



Member Profile

Dux Capital



The rollercoaster ride that comes with entrepreneurship is nothing new to Daniel Santamarina. While in college, he founded and bootstrapped Promoase, a marketing firm, and grew that business into one that generated more than \$500,000 in revenue before exiting. His next venture, a consumer packaged goods company, Orasai, boasted more than 200 distributors. But the financial crisis caused him to make some gut-wrenching decisions in 2009.

Santamarina described the decision to close the business he built as devastating. “Three months before closing shop, I received an offer to sell the company. But after the financial crisis, they just told me that that was not on the table anymore.” That difficult decision strengthened Santamarina to the rigors of launching and operating a business venture. “Closing shop is the worst experience. But I think it helped me to really understand that you can go and stand up again and look for the next thing. It also helped me focus on the money and connect with founders.”

That experience also later led him to co-found Dux Capital, a venture capital fund based in Austin and Mexico City focusing on Hispanic-owned seed-stage businesses. Led by Santamarina, Jose Luis Silva Vazquez, who contributed eight years of expertise in structuring transactions for AAA companies, and Susana Espinosa de los Reyes, a former portfolio manager at Angel Ventures, Dux Capital leverages its leadership’s operational and investment experience to provide smart capital and add value to Latinx-owned ventures.

Dux, whose name is the Latin word for ‘leader,’ looks to infuse capital to scale these ventures and create or increase cross-border opportunities.

“We see underrepresented founders become completely resourceful. They are looking into untapped markets. They understand their unit economics; they understand that they have a lack of opportunities for raising money. So, they do

it exceptionally well,” Santamarina explains. “And we’re targeting that opportunity because we think that investing in diversity will bring us the alpha we’re looking for.”

An Elite Ensemble

After shuttering Orasai, Santamarina went on to boost his operational experience, eventually serving as CFO and Director of New Business Development at an Archipelago Group business, where he was responsible for creating new business models. While working at Archipelago, the entrepreneurial bug bit Santamarina again. “I had these tickles of doing something on my own,” he recalls. The entrepreneur resigned without any plan in place and reconnected with Jose Luis Silva Vazquez, a childhood friend who had recently earned an MBA with a dual degree in private equity. “We sat down in a restaurant in Mexico

with a couple of drinks and started looking into what we could create together.”

“The best idea was to leverage our knowledge and experience in LATAM to increase margins,

to increase, and scale the opportunities that we invest in the U.S.”



Daniel Santamarina
Co-Founder & Managing Partner
Dux Capital

The duo’s first idea was to create a boutique investment bank leveraging Santamarina’s operating experience and Vazquez’s investment banking experience, but quickly shifted to creating a fund to build more capital opportunities for Latino entrepreneurs. Part of that decision was also based on the painful period Santamarina experienced from closing a business he created during the 2009 credit crunch. “We first created this strategy for Latinos in LATAM without

acknowledging the amazing opportunity in the U.S. market but then realized Latinos are Latinos everywhere and those in the U.S. were completely underrepresented and completely overlooked,” Santamarina recalls.

The Hispanic community comprises nearly 20% of the nation's population and 13% of GDP, yet only attracts 2% of venture capital – a fact that the Dux team is painfully aware of. “That gave us an ‘aha moment’ that that was the market that we want to get into,” Santamarina recounts. The young firm soon opened an office in Austin that Vazquez oversees and began making investments north of the border.

Investing in Mental Health

Dux has invested in 17 companies. Among them is Pura Mente, a B2C founded in Buenos Aires by tech entrepreneur Martin Becerra after realizing there was no quality option in Spanish to begin and progress in the practice of meditation. Pura Mente, which translates to ‘pure mind’ in Spanish, offers an app that provides meditation guides and courses in Spanish for beginners and advanced users. “We decided to come in early, being the first institutional investors to participate in this company because of the growth and the journey that this founder had,” Santamarina explains.

Santamarina describes Dux's approach with founders as active but not invasive. “We start with a 100-day process where we look into opportunities and where we can provide some smart value,” he explains. After the 100 days, the Dux team provides monthly recaps to help create market opportunities. True to their smart capital credo, the Dux team guided Pura Mente into the U.S. market, particularly the Hispanic communities on the West Coast. That market now comprises 50% of the company's revenues. “They have been operating in the U.S., in Mexico, and now Spain, thanks to all these efforts from our active approach,” Santamarina says.

Other investments include Cubbo, a Latin American technology company that fulfills e-commerce orders for direct-to-consumer brands, where Dux assisted with a cross-border strategy, including finding U.S. clients to sell into Mexico and Latin America. Another investment, Mozper, is a card and app designed for children and

parents in Latin America that promotes financial education by allowing users to pay allowances, set spending rules and chores, and track savings goals. The Dux advisory team assisted Mozper in obtaining its Fintech Law approval to operate in Mexico.

The Dux leadership team is currently focusing on deploying capital from its second fund, with a first closing in late October. “We went to the U.S. to start a second fund, but it was the first fund in the eyes of U.S. investors.” Santamarina also admits concern about pushback on diversity and ESG. “The idea of diversity pays off. We just want to provide this value and try to change the idea and the perception that there’s a lack of Latin talent that can be successful.”