



MITA Newsletter - July 2018

State of the Market

- As expected, Andrés Manuel López Obrador (AMLO) won the July 1 **Mexican presidential election** in perhaps the most consequential election in Mexican history. With an historic voter turnout of 65% of registered voters, AMLO won 53% of the votes cast and defeated his nearest competitor by 30 points, winning in every state except Guanajuato. His electoral coalition will have a solid majority in both houses of the Mexican national legislature, though they will lack the 2/3 majority required to amend the constitution. His party also won majorities in 17 of the 29 state legislatures and at least five of the nine gubernatorial seats. This reflects the desire of the Mexican population for change; a population that is fed up with corruption and violence. For a more detailed summary, we invite you to read the [analysis by Monarch Global Strategies](#), the firm led by MITA Advisor Michael Camuñez.
- While many have been worried about AMLO's stance on reforms and the private sector, in his first meetings with business leaders AMLO expressed a willingness to collaborate. AMLO has also reversed his stance on the **NAFTA negotiations**, now stating his support of the continuation of the agreement. The negotiations took a break in June and are expected to continue in late July.
- How the previously contentious relationship between **Mexico and the Trump administration** plays out remains to be seen, however Trump has already had an initial call with AMLO and is dispatching a high-level delegation to meet the country's next president on Friday, July 13, led by US Secretary of State Michael Pompeo.
- **What does all of this mean for technology, innovation and the startup ecosystem in Mexico?** Our opinion is that it will not reverse the major impact or further development of innovation and technology in Mexico. In the days following the election, [AMLO stated](#) that the INADEM (Entrepreneurial Institute) which was established under the current administration will continue, and that his administration will have a 4-point program to boost high-tech, especially in the areas of clean energy, computer programming, and robotics. Furthermore, the young generation in Mexico is tech savvy, willing to take risks and wants change. We will watch the new administration's policies carefully, but feel confident that the path towards further technical development and innovation will continue in Mexico.

Startups to Watch

- Our portfolio company [Sunu](#) is spending most of the next month in Europe where they had great success with distributors in Italy and Spain, and sold out of all of their available product at a trade show this week held in London. They have several meetings with distributors already lined up in Germany, England, and France. Sunu has about half of its current USD700k round secured and is looking for additional investors. If you are interested, please contact either [Lynne](#) or [Andreas](#).
- We received a detailed shareholder update from our portfolio company [ParLevel Systems](#). The company is experiencing strong growth and estimates total revenues of almost USD5 million in 2018.
- The Mexican lending platform [Konfio](#) received a Series C investment of USD25 million from Vostok Emerging Finance, Kaszek Ventures, Quona Capital, QED Investors and the IFC, among others.
- Mexican startup founders -- and MITA friends -- Cristina Randall and Hector Cardenas of [Conekta](#) were selected as new Endeavor Entrepreneurs at Endeavor's 80th International Selection Panel.
- Mexican FinTech company [eFactor Network](#) received a USD10 million investment from Dalus Capital and the IFC.

MITA Team News

- MITA, in partnership with Plug and Play Mexico at the Tec de Monterrey Campus Guadalajara and StartupGDL, is organizing another **Investor Tec:Ed and MITA Satellite Session on August 15th in Guadalajara**. Come join us for a day of presentations and discussions about the latest investing practices and technology developments. Learn more, and register [here](#).



The flyer is titled "You're Invited" and "Investor Tec:Ed GDL". It features a background image of a blue rose. The text on the flyer includes: "TECHTALKS", "Emerging Technologies and Best-Practices for Investing in Them", "A TECH EDUCATION WORKSHOP FOR INVESTORS, EXECUTIVES, FAMILY OFFICE MEMBERS AND THEIR ADVISORS.", "Tuesday, August 14, 2018", "Time: 8:30am to 5pm", "Location: Tec de Monterrey campus GDL", and "Workshop Fee: US\$150 per participant". At the bottom, it lists the hosts: "Hosted by: PLUG AND PLAY MEXICO, MITA TECHTALKS, and STARTUPGDL". There is a "Learn more" button with a right-pointing arrow.

