



THE MEXICO EQUITY & INCOME FUND, INC.

RETURNS

As of October 31, 2017	Total Annual Average U.S. Dollar Return through Oct 31, 2017 (Reinvested Dividends)						
	1 Month	Y-T-D	1 Year	3 Years	5 Years	10 Years	Since MXE Inception in 08/30/90
MXE NAV*	-8.52% <sup>1</sup>	13.17% <sup>1</sup>	-3.53% <sup>1</sup>	-8.07% <sup>1</sup>	1.99% <sup>1</sup>	0.70% <sup>1</sup>	11.84% <sup>2</sup>
MXE NAV (Returns in Mexican Pesos "MXN")	-3.29% <sup>3</sup>	5.11% <sup>3</sup>	-1.74% <sup>3</sup>	3.56% <sup>3</sup>	10.16% <sup>3</sup>	6.84% <sup>3</sup>	19.94% <sup>3</sup>
MXE Market Price	-9.58% <sup>1</sup>	14.29% <sup>1</sup>	-2.15% <sup>1</sup>	-8.79% <sup>1</sup>	1.68% <sup>1</sup>	1.95% <sup>1</sup>	12.16% <sup>2</sup>
MXN Appreciation/ Depreciation	-5.41% <sup>3</sup>	7.67% <sup>3</sup>	-1.82% <sup>3</sup>	-11.23% <sup>3</sup>	-7.42% <sup>3</sup>	-5.74% <sup>3</sup>	-6.75% <sup>3</sup>
MEXBOL Index	-8.23%	16.65%	1.70%	-7.14%	-2.79%	0.18%	9.79%
MXF NAV	-6.79%	15.28%	-0.12%	-6.72%	-1.52%	-0.18%	8.25%
MXF Market Price	-7.18%	8.81%	0.52%	-10.39%	-3.00%	0.77%	8.88%
MXE NAV Excess Return vs. MEXBOL Index	-29	-348	-523	-93	478	52	205

Cumulative to October 31, 2017	(Dividends Reinvested)						
	YTD	1 Year	3 Years	5 Years	10 Years	Since MXE Inception 8/30/90	Discount to NAV, as of October 31, 2017
MXE Common Share Market Price	14.29% <sup>1</sup>	-2.15% <sup>1</sup>	-24.11% <sup>1</sup>	8.68% <sup>1</sup>	21.32% <sup>1</sup>	594.56% <sup>3</sup>	-12.88%
MXF Common Share Market Price	8.81%	0.52%	-10.39%	-3.00%	0.77%	8.88%	-12.16%

Source: U.S. Bancorp<sup>1</sup>; Thomson<sup>2</sup>; PAM<sup>3</sup>, Bloomberg.

\*The NAV accretion that resulted from share repurchases, for the 1, 3, and 5-year period ended October 31, 2017, was 0.00, 0.04, and 0.09 respectively. For the purpose of performance calculation, U.S. Bancorp assumes that MXE's dividends and distributions are reinvested at the closing market price on the dividend ex-date and takes into account the dilution effect resulting from fund's stock dividend. This calculation of MXE's performance figures may differ from other financial sources, such as Bloomberg.

MXE's ratio of expenses to average net assets=1.71% for the annual period ended July 31, 2017.

MXF's ratio of expenses to average net assets=1.69% for the semi-annual ended April 30, 2017.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted.

As of September 30, 2017	Total Annual Average U.S. Dollar Return (Reinvested Dividends)				
	1 Year	3 Years	5 Years	10 Years	Since MXE Inception in 08/30/90
MXE NAV	10.23%	-5.70%	4.15%	2.43%	12.24%
MXE Market Price	11.98%	-5.88%	4.35%	3.59%	12.62%
MEXBOL Index	15.66%	-4.48%	-1.05%	1.72%	10.17%
MXF NAV	11.59%	-4.98%	.08%	1.01%	8.56%
MXF Market Price	11.36%	-7.92%	-0.67%	2.17%	9.21%
MXE NAV Excess Return vs. MEXBOL Index in Basis Points	-543	-122	520	71	207

Source: U.S. Bancorp<sup>1</sup>; Thomson<sup>2</sup>; PAM<sup>3</sup>, Bloomberg.

