

THE MEXICO EQUITY AND INCOME FUND, INC.
**REPORT TO MEMBERS OF
THE BOARD OF DIRECTORS OF
THE MXE**
December 2008
(1) MXE Average Annual Dollar Returns

As of 12/31/08	NAV	Common Share Market Price	Mexbol
1 YEAR	(52.89%)	(47.46%)	(40.48%)
3 YEAR	(0.39%)	5.60%	(1.38%)
5 YEAR	15.94%	19.73%	15.47%
10 YEAR	14.25%	18.22%	14.94%
Since Inception through Dec*	12.73%	10.87%	11.99%

Source: Bloomberg, reinvesting gross dividend in security.
*Thomson . Inception Date 08/30/1990

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. Performance data to the most recent month end may be obtained by calling U.S. Bancorp Fund Services, LLC, (414) 765-4255.

(2) NAV Performance in US\$

Ticker	12/31/08-1/23/09	Discount/Premium to NAV
MXE	(13.55%)	(10.90%)
MEXBOL	(14.74%)	

Source: Bloomberg

PERFORMANCE IN US\$
NAV per share

Ticker	One month ending 12/31/2008	12/31/07-12/31/08
MXE	(0.25%)	(52.89%)

Source: Bloomberg

Common Share Market Price

Ticker	One month ending 12/31/2008	12/31/07-12/31/08	Discount/Premium to NAV
MXE	(12.05%)	(47.46%)	(7.81%)
MEXBOL	4.98%	(40.48%)	

Source: Bloomberg

Beta

Ticker	12/31/07-12/31/08
MXE	1.45

Source: Thomson

FOR THE ONE-MONTH PERIOD ENDING DECEMBER 31, 2008, the Mexico Equity and Income Fund's NAV per share lost -0.25% in dollar terms.

FOR THE ONE-YEAR PERIOD ENDING DECEMBER 31, 2008, the MXE's NAV per share lost -52.89% in dollar terms, according to Bloomberg, including the 46% dividend distribution of US\$6.77531 per share. In nominal terms, the MXE's NAV per share loss was -40.25%. This "annus horribilis" as Dr. Helmut Kaiser, Global Chief Investment strategist with Deutsche Private Asset Management puts it, calls for the destructive power of value following the bursting of the U.S. housing bubble, the U.S. bank bailout, drastic de-leveraging and poorer credit conditions, all of which finally contaminated the Mexican economy, its credit market and liquidity resulting in a 25% currency loss during 2008, mainly in the period October-December after signaling strong stability in first half of the year, which culminated with the peso's biggest appreciation of 9.63% on August 8th.

FOR THE ONE-YEAR PERIOD ENDING DECEMBER 31, 2007, the Fund's NAV per share gained 30.68% in dollars terms and a 44.02% 5-year average annual dollar return through December 2007.

The main reasons the MXE's net per share asset value underperformed the Mexbol Index for the one-year period were: (i) the MXE's higher beta related stocks (infrastructure, housing and commodity stocks) whereas the Mexbol Index benefited from gains in stocks classified as Alfa; (ii) the MXE was also affected by less liquid stocks, which registered an average loss of -54% in dollar terms versus the Mexbol Index's three less liquid stocks, Elektra*, GfinburO and Telecoa1 which posted returns of 42%, -9% and -14 % in dollar terms, respectively, in 2008; (iii) the accumulated cash position for the payment of the dividend played against the Fund during the market's 28% rebound in December from its October 27-low.

The MXE's common share market price decreased -47.76% for the one-year period ending December 2008.

The Fund's discount narrowed 649 basis points from December 2007, closing at -7.81%.

INVESTMENT STRATEGY

The MXE's top ten stocks in the long-only portfolio are cheap in our opinion, reflecting an average correction of -59.36% from December 2007.

The four large stocks throughout the year represented exposure to toll road concessions, wireless telephony, real estate, civil construction & engineering and commodities.

