

Advisor Report for the calendar year ended-December 2019

THE MEXICO EQUITY AND INCOME FUND, INC.

Dear Stockholder,

Introduction

Prevalence of trade tensions at the end of 2018 dissipated by year-end 2019, and for the first time in three years, the global economic outlook looks better, according to the World Bank and the International Monetary Fund, (IMF) (+2.5% and +3.3% estimated growth for 2020, respectively), favorable partial trade agreement between China and the United States signed in 2020, and a soft BREXIT have increased optimism in the global markets. Albeit, Christine Lagarde, President of the European Central Bank, commented global structural challenges surrounding the EU growth outlook related to geopolitical factors, rising protectionism and vulnerabilities in emerging markets, remaining tilted to the downside.

In the domestic scenario, the year 2019 marked the first year of President López Obrador administration with the following:

Positive results:

i) fiscal discipline, ii) exchange rate stability, iii) robust external accounts, iv) controlled inflation, v) drop of interest rates, vi) PEMEX's successful debt refinancing and oil production stabilization, vii) a non-confrontational style to the trade tensions within the negotiations of the United States-Mexico-Canada Agreement (USMCA), which was finally signed on December 10, 2019, and ratified in the U.S.A. House of Representatives in January 2020, and viii) the lowest country risk and Credit Default Swaps's (CDS) levels.

Challenging results:

i) mild economic growth, ii) government's confrontational style aiming at increasing tax collection by reducing impunity; and iii) continued lagging private investment.

Economic Stagnation & Path to Recovery.

Gross Domestic Product (GDP) registered a negative mild -0.2% year-over-year (y/y) growth in 2019, with contraction of the industrial sector activities registering a negative -1.5% growth year-on-year, (y/y) deceleration of the services sector activities, growing 0.1% y/y; and the agricultural sector activities increasing 5.4% y/y. (Source: INEGI)

Consumption indicators exhibited favorable annual growth rates in 2019; however, it compares unfavorable with 2018 figures. The average growth rates of Walmart's Same Stores Sales (SSS) and ANTAD in 2019 were 4.5% and 3.6%, respectively, compared to 6.8% and 5.1% respectively. Besides,

private consumption, monthly indicators displayed a growth of 1.0% y/y, compared to 2.2% in 2018. Exports grew at approximately 2.4% y/y compared to 10.3% in 2018. (Source: ANTAD; INEGI)

Mexico ranked as the number one trading partner in total trade with the US, registering a projected U.S. deficit of US\$ 100 bn. in 2019, compared to US\$ 64 bn. average for the previous three years. (Source: U.S. Census Bureau)

United States International Trade (As of November 2019)

Country	Exports	Imports	Total Trade	Balance	Country	Exports	Imports	Total Trade	Balance
Mexico	236,140	328,472	564,612	-92,332	India	31,297	52,802	84,099	-21,505
% of Total	15.6%	14.3%	14.8%		% of Total	2.1%	2.3%	2.2%	
Canada	269,198	291,460	560,658	-22,262	Taiwan	28,786	49,426	78,212	-20,640
% of Total	17.8%	12.7%	14.7%		% of Total	1.9%	2.2%	2.1%	
China	99,693	419,496	519,189	-319,803	Italy	22,065	52,619	74,684	-30,554
% of Total	6.6%	18.3%	13.6%		% of Total	1.5%	2.3%	2.0%	
Japan	68,049	132,644	200,693	-64,595	Brazil	39,533	28,334	67,867	11,199
% of Total	4.5%	5.8%	5.3%		% of Total	2.6%	1.2%	1.8%	
Germany	55,327	117,062	172,389	-61,735	Singapore	28,659	23,951	52,610	4,708
% of Total	3.7%	5.1%	4.5%		% of Total	1.9%	1.0%	1.4%	
Korea, South	51,843	70,644	122,487	-18,801	Hong Kong	28,537	4,283	32,820	24,254
% of Total	3.4%	3.1%	3.2%		% of Total	1.9%	0.2%	0.9%	
United Kingdom	63,381	57,725	121,106	5,656	Saudi Arabia	13,052	12,533	25,585	519
% of Total	4.2%	2.5%	3.2%		% of Total	0.9%	0.5%	0.7%	
France	34,312	53,665	87,977	-19,353	All other countries	440,515	598,222	1,038,737	-157,707
% of Total	2.3%	2.3%	2.3%		% of Total	29.2%	26.1%	27.3%	
					TOTAL 2019 YTD	1,510,387	2,293,338	3,803,725	-782,951
					TOTAL 2018	1,664,064	2,542,735	4,206,799	-878,671
					TOTAL 2017	1,546,654	2,342,905	3,889,559	-796,251

Source: U.S. Census Bureau

Amounts in millions of dollars

The United States and Mexico's total trade amounted to US\$564 bn. (14.8% of international trade of the U.S.A. with the world's nations), y/y through November. (Source: U.S. Census Bureau; PAM)

(See 2019 economic report as well as a complete long-term macro and financial report at the Adviser's web page: www.paminversion.com).