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**MXE RELEVANT DATA**

	As of Oct. 31, 2017	As of Dec 31, 2016	As of Oct 31, 2016
Total Net Assets USD	\$ 88,398,918	\$ 78,104,718	\$ 91,926,206
NAV per Share USD	\$12.09	\$10.63	\$12.47
Common Share Market Price USD	\$10.48	\$9.17	\$10.71
Premium/Discount to NAV	-12.88%	-13.73%	-14.11%
MXE's Shares Repurchased	0	192,577	57,122
MXE's Preferred Shares Redeemed	0	48,535	48,535
Total Outstanding Shares	7,349,716	7,349,716	7,368,869

Source: U.S. Bancorp.

As of October 31, 2017	1 Month	Y-T-D	1 Year
MXE's Shares Repurchased	0	0	8,153

Source: U.S. Bancorp

MXE Top Ten Stock Weightings,  
as of October 31, 2017

Issuer	%	Industry
FEMSAUBD	8.11%	Beverages
GFNORTEO	6.18%	Banks
IENOVA*	5.87%	Gas Utilities
AMXL	5.83%	Wireless Telecommunication
ALFAA	5.53%	Industrial Conglomerates
GRUMAB	4.35%	Food Products
MEXCHEM*	4.33%	Chemicals
PINFRA*	4.22%	Transportation Infrastructure
AC*	4.22%	Beverages
GMEXICOB	4.10%	Metals & Mining

Source: U.S. Bancorp

Fund holdings and sector allocations are subject to change and are not a recommendation to buy or sell any security.

**I. INTRODUCTION**

The world economy continued to grow in the third quarter of the year. In the U.S., the labor market and the economy displayed a solid growth pace, despite the impact of the hurricanes. While inflation has remained below 2%, the Federal Reserve continues to believe that it will gradually converge to that level and began offloading its balance sheet in October, although there are growing expectations of a rate hike in November. The Euro Zone and Japan continue to experience an economic recovery with low levels of inflation, while production in most emerging economies continued to pick up, especially in China. While growth forecasts for 2017 and 2018 remain upbeat, they continue to face downside risks, including a high degree of geopolitical uncertainty, tighter monetary policy conditions in the main economies, and trends towards protectionism in some regions. (Source: Bloomberg)

On the local front, despite one-off impacts on several Mexican companies (including ASUR, the largest airport company in the Mexican Bolsa), caused by a string of natural disasters, including the September 19, 2017 earthquake; sales and Earnings Before Interest, Taxes Depreciation (EBITDA) for the Fund's aggregate portfolio, grew at low single-digit rates of 5.5% and 4.3% year-over-year (y/y), respectively in third quarter of 2017 (3Q17). Energy costs had a greater-than-expected impact on some companies, while Foreign Currency (FX) strength (the Mexican peso appreciated 7.67% year-to-date) benefited companies with higher costs in U.S. dollars. Earnings per Share (EPS) increased 14.4% y/y during the quarter with a higher net margin of 7.64% compared to 6.37% in 3Q16, an improvement of 127 Basis Points. In summary, while slightly lower, 3Q17 results were mostly in line with our expectations, reflecting earnings stability. (Source PAM; Bloomberg)

PAM continued to adhere the Fund's portfolio to oversold stocks, in particular value stocks related to the manufacturing sector with potential upside, as mentioned in the investment strategy section.

Tougher NAFTA ("North American Free Trade Agreement") negotiations resulted in share price swings during the month. We remain confident that despite U.S. officials' hard negotiating tactics, good economic sense and strong commercial interest will lead to a win-win outcome.

Meanwhile, the government remains committed to monetary policy discipline and responsible fiscal policy.

**II. MXE PERFORMANCE**

The Fund's Net Asset U.S. Dollar Value per share, "NAV," registered a return of -8.52% in the month and 13.17% for the year-to-date period ended October 31<sup>st</sup>, 2017 (5.11% in local currency terms), an underperformance of -348 basis points versus its benchmark, the Mexican Stock Exchange Index ("MEXBOL"), which posted a year-to-date

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return of 16.65%. (Source: U.S. Bancorp, PAM).

The Fund's common share market price of US\$10.48 on the New York Stock Exchange rose 14.29% for the year-to-date period ended October 31, 2017, registering a discount of -12.88% to the Fund's NAV of US\$12.03, compared to a discount of -14.11% at the end of October 31, 2016. The Fund's common share market price decreased -2.15% for the one-year period ended October 31, 2017. (Source: U.S. Bancorp).

