

Mexico needs to determine whether it will be a market-driven or an institution-driven economy. Financing opportunities for corporations should take an important role in this topic. Mexican small and medium companies must be aware of the benefits they can obtain when they look for alternative financing to develop, expand and consolidate their organizations in the Mexican market. The development of the private equity industry and the Mexican Stock Exchange can become a driving force in the Mexican economy for their contributions to the development of companies in the country that are generators of wealth, jobs and competitiveness for Mexico.

There are several misconceptions about PE funds and the Mexican Stock Exchange that Mexican small and medium companies need to overcome in order to take advantage of the benefits for their organizations. Accessing to big amounts of capital is affordable and desirable for companies that are experiencing fast growth rates, and regular loan financing is not providing enough resources for them. The BMV and private equity institutions are alternatives that not only provide capital, they also assist enterprises in their process of institutionalization for professionalizing the organization to consolidate operations and to develop for becoming a leader in the market.

It is true that cultural traits in Mexico are not favoring the financial markets in the country in both the sell and the buy side. This has to do with the poor sophistication of

Mexico's financial markets; the country has failed to develop instruments through which a wider number of actors can participate in the finance industry. As well the level of sophistication is a consequence of the lack of knowledge of firms about the advantages of allowing public and private participation in the company, mostly within family corporations.

However, performance of companies with participation of private and public investors tend to be better when generating bigger returns for shareholders. The fact that they can access to more capital for financing operations, expansion and growth through these alternatives is contributing to capturing enough market share to become dominant players in their respective markets. Vista Oil and Gas and Zuma Energía are clear examples of the support that the stock exchange and private equity funds bring to organizations. Both companies began expanding operations after the Energy Reform that Mexican Congress approved in 2013 and since then they have used market-based and institution-based financing to raise capital for becoming leaders in the industry.

This paper is an introduction to the market-based and institution-based financing in Mexico focusing only on the placement of equity in the Stock Exchange and the participation private equity investors as shareholders. Further analysis is encouraged by expanding the discussion about alternatives such as the placement of bonds, Fibras, CKDs and other instruments in the stock exchange and the use of other private investors such as venture capital funds to assist companies to raise capital.

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8. Exhibits

Exhibit 1

Questionnaire for interview with representative from Zuma Energía

Pregunta 1

"Contribuimos a materializar el éxito de la reforma, ***desarrollando, adquiriendo, financiando, construyendo*** *y* ***operando*** *proyectos de generación de energía renovable en México."*

Su empresa rompió con paradigmas sobre el desarrollo de energías sostenibles **¿Cuál consideras que ha sido el factor más importante para competir con empresas de energía convencional?**

Pregunta 2

La empresa actualmente cuenta con cuatro proyectos en operación (incluyendo el parque Santa María que esta en construcción). Adicionalmente a esto, ¿**tienen intenciones de desarrollar más proyetos en otras regiones del país o planean expandir operaciones en estos parques?**

Pregunta 3

¿Cuál considerarías que es la ventaja competitiva que Zuma tiene para crecer y expandir sus operaciones? ¿Planean llegar a más estados de la república?

Pregunta 4

"Zuma es: ***Fortaleza Financiera***
Vision: Contribuir con la construcción de un sistema energético nacional, que disminuya costos, ***atraiga montos superiores de inversión*** *y amplíe cadenas de valor"*

¿Cómo tienen planteado dentro de su estrategia corporativa la atracción de inversiones para apliar las operaciones de la compañía?

Pregunta 5

"Con el respaldo financiero de ***Actis*** *y* ***Mesoamérica*** *y un equipo de liderazgo altamente experimentado, nos esforzamos por llevar a cabo nuestros proyectos (...)"*

Adicinalmente entiendo que han logrado financiamiento de instituciones como Banco Nacional de Obras y Servicios Públicos (Banobras), Banco Nacional de Comercio Exterior (Bancomext) y Nacional Financiera (Nafin).

¿Consideran que acceder a financiemiento por estos medios es suficiente? ¿han considerado otras alternativas para acceder a más capital (ej. La BMV)?

Pregunta 6

De acuerdo a las notas que se tienen publicadas en la página institucional Zuma ha sido existosa en el acceso a cpaital, principalmente privado. **¿Han experimentado algún tipo de obstáculo para atraer inversionistas para fianciar sus proyectos?**

Pregunta 7

Como institución, **¿conocen los beneficios a los cuales las empresas pueden acceder cuando cotizan en los mercados de valores? ¿Condieras que Zuma tendría el potencial para ser listada en la BMV?**

Pregunta 8

¿Consideran que México tiene desarrollados mecanismos que facilitan el acceso a financiamiento para empresas en desarrollo? Si existen, ¿consideran que son exitosos?

Exhibit 2

Questionnaire for interview with Enrique Covarrubias from Actinver

Pregunta 1

En tu perspectiva, desde tu trabajo en fondos de Inversión mexicanos, **¿Consideras que la falta de empresas listadas en la Bolsa Mexicana de Valores representa un obstáculo para el desarrollo de mercados financieros?**

Pregunta 2

Las dos alternativas más relevantes para entrar a bolsa, no solo en México sino en todo el mundo, es colocando tanto equity como deuda. **¿Cómo consideras que se ha desarrollado el merado de equity en México? ¿Es distinto al mercado de deuda?**

Pregunta 3

Hay muchas razones por las cuales se cree que las empresas no creen en la bolsa o tienen miedo de colocar sus acciones en ella, una razón es la familia o la falta de estructuras corporativas. **¿Cuáles consideras que son las razones por las que las empresas no consideran la opción de colocar deuda o equity en el mercado?**

Pregunta 5

¿Consideras que la industria financiera mexicana está creciendo? ¿Crees más miembros de la sociedad mexicana se están interesando en invertir en el mercado o en comprar acciones de fondos de inversión?

Pregunta 5

Otra cosa que se ha notado mucho es la segregación geográfica que hay en cuanto a los estados que tienen empresas listadas **¿Consideras que sí existe esta segregación? ¿Cómo crees que se pueda solucionar?**

Pregunta 6

Hay 150 empresas listadas y una razón es por la alta representación de familias en las empresas que se están listando. Los Servitje en Bimbo, o Slim en Carso, Salinas en Azteca. **¿Cómo consideras que esto pueda representar una limitante para la bolsa mexicana?**

Pregunta 7

Los mercados de capitales que tienen otros productos como Fibras o CKDs están creciendo como alternativas de financiamiento, incluso más rápido que los mercados de deuda y capital. **¿Crees que esta tendencia continuará en los próximos años? ¿Crees que esto sea un obstáculo o una oportunidad para la bolsa?**