MXE Performance

Fund	Total Annual Average US Dollar Return through December 31, 2019. (dividends reinvested)						
	1 Month	4Q'19	1 Year	3 Years	5 Years	10 Years	Since Inception in 8/30/90
MXE NAV	4.01% ¹	6.85% ¹	8.48% ¹	4.60% ¹	-1.93% ¹	6.21% ¹	10.61% ²
MXE NAV (Return in Mexican Pesos "MXN")	0.48%3	2.39%3	4.37%3	1.44%3	3.06%3	10.18%3	17.93%3
MXE Market Price	8.21%1	11.39%1	16.37%1	8.69%1	-0.36%1	7.77%1	10.85%2
MXN Appreciation/Depreciation vs 1 USD	3.52%3	4.36%3	3.94%3	3.11%3	-4.84%3	-3.61%3	-6.21%3
MSCI Mexico Index	4.76% ⁴	6.21% ⁴	11.37% ⁴	2.94% ⁴	-3.24% ⁴	1.16% ⁴	10.14% ⁴
MEXBOL Index	5.44%	6.53%	12.05%	3.73%	-2.78%	1.04%	8.67%
MXF NAV	3.63%	9.19%	9.19%	3.56%	-2.27%	2.85%	7.52%
MXF Market Price	5.29%	11.42%	11.42%	1.92%	-2.66%	3.52%	8.13%
MXE NAV Excess Return vs. MSCI Mexico Index (basis points)	-75	64	-289	166	131	505	47
Cumulative to December 31, 2019.	4Q'19	1 Year	3 Years	5 Years	10 Years	Since Inception in 8/30/90	Discount to NAV
MXE Common Share Market Price	11.39%1	16.37%1	28.39%1	-1.77%1	111.42%1	1951.62%3	-3.33%
MXF Common Share Market Price	7.24%	11.42%	5.86%	-12.60%	41.38%	888.99%	-12.60%

Source: US Bancorp¹; Thomson²; PAM³; MSCI⁴; Bloomberg.

Performance data represents past performance; past performance does not guarantee future results.

The investment return and principal value of an investment will fluctuate so that the investor's shares, when sold may be worth more or less than their original cost. Performance data to the most recent month end may be obtained by calling U.S. Bancorp Fund Services, LLC, (414)765-4255, or by consulting the Fund's web page: www.mxefund.com.

The Fund's shares have traded in the market above (at a premium), at, and below (at a discount) the net asset value per share (NAV) since the commencement of the Fund's operations. Generally, shares of closed-end investment companies, including those of the Fund, trade at a discount from NAV.

The Fund's net asset U.S. Dollar value per share certificate, "NAV" registered an increase of 8.48% for the year 2019, and 4.37% return in MXN Pesos. The Fund's common share market price presented a 16.37% U.S. Dollar return, according to U.S. Bancorp.

The Fund's discount to its NAV closed at -3.33% at end of 2019, compared to -9.85% at end 2018.



(Please see significant self-tender offer, "TO" of 65% of the Fund's total assets approved by the Fund on December 12, 2019), with termination date January 31, 2020.