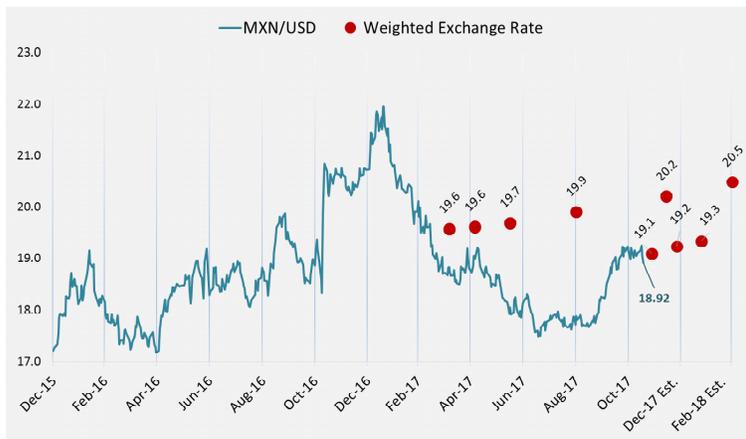
There were no share repurchases in October. (Source: U.S. Bancorp).

The Fund's total net assets amounted to US\$88,398,918 as of October 31, 2017, compared to US\$91,926,206 as of October 31, 2016. (Source: U.S. Bancorp).

**III. THE MEXICAN ECONOMY**

In Mexico, while growth remains solid, the currency lost ground against the dollar during the month ended October 31, 2017 (the spot rate closed October at \$19.13 pesos, lowering the currency's y-t-d appreciation to 7.67% from the 18.61% reached on July 8, 2017) due to U.S. monetary policy normalization, uncertainty over NAFTA, and the White House bill on U.S. fiscal reform. (Source: Bloomberg)

**MXN/USD Spot Exchange Rate**  
 As of November 17, 2017.



Source: Bloomberg; Banxico.

In this context, monetary policy actions aimed at preserving the country's robust macro fundamentals remain in place and have made a significant contribution to an incipient downtrend in headline inflation, from 6.66% in August to 6.35% in September and 6.37% in October. At the same time, Banxico's Exchange Committee announced the auctioning of up to US \$4 billion in FX swaps that will help buffer the Mexican peso amid NAFTA-related volatility. (Source: Banco de México).

**Banxico's Exchange Commission and IMF Flexible Credit Line**

Jan.5, 2017	Announcement of Banxico's discretionary intervention in the foreign exchange market to provide liquidity and mitigate volatility.
Feb.21, 2017	The Exchange Rate Commission decided to instruct Banxico to implement a program of market FX hedges for settlement in local currency. The program amount will be for up to USD \$20 billion.
May-23, 2017	The International Monetary Fund ratified Mexico's Flexible Credit Line for USD \$86 billion.
Oct.25, 2017	Banxico decides to increase in USD \$4 billion the auction of FX hedges with an established schedule. This USD \$4 billion as part of the program for a maximum of USD \$20 billion announced on February 21.

**Auctions Schedule**

Date	Amount (million USD)
Oct.26, 2017	\$1.0 billion
Nov.1, 2017	\$0.5 billion
Nov.8, 2017	\$0.5 billion
Nov.15, 2017	\$0.5 billion
Nov.22, 2017	\$0.5 billion
Nov.29, 2017	\$0.5 billion
Dec.6, 2017	\$0.5 billion
<b>Total</b>	<b>\$4.0 billion</b>

**IV. THE MXE's INVESTMENT STRATEGY**

We have been disciplined in terms of our fundamental analysis, focusing on value stocks with attractive discounts, high earnings growth potential underpinned by strong fundamentals, and attractive upside potential based on PAM's next-12-month target prices. (See: Exhibit A)

We continue to follow de-indexed and highly diversified asset management strategy in which our top ten stocks represent 53% of the total portfolio compared 73% in the case of the MEXBOL Index. (Source: PAM; Bloomberg). (See: Exhibit B)

The largest sector allocation is Consumer Staples with 22%, as private consumption should remain robust driven by job creation, higher disposable income and consumer confidence. Estimated Gross Domestic Product (GDP) growth of 1.8% in 2017 should be fueled by stronger demand from the US economy and healthy growth in private consumption, which is the main component of



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Mexican GDP (68%). Moreover, stronger US growth will likely boost Mexico's manufacturing exports, thereby supporting the labor market. (Source: PAM; Bloomberg; Banxico)

The second largest sector allocation is Financials, due to earnings growth supported by higher Net Interest Margins (NIMS). The 2018 earnings of Mexican Financial companies could post a double digit growth underpinned by stable Non-Performing Loans (NPLs) due to cautious loan growth. (Source: PAM; Bloomberg).