**(3) Top Ten Stock Weighting/US\$ Returns
 (as of 12/31/08)**

Company	Weighting	One month ending 12/31/2008	12/31/07-12/31/08
AMERICA MOVIL	19.65%	1.63%	(49.49%)
CIDMEGA	8.57%	7.55%	(54.10%)
Promotora y Operadora de Infraestructura	8.44%	0.76%	(61.82%)
EMPRESAS ICA	6.20%	18.03%	(74.72%)
TELEvisa	6.13%	(1.12%)	(37.56%)
GRUPO MEXICO	4.86%	1.57%	(68.19%)
DESARROLLADORA HOMEX	4.74%	32.90%	(53.92%)
URBI	4.45%	(6.59%)	(59.69%)
GRUPO MEXICANO DE DESARROLLO	3.05%	(18.76%)	(58.15%)
PROMOTORA AMBIENTAL	2.36%	(12.57%)	(75.93%)

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

**(4) Mexbol Index Best Performing Members
 (Performance in US\$)**

Company	One month ending 12/31/2008	12/31/07-12/31/08
INDUSTRIAS PEÑONES	43.53%	(37.84%)
AEROPUERTOS DEL SURESTE DE MEXICO	36.80%	(38.60%)
DESARROLLADORA HOMEX	32.90%	(53.92%)
AXTEL	32.69%	(78.13%)
CEMEX	30.18%	(62.92%)
CASAS GEO	25.30%	(60.67%)
GRUPO MODELO	23.04%	(32.28%)
BANCO COMPARTAMOS	22.85%	(57.93%)
CARSO GLOBAL TELECOM	19.89%	(13.66%)
CARSO INFRAESTRUCTURA Y CONSTRUCCION	19.31%	(43.98%)

Source: Bloomberg

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All Figures after Dividend Distribution

- i. We have identified GMD and GMDR, 3.80% and 1.32% of the total portfolio, respectively, as stocks whose liquidity significantly decreased after October, 2008.
- ii. Less liquid stocks account for 15.68% at the writing of this report.
- iii. The portfolio is overweight in infrastructure-related stocks.
- iv. High Beta-related stocks weigh approximately 49% of the total portfolio.
- v. We have recently increased the weight of dividend yield stocks with clean balance sheets; Alfa stocks weigh approximately 30%.
- vi. America Movil, 18.86%, has been excluded from PAM's Beta/Alfa classification. Amx usually reflects the market's trend.
- vii. The portfolio has 61.58% of its assets invested in highly liquid stocks.
- viii. The portfolio has a beta of 1.45 (Thomson source) and had consistently outperformed the Mexbol Index for the last 5 years until 2007.

PAM's Beta/Alfa classification considers the following rules:

High Beta Stocks	<ul style="list-style-type: none"> • Good performance/ Good Macroeconomic trends • Small Caps • Commodities • Special Situations
Alfa Stocks	<ul style="list-style-type: none"> • Stock Picking- High Quality companies at low or fair prices

THE MEXBOL INDEX
Stock Exchanges Performance in US\$

Ticker	One month ending 12/31/2008	12/31/07-12/31/08
MEXBOL (Mexico)	4.98%	(40.48%)
IPSA (Chile)	1.74%	(39.63%)
MERVAL (Argentina)	6.20%	(54.25%)
IBOV (Brazil)	1.62%	(55.33%)
IBVC (Venezuela)	1.84%	(7.42%)
IGBVL (Peru)	(6.02%)	(61.57%)
IGBC (Colombia)	6.53%	(36.81%)
INDU*1 (U.S.)	(0.60%)	(33.84%)
CCMP*2 (U.S.)	2.70%	(40.54%)

*1 Dow Jones, *2 Nasdaq
 Source: Bloomberg

The Mexbol Index surged at year-end 2008, rising 4.98% in dollar and 8.99% in peso terms in December, at the government announcement of stimulus programs to moderate the economic slowdown.