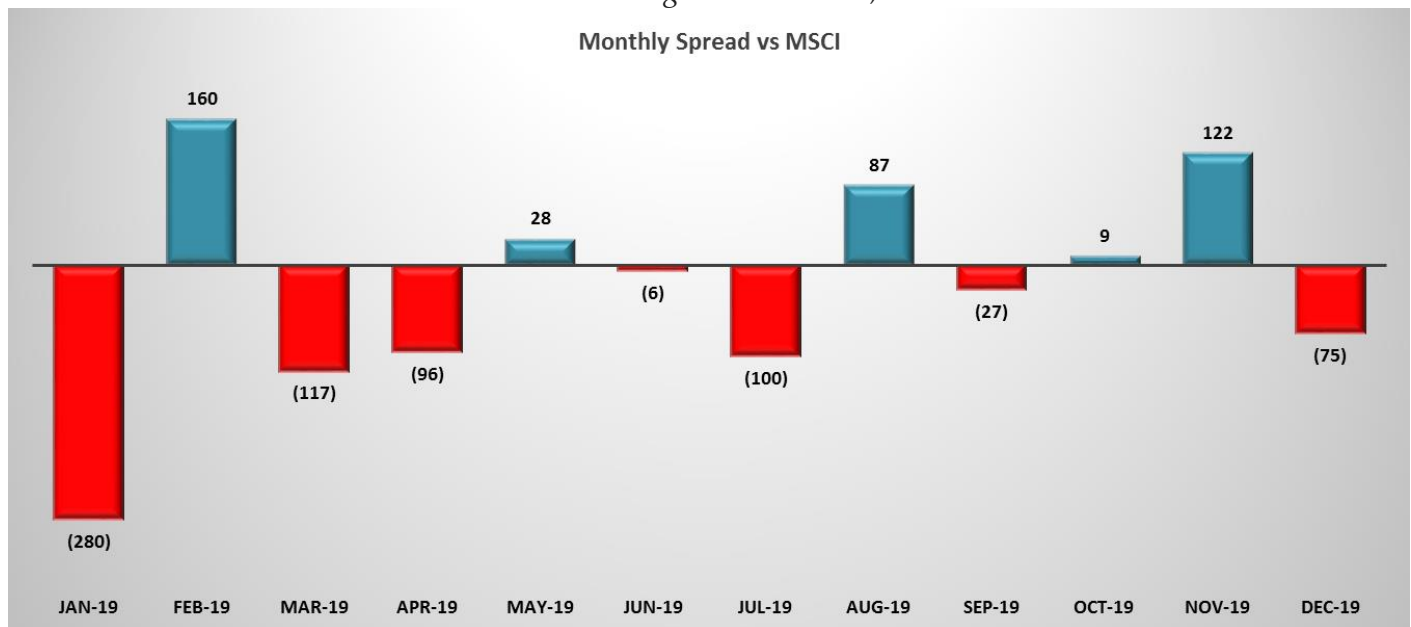
[http://www.mxefund.com/pdfs/MXE - Tender Offer - Press Release_public.pdf](http://www.mxefund.com/pdfs/MXE_-_Tender_Offer_-_Press_Release_public.pdf)

During the year 2018 a Conditional "TO" and a Plan in 2019, as stated in the Board of Directors press release on September 18, 2018 was announced and approved for 25% of the Fund's total assets, with termination date February 15, 2019.

<http://www.mxefund.com/pdfs/MXE%20Press%20Release%20Tender%20Offer%20and%20Plan%20for%202019-9-18.pdf>.

The month of January presented the Fund's highest excess negative return compared to the MSCI Mexico Index, which presented an increase in USD of 9.78%. The outflow of US\$ 19'962,368 to exercise the "TO", with termination date February 15, 2019 prevailed as the main reason for the Fund's 2019 performance relative to the market's performance. (Source: U.S. Bancorp)

MXE's Monthly Spread Performance vs MSCI Mexico (Basis points)
One-Year through December 31, 2019.



(Source: Bloomberg; PAM)

MEXBOL Index's Best Performing Stocks

One-month to January 31, 2019

Issuer	Ovverweight / Underweight vs MSCI- Mexico Index	USD Return
FUNO11	-291	23.9%
BSMXB	-171	21.0%
ASURB	-241	20.4%
GMEXICOB	-542	16.7%
GFNORTEO	-227	14.3%
AMXL	-1213	13.0%
CEMEXCPO	-532	12.2%
PE&OLES*	-130	12.2%
GAPB	-97	10.7%
FEMSAUBD	-777	6.3%

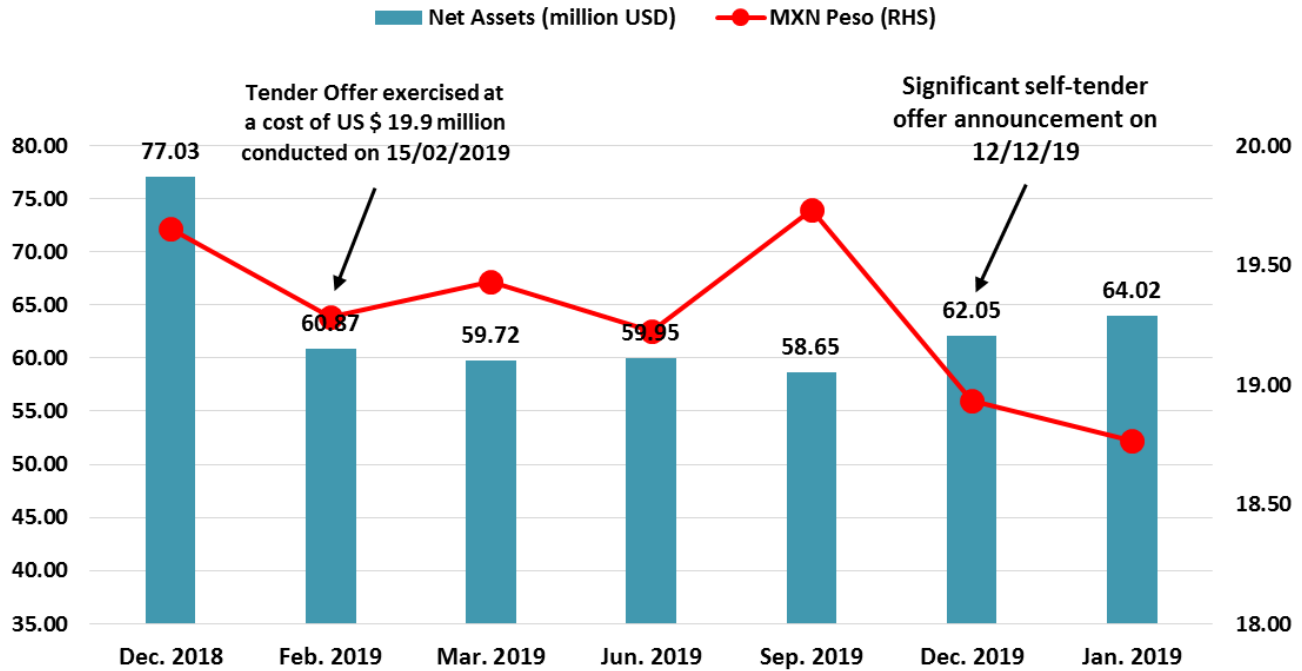
(Source: Bloomberg; PAM)

