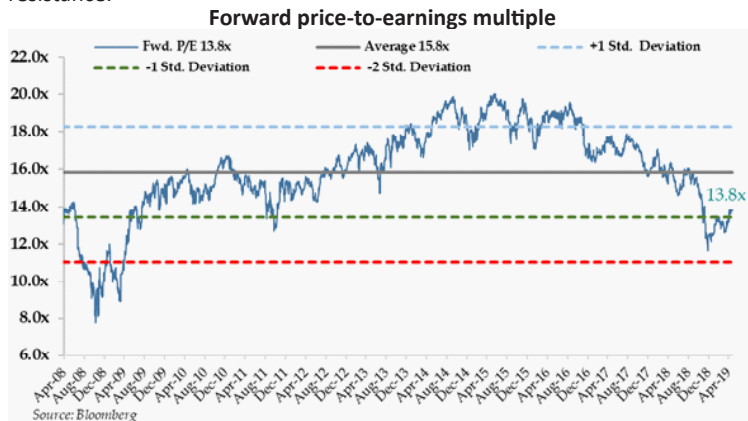
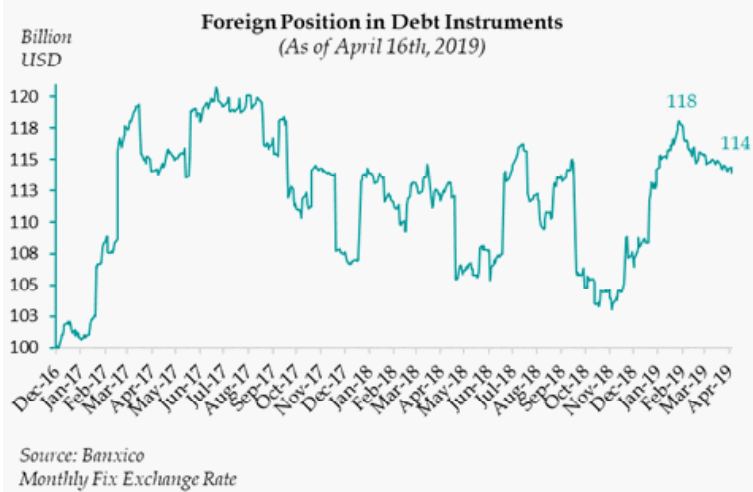


April: significant rally in the stock market and the 10-year M bond rate

On Friday, April 26th, the Mexbol Index closed at 44,974; which represent 4.03% month-to-date gains and year-to-date profits of 8.43%. The excellent performance of the stock market in April is due to low valuations and in spite of weak companies' quarterly reports. Despite this 4.03% month-to-date advance, the stock market index has not been able to surpass the 45,000 resistance.



The 10-year M bond yield at the beginning of the year was 8.66% and closed at 8.07% on April 26th. Noteworthy, the yield fell to 7.86% on March 25th as the foreign position in debt instruments amounted to 118 billion dollars in February; an 8.9% growth compared to December. Although the position of foreigners in fixed income decreased in the last two months, it has remained between 114 and 117 billion dollars. These amounts are comparable to those of mid-2017 —before the electoral period in Mexico and within the negotiation period of the Free Trade Agreement between Mexico, the United States and Canada.

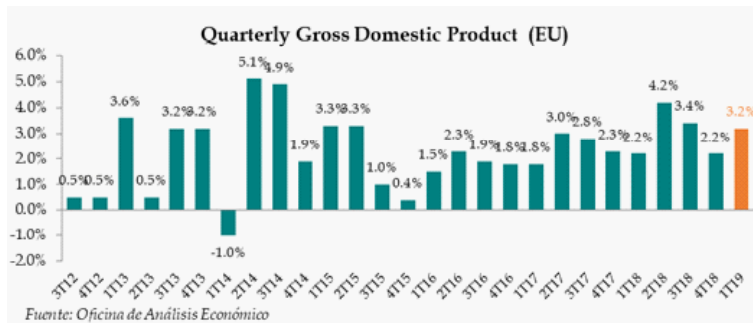


On Friday, April 26th, the spot exchange rate closed at 18.94 pesos per dollar, a 2.56% month-to-date appreciation and a 3.37% year-to-date gain. Noteworthy, the Mexican currency has remained within a narrow fluctuation range between 18.90 and 19.50 pesos per dollar; which denotes the stability of the Mexican forex market after two years (2017-2018) that were characterized by high volatility. Likewise, the Mexican peso is the currency that has appreciated the most against the U.S. dollar throughout April (Ruble + 1.38%, Yuan -0.27%, Brazilian Real -0.27%, South African Rand + 0.85%). Some of the factors that have favored this behavior are:

- i) The growing position of foreigners in Mexican debt instruments motivated by high-interest rates.
- ii) The announcement of the federal government on its fiscal policy: a primary surplus of 1.0% of the Gross Domestic Product (GDP) in 2019 and of 1.3% in 2020 to guarantee the payment commitments of the external debt.
- iii) The significant trade volume between Mexico and the United States, which in the first two months of the year (102.54 billion dollars) was even higher than that of Canada and China.
- iv) The stable flow of remittances from the United States, which in 2018 reached a record high of 33.47 billion dollars.

Gross Domestic Product in the United States

Gross Domestic Product in the first quarter of the year in the US rose 3.2%, one percentage point year-over-year (YoY) and 0.9 percentage points above market consensus expectations. This figure reflects solid consumption, a rise in inventories investment and non-residential fixed investment, an increase in exports and higher government spending. This figure interrupts the downward trend of the GDP and reflects the strength of the US economy.



Global Indicator of Economic Activity

In February, the Global Indicator of Economic Activity (IGAE) increased by 1.07% YoY. Therefore, the uncertainty generated by the indicator growth figure for December begins to dissipate. However, despite this, growth is still below the levels observed in mid-2018. Both the primary and tertiary sectors sustained the annual growth of the index by accelerating 9.3% and 1.7% respectively. The secondary sector exhibited a drop for the fourth consecutive month, having a negative annual variation of (-) 0.95%, although the magnitude of the fall is less than that of the previous months.

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Disclosures

P/E: The Price-to-Earnings Ratio or P/E ratio is a ratio that measures a company share price relative to its per-share earnings.

MEXBOL : The S&P/BMV IPC Index measures the performance of the largest and most liquid stocks listed on the "Bolsa Mexicana de Valores". The index is designed to provide a broad and representative index covering the Mexican equities market. It is not possible to invest directly in an index.

basis point: One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001.

P/E: The Price-to-Earnings Ratio or P/E ratio is a ratio that measures a company share price relative to its per-share earnings.

standard deviation: The standard deviation 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 higher deviation within the data set; thus, the more spread out the data, the higher the standard deviation.

Cash flow: the difference in amount of cash available at the beginning of a period (opening balance) and the amount at the end of that period (closing balance).

M-BOND - Mexico Federal Government fixed-rate development bonds that are issued and placed at terms of over one year, pay interest every six months and their interest rate is determined at issue date and remains fixed all along the life of the bond.

GDP - Is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

Forex market: Is a global decentralized or over-the-counter (OTC) market for the trading of currencies.

Disclosures

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To read about The Mexico Equity and Income Fund, Inc, please access the Annual Report by calling (414) 765-4255 to receive a copy, or access the Annual Report on the Fund's website, "www.mxefund.com", under the section captioned 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.

Past performance is not a guarantee of future results. Index performance is not illustrative of fund performance. One cannot invest directly in an index. Please call (414) 765-4255 for fund performance.

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