The Mexbol Index closed the year with a -40.48% loss in dollar terms for the first time in six years in the midst of unprecedented record-high volatility, global panic and steep declines among most asset classes.

THE MEXICAN ECONOMY

The Mexican economy, which was well protected through the first nine months of 2008 is showing signs of significant deterioration. The negative impact of the U.S. recession is already being felt on the Mexican economy in terms of both internal and external demand.

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Regarding internal factors, private consumption component growth rates continue to moderate. Bank credit growth slowed to levels of below 10% year-over-year (y/y) in real terms between January and September 2008, from levels of more than 20% y/y in 2007, as banks tightened credit conditions amid increased delinquency rates. Furthermore, only 375,747 jobs were created year-to-date through October 2008, down from 785,404 in the same period last year. October's retail sales growth remained in negative territory, declining -1.1% y/y after a -1.4% y/y decline in the previous month. Banamex estimates that remittance inflows during 2008 reached US\$23.5 billion, a 2.0% decline in comparison with 2007.

Softer external demand has led to a significant slowdown in industrial production. November's industrial production declined -5.4% y/y vs. a -2.7% drop the previous month, accumulating seven consecutive months of negative growth. It is worth mentioning that in November manufacturing activity fell -6.2%, the worst decline since the -6.6% industrial crisis back in October 2001. The deterioration in the manufacturing sector includes both export-focused sectors (impacted by the U.S. recession) and domestic market focused sectors. Furthermore, construction declined 5.1% and mining -4.2% while utilities remained flat in November. Between January and November, industrial output registered a 0.4% y/y decrease while in the same period of 2007 it grew at an average annual rate of 1.8%.

The main concern revolves around the weakness in the manufacturing sector, as it has the largest weight in industry (57%) and has been affected by lower demand in the U.S. and corporate problems at GM, Chrysler and Ford (one-third of auto production in Mexico).

In November, the trade deficit rose to US\$2.8 billion (bn). vs. US\$0.8 bn. a year ago. Exports fell more than imports, with oil exports falling 52.5% y/y; however, total imports shrank 7.6%, their first decline since early 2008. In November the strong impact of slower economic activity in the U.S. continued to weigh on Mexican manufacturing exports falling -16.4% per annum. Year-to-date through November manufacturing exports have remained virtually flat with the previous year at -0.1% (figures from the U.S. Department of Commerce).

Banco de Mexico cut interest rates by half a point, bringing the overnight rate down to 7.75%. The recently announced government measures to lower domestic gas prices by 10% and freeze gasoline price increases could help curb inflationary pressures.

CONCLUSION

The 2009 outlook for the Mexican market is difficult to predict given the prevailing high level of uncertainty as well as the likelihood of an ongoing flow of negative economic data in the coming months.

Overall, despite the counter-cyclical measures announced by the Mexican government and based on the expectation that U.S. GDP growth will remain negative quarter-on-quarter at least until 2H09, it is very likely that the Mexican economy will not grow in 2009 due to expected negative GDP growth rates in the first two quarters.

During the year 2008 the MXE's equity exposure was in the range of 85-95% (month-end average) with an over-weight in the infrastructure, cell telephony, materials and housing sectors.

It goes without saying that economic fundamentals have somewhat strayed from the optimistic outlook we pre-



sented for the Mexican economy prior to December 2007. For instance, the Mexican economy was estimated to grow at a resilient 3.3% clip in 2008 but in the event grew only 1.8%, and our assumption that the infrastructure, consumption, housing and telecommunications sectors were set to benefit from President Calderon's National Infrastructure Program has also proven overly upbeat.

A positive note is that valuations have meanwhile reached historically low levels by all metrics, and do indeed offer attractive opportunities. However, given the current uncertainty over the length and depth of the recession and the ongoing credit squeeze, we are being cautious and focusing on companies with strong balance sheets.