Conversion of significant MXN Pesos proceeds into US Dollar currency, was made in the month of January 2020 at an average of MXN Pesos 18.8460 per 1 US Dollar, the currency's highest level since January 2017. Our top-down approach called for a stable Mexican Peso supported our equity decision making at the "TOs" transactional process. *(Source: Bloomberg; PAM).*

Fund's Total Assets are US\$ 64'022,466.54, as of January 24, 2020. *(Source: U.S. Bancorp).*

MXE's Net Total Assets & MXN Peso Performance

Since December 31, 2018 through January 24, 2020



(Source: U.S. Bancorp; Bloomberg; PAM)

Asset weight percentage in highly liquid stocks, with high-quality growth, to exercise the significant "TO's", supported by our original fundamental research, provided an excellent execution of the Fund's corporate action. (Source: U.S. Bancorp; Bloomberg; PAM)

MXE's Relative Performance by Sectors vs MSCI Mexico

One-Year through December 31, 2019.

Performance Sectors	Absolute		Relative
	MXE a	MSCI b	a-b
Financials	2.97%	1.79%	1.18%
Real Estate	2.89%	1.37%	1.52%
Communication Services	2.29%	2.43%	-0.14%
Industrials	1.59%	1.33%	0.26%
Materials	0.93%	0.74%	0.20%
Consumer Staples	0.72%	3.44%	-2.73%
Utilities	0.22%	0.45%	-0.23%
Consumer Discretionary	-1.31%	-0.18%	-1.13%
Total Sectors	10.29%	11.37%	-1.08%
Cash & Readily Available Instruments	0.51%		
Forex fluctuations	0.12%		
Expenses	-2.26%		
Total	8.48%	11.37%	-2.89%

(Source: Bloomberg; PAM)

PAM has granted the MXE's stockholders with a competitive one-year and long term U.S. Dollar return to December 2019 considering the Fund Board of Directors commitment to present the Fund's stockholders an opportunity to cashing out a significant percentage of the Fund's discount to its NAV at end January 2020, and February 2019.

Positive Attribution by Sectors:

- Real Estate (REITs). Driven by reliable operating results with sustainable margins, high free cash flow (FCF) generation and dividend yield averaging 10%, portfolio occupancy at record highs, and the signing of the USMCA agreement. Going forward, the Fund continues to hold Real Estate on a thematic high total annual return.
- Financials. Banks. Expansion in profitability indicators, funding cost and asset quality, trading at attractive forward P/BV, ROE at historical highs; and attractive dividend yields. Deceleration of credit and cautious stance for 2020.
- Materials. Metals and Mining & Construction Materials. High price swings during 2019 and the MXE's Fund invested at a compelling valuation. Resilient FCF generation despite slower global growth, solid balance sheet, and an attractive dividend yield. Market's opportunity at attractive prices.