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### VI. FINAL REMARKS

In response to this period of Bolsa Index uncertainty, we have been focusing on continuing to adhere the Fund to value stocks with a high upside potential and have also increased U.S. Dollar revenue-related stocks.

Large share price swings have enabled us to focus on aiming to grant Alpha to the Fund's stockholders, as reflected in the narrowing of the Fund's spread underperformance shown herein. (See Exhibit C & D)

Sincerely yours,

Eugenia Pichardo and Jose Luis Ramirez  
Equity Portfolio Managers &  
Arnulfo Rodriguez-Debt Portfolio Manager

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*The information contained herein reflects the opinion of Pichardo Asset Management and as such does not constitute fundamental research, neither should it be construed as a solicitation of business or a buy/sell recommendation with regard to any of the securities mentioned. Furthermore, it is subject to change without prior warning and estimates cannot be guaranteed. Past returns do not guarantee future earnings.*

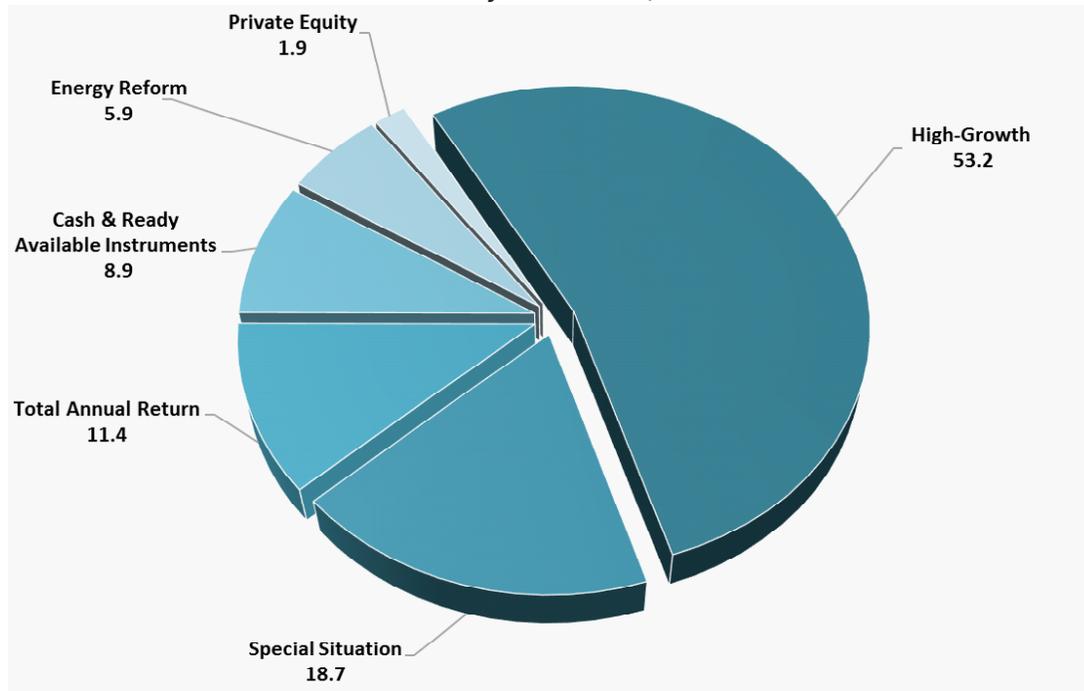
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**THE MEXICO EQUITY & INCOME FUND, INC.**

**Exhibit A**

**Total Value of the Portfolio by Investment Themes (%)**  
*As of October 31, 2017*



Source: PAM, Bloomberg.