*Yours sincerely,
Eugenia Pichardo
Portfolio Manager*



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ECONOMIC DATA

Economic Activity Index

- IGAE (monthly GDP proxy), came in at -0.9% in October, below the market estimates for a decline of 0.5%, and way below our own estimate of 1%. Taking a look at the breakdown (please see the table below), we already knew industrial production came down 2.7%. However, production of agricultural goods came off 4.7%, while the services sector decreased 0.2%.

Industrial Activity

- Industrial production declined 5.4% year-over-year, well below market expectations and our own forecast of -3.5%. Taking a look at the breakdown, manufacturing activity fell 6.2%, its worse decline since the industrial crisis back in 2001 (Oct. 2001: -6.6%). Furthermore, construction declined 5.1%, mining fell 4.2%, and utilities remained flat in November.

Gross Fixed Investment

- Gross fixed investment (GFI) grew 3% year-over-year in October. GFI in Mexico came in below market expectations for a rise of 4.3%. Taking a look at the breakdown, machinery and equipment (M&E) increased 10.1%, in which investment in imported M&E rose 13.1% (from a year-to-date average of 17.3%), and investment in domestic M&E grew only by 2% (from a YTD Avg. of 7.8%). Investment in construction was revised down to -2.2%, from a decline of 2.1% published in the industrial activity report a few weeks ago.

Trade Balance

- Mexico's trade balance registered a deficit of -US\$2.83 bn. in November. Exports decreased -16.1% year-over-year, while imports decreased -7.6%. Non-oil exports decreased -7.0%, whereas oil exports declined -52.4%. Consumption goods imports decreased -8.5% year-over-year, intermediate goods decreased -9.2% and capital good increased 2.7%.

Mexican Oil Mix

- The price of the Mexican oil mix closed December at US\$34.22 per barrel translating into a -15.04% decrease in the month and -58.49% decrease in one year.

Retail Sales

- October retail sales, fell 1.1% year-over-year, above market expectations for a decline of 1.9%. In seasonally-adjusted terms, retail sales rose 0.4% with respect to September, sales of processed foods, beverages and tobacco increased considerably. Nevertheless, sales of durable goods, in particular appliances and personal computers, declined significantly in October.

Unemployment

- November unemployment rate came in at 4.47%, well above market consensus and our own forecast of 4% and 3.9%, respectively. In seasonally-adjusted terms, the jobless rate came in at 4.5 %, well above October's 2008 level of 3.5%.

Monetary Policy

- Mexico's Central Bank reduced its benchmark interest rate for the first time in almost three years to bolster a slumping economy hurt by the U.S. recession. In its post-meeting communiqué, the monetary authority's board expressed that: (1) The recession in the US is having a significant negative effect on Mexico's economic activity; (2) President Calderon's measures to freeze gasoline price increments as well as cutting domestic gas prices will curb inflationary pressures; (3) Inflation might have already reached its peak in December; and (4) according to UBS, Banxico's board also signaled that they will lift their inflation projection intervals on Jan. 28 when they release their Quarterly Inflation Report, and that their decisions in the upcoming meetings would have to take place if observed inflation remains within the (new) intervals.

Inflation

- December CPI came in at 0.69% month-over-month, slightly above market expectations for a rise of 0.67%. Core inflation came in at 0.62%, slightly above market expectations of 0.60%. These figures brought 12-month inflation up to 6.53%, its 7 ½-year high. The rise in inflation was mainly influenced by higher prices of tomatoes, lemons, cigarettes, fresh milk, and bananas.



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ECONOMIC PROJECTIONS

Structure of GDP:
70%
24%
29%
(32%)