Negative Attribution by Sectors:

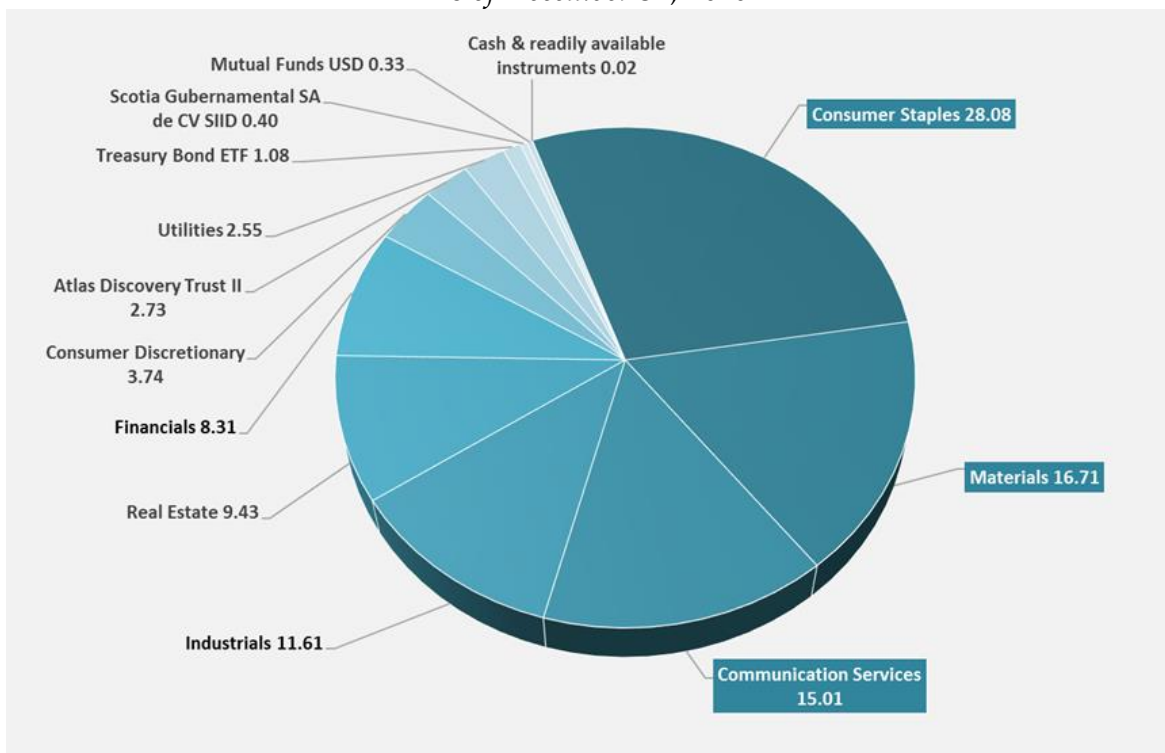
- Consumer Discretionary. Hotels, Restaurants, and Leisure. Related to acquisitions in Spain, Belgium, France & Netherlands, and business exposure in Argentina, as well as minimum wage increases and higher commodity prices. Cautious stance.
- Consumer Staples. Food and Staples Retailing and Food and Beverages. The Consumption Sector weighs 33% in the MSCI Mexico Index and MXE registered a 28.08% weight, with two of its constituents weighting 24% in the leading Benchmark. At the end of 2019, the Sector presents fair valuations for the large caps and attractive prices for the Mid & Small caps, in our view.
- Utilities. New Federal Electricity Commission (CFE) administration’s aggressive rhetoric and lack of triggers in the short term.

Investment Strategy and Themes

The Fund’s investment strategy continued its disciplined search for discounted and attractive prices in the equity market. PAM’s Team followed a cautious stance throughout 2019-year by having a more balanced portfolio, from a top-down approach, as classified by thematic investments, resulting in a tactical shift from high Beta domestic exposure and EBITDA abroad to Total Annual Return.

Fund’s Portfolio Holdings by Sectors (%)