**Exhibit B**

**Diversified Active Management (%)**  
*As of October 31, 2017*

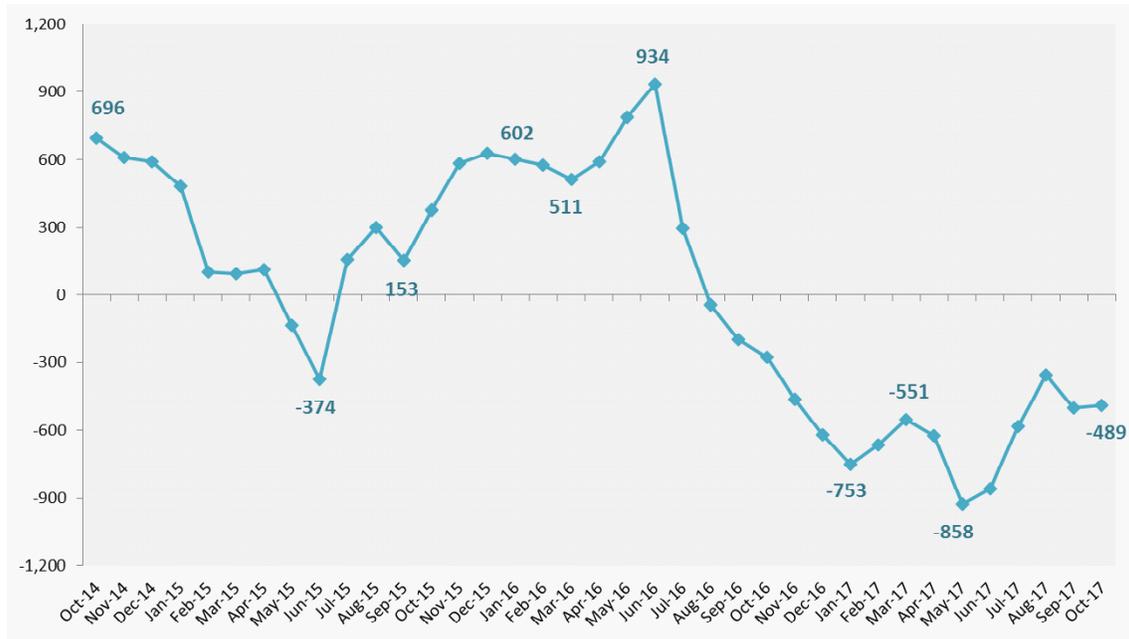
MXE's Top Ten Holdings		MEXBOL Index Top Ten Holdings	
Issuer	Weight	Issuer	Weight
FEMSAUBD	8.1	AMXL	17.2
GFNORTEO	6.2	FEMSAUBD	10.8
IENOVA*	5.9	GFNORTEO	9.5
AMXL	5.8	CEMEXCPO	7.5
ALFAA	5.5	WALMEX*	7.1
GRUMAB	4.3	GMEXICOB	7.1
MEXCHEM*	4.3	TLEVICPO	6.9
PINFRA*	4.2	FUNO11	2.6
AC*	4.2	OMAB	2.4
GMEXICOB	4.1	ALFAA	2.4
<b>Total MXE's Portfolio</b>	<b>52.6</b>	<b>Total MEXBOL Index</b>	<b>73.4</b>

Source: PAM; Bloomberg.