	2003	2004	2005	2006	2007	2008e not revised down
National Accounts						
Real GDP growth (y/y)	1.4%	4.4%	3.0%	4.8%	3.2%	3.4%
GDP (US \$bn.)	639.0	676.5	769.4	843.6	886.0	930.8
Consumption (Chg. y/y)	2.3%	5.5%	5.4%	6.0%	4.3%	4.5%
Investment (Chg. y/y)	0.4%	7.5%	7.6%	11.5%	7.4%	10.2%
Exports (Chg. y/y)	2.7%	11.5%	6.9%	10.3%	6.2%	5.5%
Imports (Chg. y/y)	0.7%	10.2%	8.7%	13.1%	7.1%	6.1%
Monetary and Exch. Rate Ind.						
CPI Inflation (Dec. cumulative)	4.0%	5.2%	3.3%	3.8%	3.8%	3.7%
US\$ Exchange Rate (Year-End)	11.2	11.1	10.6	10.9	10.9	11.2
28day Cetes Int. Rate (Year-End)	6.0%	8.5%	8.2%	7.1%	7.4%	7.5%
Balance of Payments						
Trade Balance (US\$bn.)	(5.8)	(8.8)	(7.6)	(6.1)	(12.4)	(15.4)
Exports (US\$bn.)	164.8	188.0	214.2	253.9	270.6	289.2
Imports (US\$bn.)	170.5	196.8	221.8	260.0	283.0	304.6
Transfers (US\$bn.)	13.9	17.0	20.5	24.0	24.3	24.8
Current Account (US\$bn.)	(8.6)	(7.3)	(4.6)	(2.4)	(9.0)	(13.2)
Current Account (%GDP)	(1.3)	(1.1)	(0.7)	(0.3)	(1.0)	(1.4)
Foreign Direct Inv. (US\$bn.)	12.3	17.9	18.8	17.9	21.6	22.0
Debt Profile						
International Reserves (US\$bn.)	56.1	61.5	68.7	71.5	76.5	78.0

Source: Santander Investment.

MAIN MARKET STATISTICS

Global Value Traded (12/31/08)	
Index	Volume (U.S. \$ Million)
Mexico Stock Exchange	136.78
Brazil-Bovespa	2,103.76
Chile-Santiago Stock Exchange	82.253
Argentina Stock Exchange	20.647
Peru-Lima Stock Exchange	16.499
US-NYSE	23,369.4
US-NASDAQ	11,036.2

Source: Bloomberg

Commodities (12/31/08)				
US\$, %	Last	1M	3M	Y-T-D
Silver	11.39	10.6	(5.3)	(23.0)
Gold	882.05	7.8	1.3	5.8
Copper	3,041.75	(15.4)	(52.4)	(54.2)
Crude (WTI)	44.60	(18.1)	(55.7)	(53.5)
Crude (MIX)	34.22	(15.0)	(62.3)	(58.5)

Source: UBS Pactual

Debt Securities (12/31/08)	
	Last
28-day Cetes	7.94%
M10Y Bond	7.945%
M20Y Bond	8.280%
30Y Treasury Bond	2.676%

Source: Bloomberg

Currencies (12/31/08)				
(per US\$ %)	Last	1M	3M	Y-T-D
MXN (Mexico)	13.69	(1.8)	(20.2)	(20.3)
ARS (Argentina)	3.45	(2.4)	(9.3)	(8.8)
BRL (Brazil)	2.31	0.6	(17.6)	(23.1)
EUR (European Union)	0.72	10.1	(0.9)	(4.2)
JPY (Japan)	90.68	5.3	17.0	23.2

Source: UBS Pactual

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Disclosures and Definitions

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.

Mutual fund investing involves risk. Principal loss is possible.

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, lesser liquidity and small market capitalization of the Mexican securities markets; (2) currency fluctuations and the cost of converting Mexican pesos into U.S. dollars; (3) restrictions on foreign investment and potential restrictions on repatriation of capital invested in Mexico and remittance of profits and dividends accruing thereon; (4) political, economic and social risks and uncertainties, including risks of confiscatory taxation and expropriation or nationalization of assets; (5) higher rates of inflation, unemployment and interest rates than in the United States; and (6) less stringent disclosure requirements, less available information regarding Mexican public companies and less active regulatory oversight of Mexican public companies.

