

Regenera Ventures

Request for Proposal: Development or Enhancement of a Fund's Financial Model

I. Introduction

SVX MX is an impact investment advisory firm established in 2015 specialized in climate finance, regenerative economy, gender equity, and transformative finance working in Mexico and Latin America. SVX MX is launching **Regenera Ventures Fund I** to invest in companies that make the regeneration of Mexican ecosystems possible.

Regenera Ventures I is a USD\$20m to USD\$30m women-led investment fund that invests in companies committed to regenerative practices that lead to positive impact on communities, landscape, and biodiversity. Regenera Ventures Fund pioneers impactful nature-based investments, emphasizing local leadership, diversity, and gender inclusion for financial success.

Regenera Ventures seeks to engage a qualified modeling consultant to **assess the existing financial model and either enhance it or develop a new model as deemed necessary**. This model serves as a critical tool for managing and evaluating the fund's structure, investment instruments, and financial projections.

Fund Size	USD \$20 million to USD \$30 million
Timeline	10 years, subject to 2 years of extension period
Instrument	Preferred Redeemable Equity / Debt/ Preferred Equity
Exit	Redemption, Strategic acquisition, Repayment at Maturity, Secondary Sale,
Investment Period	3 - 5 years for debt products / 5 - 7 years for equity products
Return	Estimated return 11% - 20% (Preferred return of 8%)
Fees to LPs	2.5% management fee, decreasing 10% each year from year 6 20% Carry
Investment target	12 - 15 companies / Average ticket of USD \$1.1 million
	All rural Mexico with special focus on Oaxaca, Chiapas and the Yucatan Peninsula. Agriculture, cattle ranching, forestry, fishing, nature tourism, financial inclusion for small producers
Minimum Commitment	USD \$500k for institutional investors / USD \$100k for F.O. and individuals
Blending	USD \$1 million as a junior equity tranche subordinated to the capital and hurdle rate returns of private investors /Available Grants for fund expenses (operating costs, and launching costs).
Closing	First close: USD\$12.3 million during 2025.
	Final close: 2027

II. Background

The fund seeks to deploy \$20–\$30 million across 12-15 companies in rural Mexico. It employs a blended finance structure, including a subordinated junior equity tranche that absorbs initial losses, protecting senior investors and enabling hurdle rate achievement. Investment instruments include debt, preferred redeemable equity, and preferred equity.

The existing financial model requires enhancements, including improvements in model design and structure, adhering to best practices, enhancing user-friendliness, and aligning with revised accountability financial standards. To accommodate the fund's complexity, updates or a complete overhaul may be necessary. A list of structural changes that need to be done to the model include:

- The inclusion of the junior tranche subordinated to two other classes of LPs. The junior tranche covers principal for DFI investors and covers principal + hurdle rate returns for private investors. This work includes reengineering of the waterfall and updating the impact in financial statements.
- Update fund economics, including management fees, preferred return, and carried interest calculations.
- Adding a capital call (along with a list of LP commitments) and waterfall tab for LP repayment.
- Incorporate LP Expenses: Integrate LP expenses such as management fees, carried interest, fund organization and ongoing administrative and legal expenses into the model to accurately reflect the impact of these costs on investor returns.
- Perform sensitivity analysis and generate outputs for various scenarios.
- The adaptability of scenario selection requires refinement. A comprehensive list of requirements will be furnished to the consultant. However, the consultant is expected to propose innovative and user-friendly methods for presenting and selecting scenarios.
- The model currently needs updates to some formulas to eliminate certain errors.

III. Scope of Services

The selected consultant will:

1. **Review and Assess the Current Financial Model:**
 - Evaluate the usability and accuracy of the existing model.

- Deliver a detailed overview of updates and implementations needed besides the ones required by SVX.

2. **Enhance an Advanced Financial Model:**

- Include repayment mechanisms scenarios
- Account for the junior tranche subordinated to equity and hurdle rate returns in waterfall calculations.
- Implement financial modeling best practices.
- Incorporate LP Expenses: Integrate LP expenses (e.g., management fees, carried interest, fund organization and ongoing administrative and legal expenses into the model to accurately reflect the impact of these costs on investor returns.
- Develop and implement solutions to enhance the flexibility of the investment scenario selection. This may involve the redesign of existing tabs and potentially the re-engineering of the main assumptions tab.

3. **Deliverables:**

- A detailed, user-friendly financial model in Excel format.
- Documentation explaining key assumptions, formulas, and mechanisms used in the model.
- Sensitivity analysis templates for various investment scenarios.

IV. **Proposal Submission**

Please provide a proposal that includes the following elements:

- Technical proposal
 - A brief summary of the firm, ideally with relevant project experience.
 - Names and bios of people that will work on the assignment.
 - Work plan and timeline for completion, including detailed information regarding the approach the consultant will take (i.e. correct the current model or start a new model)
- Financial proposal
 - Fee estimate based around the Scope of Work set about above ideally with a capped fee estimate up to first close (expressed in terms of “max number of hours” x “hourly rate”)
 - For any components of the Scope of Work that are not included in the capped fee estimate an indication of the estimated time needed to perform that task and an hourly rate.

Access to a working model for the purposes of providing a comprehensive proposal will be granted upon the execution of a non-disclosure agreement.

Interested service providers are encouraged to engage with the Regenera Ventures team before submission and shall submit their proposal in writing to programme@icfa.lu, copying stevie@svx.mx and cecilia@svx.mx by 18:00 on 18 February 2025.