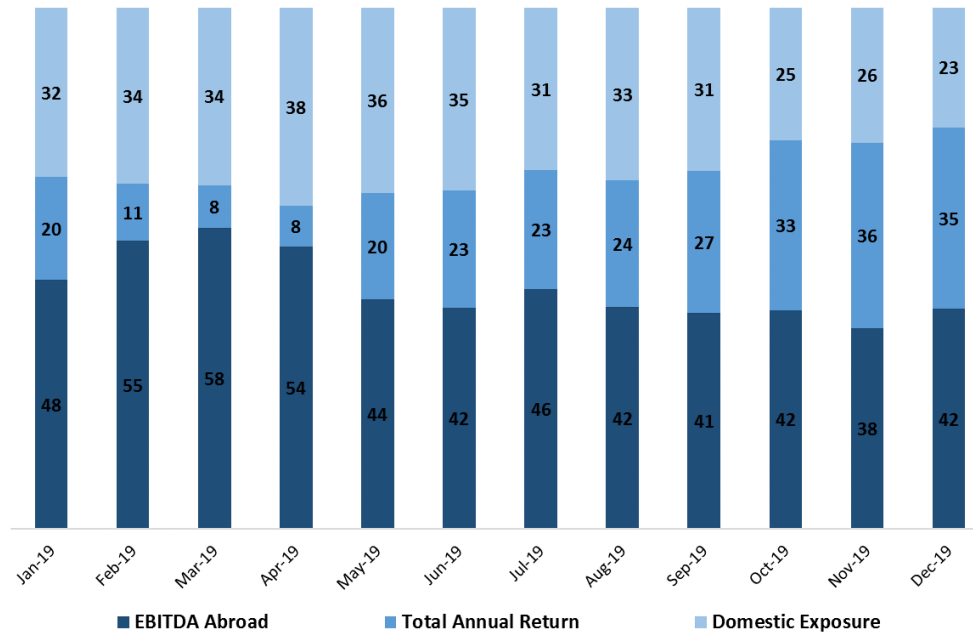
As of December 31, 2019



(Source: Bloomberg; PAM)

Total Value of the Portfolio by Investment Themes (%)

As of December 31, 2019



(Source: PAM)

Mexican Stock Exchange (MEXBOL's Index) Overview

Throughout 2019, risk factors tainted the performance of Mexican equities leading the Index to a minimum level of 38,574 points on August 15, 2019, mainly driven by fears of trade disruptions between Mexico and the United States, tightening of the monetary policy of the Federal Reserve, a "hard" Brexit, and a possible global recession due to the trade conflict between China and the United States. Continuous economic revisions for the Mexican economy was the most challenging factor in 2019.

Starting August 2019, and after reaching minimum levels, the Index registered a resilient performance due to two important events: i) President Lopez Obrador reached a deal to end a standoff with several natural-gas pipeline operators over contract prices, allowing them to avoid international arbitration and the gas delivery across the country, ii) Concessions in the Transportation sector approved. In our view, these events were one of the right signals to investors that the government is open to welcoming private sector's investments through concessions.

The Mexican market delivered a 12.05% US dollar performance in 2019 and 7.57 % in Mexican Pesos, while the currency gained +3.9% vs the US dollar. (Source: Bloomberg; PAM)

MEXBOL's Index Performance

One-Year to December 31, 2019

Index 12/31/2018 = 100

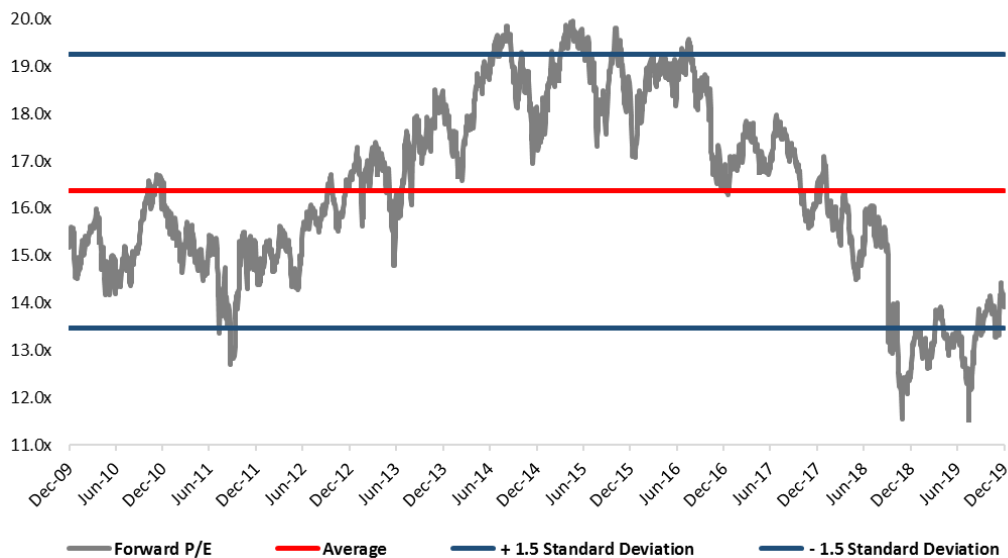
— MXN — USD



The MEXBOL Index traded at a 15% discount to its 12M forward P/E at the end of December 2019 compared to its five-year average and opportunities in high-quality growth stocks. (Source: Bloomberg; PAM)

MEXBOL's Index Forward P/E Multiple

Ten-Year to December 31, 2019



Source: PAM; Bloomberg



Environmental, social and corporate governance (ESG)

PAM has applied as a signatory United Nations' Principles for Responsible Investment (UNPRI) on January 9, 2020, and all officers in PAM are aware of our responsibility.

We must act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, and asset classes and through time). We also recognize that applying these Principles may better align investors with the broader objectives of the society.

Our Buy and Sell Methodology will integrate the ESG analysis starting in the year 2020 to align it to the ranking on Corporate Governance and transparent accounting. PAM's Code of Ethics will be updated in first quarter of 2020 (1Q'2020) to reflect our company's fiduciary responsibilities in ESG policy.