- Lynne is spending most of July in the Bay Area meeting with investors, MITA partners, and companies. She was invited to attend the [Synergy Blockchain Summit](#) hosted by Chinese-Silicon Valley VC firm [F50](#), and attended [Nexus 2018](#). She has been meeting

with the new leadership of [LatinSF](#), Director Jolynne Vallejo. This initiative, together with ChinaSF and AsiaSF, was spun off into a new entity and is now part of GlobalSF, an organization to attract more businesses to establish a presence in the city of San Francisco.

- Lynne attended the San Francisco event and book-signing for "[Vanishing Frontiers: The Forces Driving Mexico and the United States Together](#)", which featured Gemi Gonzalez, Consul General of Mexico in San Francisco in conversation with author **Andrew Selee**. In his book, Andrew highlights Mexico's dynamic tech ecosystem and its contribution to Mexico's future, featuring stories about Bismarck Lepe, Marco Trujillo, Jonathan Nelson, Adriana Tortajada, Mak Gutierrez, and MITA's own Lynne Bairstow.
- Andreas continues to develop the MITA network in Guadalajara. Together with Christian Dominguez of [MANIAK](#) and [HeyCenter](#), Jolynne Vallejo of LatinSF and Cuco Vega he spoke on a panel **Jalisco Global**, about how to establish a presence in Silicon Valley as a Mexican Startup.



Other — Tech Links:

- A '[must-read](#)' on the potential and promise of a crypto-commons, by #MITA friend, **Mike Maples**: "Prediction: Crypto-powered governance markets will solve the tragedy of the commons and drive future abundance at the same level of scale as the stock market and the corporation. In a pervasively connected world, it will be more global and democratized than what we've seen before."

Other — Mexico Tech in the News:

- [WeWork](#) just opened its first coworking space in Zapopan (Guadalajara area). Led by MITA friend Rigo Vega, the space is located next to the Andares mall and Hyatt Hotel.

Thank you's

- Thank you [JalisConnect](#) and Cuco Vega for inviting us to your panel at [WorkLabs](#).

- Thank you to Bernardo Del Rio from [J.A Del Rio](#) and José (“Pepe”) Sánchez Gil of [Singular Law Group](#) for treating Andreas and his wife Carol to an outstanding work lunch at [Anita Li](#). At the request of Andreas, the World Cup was not to be discussed and all parties (mostly) honored that request.
- A special thank you to Roberto Malpica from [M&T Consulting](#) for letting Andreas speak at his networking events in Guadalajara, Mexico City and Monterrey.
- To [Andrew Selee](#) for writing his thoughtful, and enjoyable book on the relationships between the US and Mexico, involving trade, culture, sports, and...tech innovation.

Correction from MITA Newsletter - June 2018

- [Piktia](#) raised an additional MXN\$250k via [Ark.Angels.co](#) and not Crowdfunder.

Asks

- Intros to potential LPs -- We’re currently raising a USD30 million Fund, MITA Fund II. Introductions to potential LPs (investors) are greatly appreciated, as we look to complete our first closing at USD15 million. Please ask us for our Fund Presentation, if you’d like to learn more.
- Requests for invitations are now open for **MITA TechTalks** (February 10-12, 2019), and the [website has been updated](#) to reflect the preliminary agenda and themes for the summit. If you --- or someone you know -- would benefit from being a part of this acclaimed event on cross-border tech innovation, please ask us about sponsorship and/or speaking opportunities.

Let’s be Social: Like us on [Facebook](#), connect with [Lynne](#) and [Andreas](#) on LinkedIn, and follow us on Twitter ([Andreas](#), [Lynne](#)).

In Closing: MITA was the first fund to connect the Mexican startup scene with the ecosystem in Silicon Valley. We are strong believers that the innovation coming from Mexico and Latin America will escalate even more rapidly in the coming year.

¡Ándale!

Your MITA Team

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