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Exhibit C

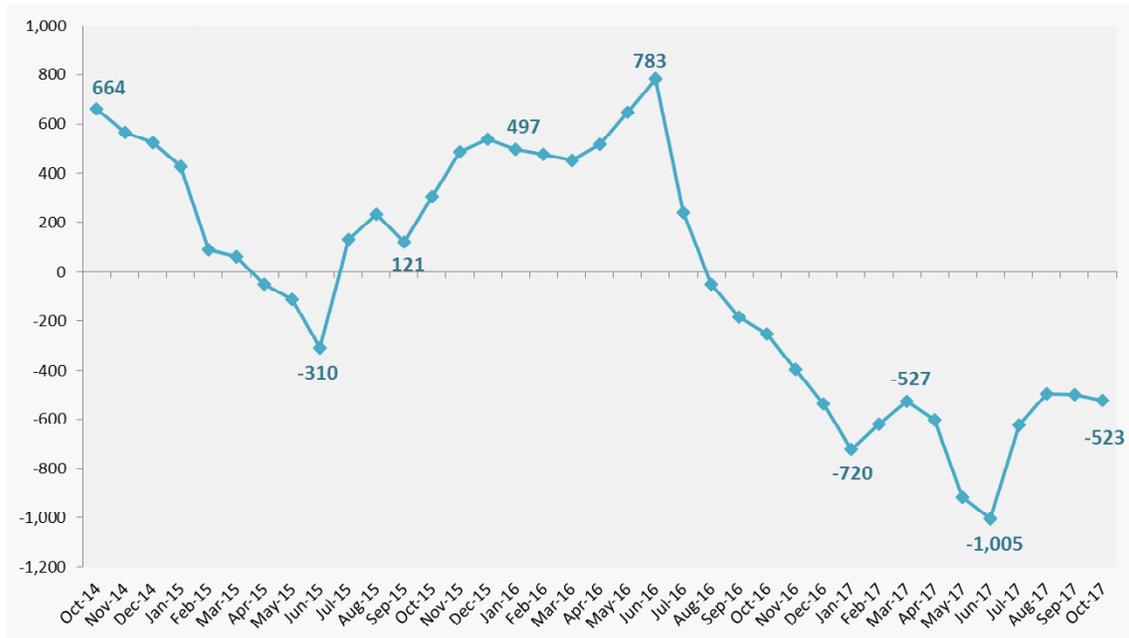
**Spread of MXE's vs MEXBOL Index in MXN**  
*One-Year to October 2017; in basis points*



Source: PAM; Bloomberg.

Exhibit D

**Spread of MXE's vs MEXBOL Index in USD**  
*One-Year to October 2017; in basis points.*



Source: PAM; Bloomberg.

## THE MEXICO EQUITY & INCOME FUND, INC.

### DISCLOSURES

To read about the Mexico Equity and Income Fund, Inc. please access the Annual Report by calling (414) 765-4255 to receive a copy. To read about the Mexico Equity and Income Fund, Inc. please access the Annual Report on the Fund's website [www.mxefund.com](http://www.mxefund.com), under the section caption investor reports. Investors should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. An investment in the Fund should not constitute a complete investment program.

**All investments involve risk. Principal loss is possible. Investing internationally involves additional risks such as currency fluctuations, currency devaluations, price volatility, social and economic instability, differing securities regulation and accounting standards, limited publicly available information, changes in taxation, periods of illiquidity and other factors. These risks are greater in the emerging markets. Stocks of small-and-mid-capitalization companies involve greater volatility and less liquidity than larger-capitalization companies.**

#### Considerations and risks involved in investing in Mexican securities

1. Market volatility in a global context.
2. The Mexican economy continues to be classified as an emerging economy. Mexican industrial production is highly correlated to that of the U.S.
3. Mandatory IFRS (International Financial Reporting Standards) accounting since the year 2011. All Mexican companies reporting IFRS in 2012 with 2011 financials adjusted accordingly (Source: Mexican Stock Exchange).
4. The portfolio securities are denominated in Mexican pesos. As a result, the portfolio return in U.S. Dollars securities must increase in market value at a rate in excess of the rate of the decline in the value of the Mexican peso against the U.S. dollar in order to present an excess dollar return.
5. Mexico has experienced widespread bank failures, currency devaluations, high levels of inflation and interest rates. Nevertheless, inflation has been contained at below 4% as of December 31, 2013, for more than a decade and interest rates are currently at all-time lows (2.92% 3 month Treasury Bills "CETES") (Source: Bloomberg)
6. There is generally less governmental supervision and regulation of exchanges, brokers and issuers in Mexico than there is in the United States.
7. U.S. holders of portfolio securities may also experience difficulties enforcing U.S. laws or obtaining service of process against the issuers of the portfolio securities.

#### THE MEXICO FUND, INC. (MXF)

Closed-End Fund listed in the New York Stock Exchange in 1981

1. Investment Objective: Long-term capital appreciation through investments in securities, primarily equity, listed on the Mexican Stock Exchange.
2. Expense ratio: 1.69% (For the Six Months Ended April 30, 2017)
3. Portfolio Turnover rate: 16.86% (For the Six Months Ended April 30, 2017)
4. Outstanding shares: 15,027,810 (As of April 30, 2017)
5. Repurchase of stocks: During the six months ended April 30, 2017, the Fund did not repurchase shares.
6. Total net assets: US \$279,335,461 (As of April 30, 2017)
7. Under the MDP, the Fund pays a quarterly amount of \$0.1300 per share. Accordingly, the Board declared a dividend distribution of \$0.1300 per share, payable in cash on July 27, 2017 to stockholders of record on July 18, 2017.
8. Tax Status: No provision has been made for U.S. income or excise taxes for the year ended October 31, 2015 on net investment company taxable income or net long-term capital gains as defined by the Internal Revenue Code (the "Code"), since the Fund intends to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of such income to its stockholders.