- We are concerned and focused on including a ranking measurement of the facts, our analysis, and the effectiveness of Companies' sustainability vision policies.
- We have inquired companies on their ESG-UNPRI policies and will continue to monitor to receive the information by writing.
- We continue to have a higher preference for companies that have good reporting, strong corporate governance, as well as financial, environmental, and social policies.
- We will include in our Advisor's reports a section with this ESG policy during 2020.

PAM's consolidated Research Team (+6 years) continues to enhance the original, fundamental research and will update our decision-making -buy & sell methodology- to include ESG policies in 2020.

Yours sincerely,

Eugenia Pichardo
David Estevez & Juan Elizalde
Portfolio Managers



The information provided herein represents the opinion of Pichardo Asset Management not the Fund's Board of Directors' and is not intended to be a forecast of future events, a guarantee of future results, or investment advice.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling U.S. Bancorp Fund Services, LLC, (414) 765-4255 or visiting www.themexicoequityandincomefund.com. Read it carefully before investing.

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 regulations 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.

Investing in Foreign Securities

Investment in Mexican securities involves special considerations and risks that are not normally associated with investments in U.S. securities, including (1) relatively higher price volatility, lower liquidity and the small market capitalization of Mexican securities markets; (2) currency fluctuations and the cost of converting Mexican pesos into U.S. dollars; (3) restrictions on foreign investment; (4) political, economic and social risks and uncertainties (5) higher rates of inflation and interest rates than in the United States.

Diversification does not assure a profit or protect against a loss in a declining market.

The Portfolio Securities are denominated in pesos. As a result, the Portfolio Securities must increase in market value at a rate in excess of the rate of any decline in the value of the peso against the U.S. dollar in order to avoid a decline in their equivalent U.S. dollar value.

The Fund may have a higher turnover rate, which could result in higher transaction costs and higher tax liability, which may affect returns.

The Fund's holdings and sector allocations are subject to change at any time and should not be considered recommendations to buy or sell any security. Please refer to the Schedule of Investments in this report for a complete list of fund holdings. Current and future portfolio holdings are subject to risk.

Earnings growth is not a measure of the Fund's future performance.

Definitions

- *MEXBOL, or the IPC (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 30th, 1978.*
- *MSCI-MEXICO: The Morgan Stanley Capital International Index Mexico is a capitalization weighted index that monitors the performance of stocks traded in Mexico. One cannot invest directly in an index.*
- *Basis point (bps) is one hundredth of a percentage point (0.01%).*
- *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 total liabilities divided by the total number of common shares outstanding. The NAV of an investment company will fluctuate due to changes in the market prices of the underlying securities.*
- *The market price of the common share of a closed-end fund is determined in the open market by buyers and sellers and is the price at which investors may purchase or sell the common shares of a closed-end fund, which fluctuates throughout the day. The common share market price may differ from the Fund’s Net Asset Value; 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 NAV is expressed as a percentage that is either a discount or a premium to NAV.*
- *IMF: The International Monetary Fund is an international organization that aims to promote global economic growth and financial stability, to encourage international trade, and to reduce poverty.*
- *PEMEX: Petroleos Mexicanos is the Mexican state-owned oil company created in 1938. PEMEX is the seventh crude oil producer worldwide and the eleventh most integrated company. In Mexico, it is the sole producer of crude oil, natural gas and refined products, the most important source of government income and the country’s most important company.*
- *The Comisión Federal de Electricidad (English: Federal Electricity Commission) is the state-owned electric utility of Mexico, widely known as CFE. It is the country's dominant electric company, and the country's second most powerful state-owned company after Pemex. The Mexican constitution states that the government is responsible for the control and development of the national electric industry, and CFE carries out this mission. The company's slogan is "Una empresa de clase mundial" ("A World-Class Company").*
- *USMCA: The United States–Mexico–Canada Agreement is a pending free trade agreement between Canada, Mexico, and the United States, intended to replace the current North American Free Trade Agreement (NAFTA).*
- *CDS: A credit default swap (CDS) is a financial derivative or contract that allows an investor to "swap" or offset his or her credit risk with that of another investor. For example, if a lender is worried that a borrower is going to default on a loan, the lender could use a CDS to offset or swap that risk.*
- *ANTAD: stands for Asociación Nacional de Tiendas de Autoservicio y Departamentales (National Retailers Association of Mexico)*
- *INEGI: The National Institute of Statistics and Geography.*
- *REIT: A real estate investment trust (REIT) is a company owning and typically operating real estate which generates income. Most REITs specialize in a specific real estate sector, focusing their time, energy, and funding on that particular segment of the entire real estate horizon. However, diversified and specialty REITs often hold different types of properties in their portfolios. One benefit of REITs for everyday investors is that they provide the opportunity to own a portion of real estate which generates dividend-based income.*