Mexican Economic and Political Factors. Although Mexico's economy has strengthened in recent years and Mexico's sovereign debt was recently upgraded to an "investment-grade" rating by the three most prominent rating agencies, including Standard and Poor's, Mexico continues to be characterized as a developing economy and investments in developing countries are subject to certain economic risks. Mexico has experienced widespread bank failures, currency devaluations, high levels of inflation and interest rates. Mexico is also dependent on certain industries and exports for the health of its economy. 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.

Mexican Securities Laws and Accounting Rules. There is less publicly available information about the issuers of Mexican securities, such as the Portfolio Securities, than is regularly published by issuers in the United States. Information provided by Mexican public companies may not be current, accurate or easily obtainable and, to the extent available, is likely to be in Spanish. Also, there is generally less governmental supervision and regulation of exchanges, brokers and issuers in Mexico than there is in the United States. 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.

- *MEXBOL-Mexico Bolsa Index: The Mexican Bolsa Index, 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 as of October 30, 1978.*
- *IPSA-Chile Stock Market Select: The IPSA Index (Indice de Precios Selectivo de Acciones) is composed of the 40 stocks with the highest average annual trading volume in the Santiago Stock Exchange (Bolsa de Comercio de Santiago). On the last trading day of the year, the index is re-based back to 1000. The index has been calculated since 1977 and is revised on a quarterly basis.*
- *MERVAL-Argentina Merval Index: The Argentin Merval Index, a basket weighted index, is the market value of a stock portfolio, selected according to participation in the Buenos Aires Stock Exchange, number of transactions and trading value. The index has a base value of \$0.01 as of June 30, 1986. The index is revised every 3 months, taking into account trading volumes over the past 6 months.*
- *IBOV-Brazil Bovespa Stock Exchange Index: The Bovespa Index is a total return index weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange. The Bovespa Index has been divided 10 times by a factor of 10 since January 1, 1985, those dates are: 12/02/85, 04/14/89, 05/28/91, 01/26/93, 02/10/94, 08/29/88, 01/12/90, 01/21/92, 08/27/93, 03/03/97.*
- *IBVC-Venezuela Stock Market Index: The IBC Index from the Caracas Stock Exchange (Venezuela), also known as the General Index, is a capitalization-weighted index of the 15 most liquid and highest capitalized stocks traded on the Caracas Stock Exchange (Bolsa de Valores de Caracas). The index was modified from a previous existing index on August 28, 1997, but essentially continues to be the same.*
- *IGBVL-Peru Lima General Index: The IGBVL Index is a value weighted index that tracks the performance of the largest and most actively traded stocks on the Lima Exchange. The index was developed with a base value of*

100 as of December 31, 1981.

- *IGBC-IGBC General Index: The IGBC Index from the Colombia Stock Exchange, also known as the General Index, is Price-weighted index of the liquid and highest capitalized stocks traded on the Colombia Stock Exchange (Bolsa de Valores de Colombia). This index was merged with Medellin and Occidente since 7/3/01.*
- *INDU-Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.*
- *CCMP-Nasdaq Composite Index: The Nasdaq Composite Index is a broad-based capitalization-weighted index of stocks in all three Nasdaq tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.*
- *M10Y Bond: The Underlying Asset is the Fixed Interest Rate Federal Government Development Bonds, issued or to be issued by the federal government, through the Ministry of Finance and Public Credit, and placed by the Central Bank (Banco de Mexico), in its capacity as financial agent of the federal government, at a par value of 100 (one hundred) Mexican pesos, and for a term of 10 (ten) years.*
- *M20Y Bond: The Underlying Asset is the Fixed Interest Rate Federal Government Development Bonds, issued or to be issued by the federal government, through the Ministry of Finance and Public Credit, and placed by the Central Bank (Banco de Mexico), in its capacity as financial agent of the federal government, at a par value of 100 (one hundred) Mexican pesos, and for a term of 20 (twenty) years.*

You cannot invest directly in an index.

Beta measures the volatility of the fund, as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile.

Basis point 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 the total liabilities, divided by the total number of common shares outstanding. The NAV of an investment company will fluctuate with the 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.