GAAP prescribes the minimum recognition threshold a tax position must meet before being recognized in the financial statements. An assessment of the Fund's tax positions has been made and it has been determined that there is no impact to the Fund's financial statements.

**Diversification does not ensure profit or protect against losses in a declining market.**

**Earnings growth is not representative of the Fund's future performance.**

**Projections are based on estimates, not guaranteed, and subject to change**

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**ECONOMIC DATA**

- **Gross Domestic Product (GDP):** According to INEGI, the demand side of GDP grew 3.0% in **3Q17**. By components, primary activities increased by 1.0%, secondary activities 0.6%, and tertiary activities 4.1.%
- **Economic Activity Index.** According to INEGI, economic activity (IGAE, a Gross Domestic Product proxy) increased by 0.5% month over month (m/m) in **June**. In seasonally-adjusted terms, primary activities decreased by 4.4%, secondary activities by 0.1%, and tertiary activities by 0.4% compared to the previous month.
- **Industrial Activity.** In **August**, industrial production increased by 0.3% m/m. Seasonally-adjusted data showed that mining was down -2.3%, utilities -0.5%, and construction -0.3%; manufacturing activities increased by 0.5%.
- **Gross Fixed Investment.** In **July**, gross fixed investment (GFI) decreased 0.6%, m/m. Expenses related to construction increased by 0.7% and those related to machinery and equipment decreased by 2.4%, m/m. GFI posted a 1.0% drop y/y.
- **Trade Balance.** The trade deficit for the first **9 months** of the year was US\$9.051 billion, 36% below the US\$12.290 billion recorded in the same 2016 period .
- **Mexican Oil Mix.** As at **end-October**, the price of the Mexican oil mix was USD\$52.72 per barrel.
- **Retail Sales.** Retail decreased 0.2% y/y in **August**. Retail sales decreased 2.5% in relation to the previous month.
- **Unemployment.** The **September** unemployment rate came in at a seasonally-adjusted 3.3%.
- **Monetary Policy.** On **August 10, 2017**, Banco de Mexico maintained its benchmark interest at 7.00%.
- **Inflation.** The **October** Consumer Price Index (CPI) increased by +0.63% month-over-month. Annual headline inflation came in at 6.37% and core inflation 4.77%.
- **Public Finances:**
  - o Net budgetary expenditure was 6.4 percent lower in real terms vs. the end of the third quarter of 2016 and \$85.1 bn pesos above the budget program. Excluding contributions made in both years using the Bank of Mexico's Excess Operating Liquidity (ROBM) to acquire financial assets and the Federal Government's 2016 contribution to Pemex, net expenditure paid was a real 2.8 percent below the same 2016 period and 11.3 billion pesos below the program.
  - o Public Sector Financial Requirements (RFSP) registered a \$73.341 billion surplus vs. a \$207.657 billion deficit for the same period in 2016.

Source: SHCP, BANXICO, INEGI.

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ECONOMIC PROJECTIONS

Economic Projections	2014	2015	2016	2017e	2018e
<b>National Accounts</b>					
Real GDP growth (y/y)	2.3%	2.5%	2.9%	2.5%	2.7%
GDP (US \$bn.)	1.288	1.139	1.076	1.181	1.321
Consumption (Chg. y/y)	2.0%	3.3%	2.4%	2.4%	2.5%
Investment (Chg. y/y)	2.3%	4.5%	1.1%	1.0%	3.7%
Exports (Chg. y/y)	7.3%	9.4%	3.5%	7.6%	8.9%
Imports (Chg. y/y)	5.7%	6.1%	2.9%	5.3%	7.9%
<b>Monetary and Exchange Rate Ind.</b>					
CPI Inflation (year-end)	4.1%	2.1%	3.3%	6.3%	3.8%
US\$ Exchange Rate (year-end)	14.7	17.2	20.6	18.9	19.0
28Day Cetes Int. Rate (year-end)	3.00%	3.25%	5.75%	7.0%	6.5%
<b>Balance of Payments</b>					
Trade Balance (US\$ bn.)	-2.8	-14.5	-13.1	-14.4	-12.4
Exports (US\$ bn.)	397.5	380.8	373.9	397.8	424.5
Imports (US\$ bn.)	400.0	395.2	387.06	412.2	436.9
Transfers (US\$ bn.)	23.6	24.8	26.6	n/a	n/a
Current Account (US\$ bn.)	-24.8	-32.4	-27.8	-23.4	-27.8
Foreign Direct Inv. (US\$ bn.)	25.6	28.4	26.7	n/a	n/a
<b>Debt Profile</b>					
International Reserves (US\$ bn.)	193.2	176.7	176.5	178.0	180.0
Public Debt (gross % of GDP)	41.0%	42.5%	50.5%	48.0%	48.0%
External Debt (gross % of GDP)	11.9%	19.7%	15.5%	15.2%	15.0%