- *FCF: Free cash flow (FCF) represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital from the balance sheet.*
- *P/BV: Price to Book Value is a valuation ratio and is arrived at by dividing the market price of a share with the respective company's book value per share.*
- *ROE: Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets. ROE is considered a measure of how effectively management is using a company's assets to create profits.*
- *EBITDA: EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is used as an alternative to simple earnings or net income in some circumstances. EBITDA, however, can be misleading because it strips out the cost of capital investments like property, plant, and equipment.*
- *Price to Earnings Ratio P/E: A valuation ratio of a company's current share price compared to its per-share earnings (EPS).*
- *Earnings per Share EPS: 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.*
- *BETA: Beta describes the activity of a security's returns responding to swings in the market. The beta calculation is used to help investors understand whether a stock moves in the same direction as the rest of the market, and how volatile or risky it is compared to the market. For beta to provide any insight, the "market" used as a benchmark should be related to the stock.*
- *Standard Deviation: The standard deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. It is calculated as the square root of variance by determining the variation between each data point relative to the mean. If the data points are further from the mean, there is a higher deviation within the data set; thus, the more spread out the data, the higher the standard deviation.*



THE MEXICO EQUITY AND INCOME FUND, INC. (MXE)

Closed-End Fund listed in the New York Stock Exchange in 1990

Investment Objective: To seek high total return through capital appreciation and current income by investing at least 80% of the Fund's assets in equity and convertible securities issued by Mexican companies and debt securities of Mexican issuers.

Expense ratio: 2.09% (for the Fiscal Year ended July 31, 2019)

Portfolio Turnover rate: 233.24% (for the Fiscal Year ended July 31, 2019)

Outstanding shares: 5,171,598 (as of July 31, 2019)

Repurchase of stocks: US \$20,396,912 (for the Fiscal Year ended July 31, 2019)

Total net assets: US \$57,058,993 (as of July 31, 2019)

Total distributions paid to shareholders: US \$8,274 for the Fiscal Year ended July 31, 2019)

Tax Status: No provision is made for U.S. Federal income or excise taxes as it is the Fund's intention to continue to qualify as a regulated investment company and to make the requisite distributions to its shareholders that will be sufficient to relieve it from all or substantially all U.S. Federal income and excise taxes.

The Fund is subject to the following withholding taxes on income from Mexican sources:

Interest income on debt issued by the Mexican federal government is generally not subject to withholding. Withholding tax on interest from other debt obligations such as publicly traded bonds and loans by banks or insurance companies is at a rate of 4.9% under the tax treaty between Mexico and the United States.

Gains realized from the sale or disposition of debt securities may be subject to a 4.9% withholding tax. Gains realized by the Fund from the sale or disposition of equity securities that are listed and traded on the Mexican Stock Exchange ("MSE") are exempt from Mexican withholding tax if sold through the stock exchange. Gains realized on transactions outside of the MSE may be subject to withholding at a rate of 25% (20% rate prior to January 1, 2002) of the value of the shares sold or, upon the election of the Fund, at 35% (40% rate prior to January 1, 2002) of the gain. If the Fund has owned less than 25% of the outstanding stock of the issuer of the equity securities within the 12 month period preceding the disposition, then such disposition will not be subject to capital gains taxes as provided for in the treaty to avoid double taxation between Mexico and the United States.

Source: The Mexico Equity and Income Fund, Inc. Semi Annual Report (July 31, 2019).

THE MEXICO FUND, INC. (MXF)

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

Investment Objective: Long-term capital appreciation through investments in securities, primarily equity, listed on the Mexican Stock Exchange.

Expense ratio: 1.61% (for the Fiscal Year ended October 31, 2019)

Portfolio Turnover rate: 18.13% (for the Fiscal Year ended October 31, 2019)

Outstanding shares: 15,005,224 (as of October 31, 2019)

Repurchase of stocks: US \$0 (for the Fiscal Year ended October 31, 2019)



Total net assets: US \$230,469,700 (as of October 31, 2019)

Total distributions paid to shareholders: US \$15,005,224 (for the Fiscal Year ended October 31, 2019) (US \$5,388,612 from ordinary income, US \$2,120,524 from long term capital gains, and US \$7,496,088 from Return of Capital)

Tax Status: No provision has been made for U.S. income or excise taxes for the Fiscal Year ended October 31, 2019 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. The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by the Internal Revenue Service. An assessment of the Fund's tax positions has been made and it has been determined that there is no liability for unrecognized tax benefits that should be recorded relating to uncertain tax positions taken on returns filed for open tax years.

Each of the Fund's federal income tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will change materially in the next 12 months.

Source: The Mexico Fund's Semi Annual Report (April 30, 2019).