Source: SHCP, BANXICO, INEGI, Santander.

The projections on this page are based on industry estimates and are no guarantee of future outcomes.

## THE MEXICO EQUITY & INCOME FUND, INC.

### DEFINITIONS

- **BANXICO:** Banco de Mexico is the Central Bank of Mexico.
- **Basis points:** One basis point (bps) is one hundredth of a percentage point (0.01%).
- **EBITDA:** Earnings before interests, depreciation and amortization.
- **EPS:** Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.
- **Federal Reserve (FED):** U.S. Central Bank, bank of the U.S. government and, as such, it regulates the nation's financial institutions.
- **GDP:** Gross Domestic Product proxy. The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.
- **IGAE:** a Gross Domestic Product proxy. This indicator shows the evolution of the economic activity in Mexico.
- **IMF:** is an international organization created for the purpose of standardizing global financial relations and exchange rates.
- **INEGI:** Mexican National Institute of Statistics and Geography.
- **Consumer Price Index CPI:** The consumer price index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.
- **MEXBOL-Mexican Stock Exchange:** The Mexican Bolsa Index, or the IPyC (Indice de Precios y Cotizaciones), is a capitalization-weighted index of the leading stocks traded on the Mexican Stock Exchange. The index was developed with a base level of 0.78 on October 30, 1978.
- **Mexbol-Total Return Index:** The Mexican Bolsa index calculates the performance of constituents assuming that all dividends and distributions are reinvested.
- **NAFTA:** (North American Free Trade Agreement): A regulation implemented January 1, 1994 in Mexico, Canada and the United States to eliminate most tariffs on trade between these nations. The three countries phased out numerous tariffs, (with a focus on those related to agriculture, textiles and automobiles), between the agreement's implementation and January 1, 2008. NAFTA's purpose is to encourage economic activity between the United States, Mexico and Canada.
- **The Net Asset Value per Share (NAV)** is calculated as the total market value of all the securities and other assets held by a fund minus the total liabilities, divided by the total number of common shares outstanding. The NAV of an investment company will fluctuate with changes in the market prices of the underlying securities. However, the market price of a closed-end fund is determined in the open market by buyers and sellers. This public market price is the price at which investors may purchase or sell shares of a closed-end fund. The market price of a closed-end fund fluctuates throughout the day and may differ from its underlying NAV, based on the supply and demand for a fund's shares on the open market. Shares of a closed-end fund may trade at a premium to (higher than) or a discount to (lower than) NAV. The difference between the market price and the NAV is expressed as a percentage that is either a discount or a premium to the NAV, or underlying value.
- **Net Interest Margins:** a performance metric that examines how successful a firm's investment decisions are compared to its debt situations.
- **Non-Performing Loans (NPLs):** A nonperforming loan (NPL) is the sum of borrowed money upon which the debtor has not made his scheduled payments for at least 90 days. A nonperforming loan is either in default or close to being in default. Once a loan is nonperforming, the odds that it will be repaid in full are considered to be substantially lower.
- **Alpha:** Alpha is used in finance as a measure of performance. The excess return of an investment relative to the return of a benchmark index is the investment's alpha.
- **PEMEX:** Petroleos Mexicanos is a productive state-owned company of the Federal Government of Mexico.
- **Spot Exchange Rate:** is the price to exchange one currency for another for immediate delivery.
- **Spread:** The difference between two related interest rates.