

MONTHLY REPORT
December 2009
THE MEXICO EQUITY AND INCOME FUND, INC.
SUMMARY

The MXE's NAV per share gained 3.19% in dollar terms in December compared with a 3.44% gain for the Mexbol Total Return Index and 2.81% gain for the MSCI Mexico Total Return Index. (We will report total return index performance for the Mexbol and the MSCI Mexico from this report on rather than simple price appreciation). Beta-growth companies, as classified by PAM, was the asset category that added the most value to the Fund's performance in December.

For the one-year period through December 2009, the MXE's NAV per share gained 52.27% in dollar terms, with dividends reinvested on payment date (Source: U.S. Bancorp and Pichardo Asset Management) and 43.30% in Mexican Peso terms, with a greater stock diversification compared to the Mexbol and MSCI Mexico indexes, whose AMX-America Movil weightings were 21% and 33%, respectively.

Bloomberg registered a 40.12% MXE NAV per share dollar return with dividends reinvested at ex-price (31.87% in Mex. Peso terms). Beta-growth companies were the best asset category that added the most value to the Fund's performance in 2009.

At year-end equities accounted for 84.60% and cash and readily available debt instruments 15.40% of the portfolio. The Mex. Peso depreciated -1.23% in December and appreciated 4.41% in 2009.

The Mexbol Total Return Index's 55.34% dollar gain for the one-year period through December 2009 (46.19% in Mex. Peso terms) is the result of rising confidence on better-than-expected corporate earnings reports and the return of flows to emerging markets.

Although it is estimated that the Mexican economy contracted 7.0% in 2009, more than 1995's -6.2% drop, some factors indicate that it is likely to recover at a relatively faster pace than in the past. Nowadays, the Mexican banking system is well capitalized, the government, companies and private individuals are much less leveraged, and Mexican public finances are solid with record-high levels of international reserves, low debt, more participation from non-oil exports and a flexible exchange rate. The external sector should continue to be a key driver of Mexico's GDP growth in 2010, albeit to a lesser extent than in the past (IMF estimated a 4% GDP growth for 2010 on January 27). Growth prospects should improve if President Calderon manages to get structural reforms approved during the first half of 2010, including the political reform already sent to Congress, as well as la-

bor laws, anti-trust initiatives and energy.

Throughout 2009 we continued to adhere to our *Alfa-defensive, Beta-growth and Special situations-discounted-value* strategy established at the end of 2008, which has enabled us to assess our investment discipline.

The MXE's 2010 portfolio will likely remain overweight in companies with an investment edge, aggressive growth and prudent-solid financial situation.

I. PERFORMANCE AND INVESTMENT STRATEGY

The Fund's common share market price increased 4.22% in dollar terms for the month of December and 22.20% in 2009, according to Bloomberg. The Fund's NAV discount narrowed 15 basis points as at end-December to -15.47% from -16.31% the previous month. For the year the discount widened by approximately 767 basis points.

America Movil's 33% weight and 54.16% dollar return as well as Walmex's 8% weight and 65.97% dollar appreciation in 2009 were two of the main contributors to the MSCI Mexico's Total Dollar Return of 56.71%.

During 2009 we remained adhered to the Fund's non-indexed investment strategy with monthly average asset allocation balanced between:

- i. Alfa-defensive companies: 28%. Companies with solid balance sheets, high market share and pricing power.
- ii. Beta-growth companies: 43%. Companies mainly related to concessions in the infrastructure sector with access to project financing poised to benefit from the National Infrastructure Program and cyclical companies (commodities) that would benefit from a global and domestic recovery.
- iii. Special situation companies: 15%. Companies with a discount to intrinsic value determined by PAM.

During December the MXE invested US\$2.3 million (equivalent to 3.24% of the Fund's total assets as at end-December) in Discovery Americas II, a Mexican Bolsa-listed Private Equity fund launched by Atlas Capital Management, LLC. Discovery Americas II raised approximately US\$90 million capitalized mainly by four Mexican Pension Funds –Afores– (Banamex, ING, Profuturo and Coppel), Televisa and Nafin. Discovery Americas II will invest the net proceeds of the offering in Private Equity transactions in mid-sized Mexican companies focused on domestic consumption-related industries including healthcare, education, transportation, restaurants, consumer finance, leisure and entertainment and

Total Net Assets 12/31/09	NAV 12/31/09	Common Share Market Price 12/31/09
US\$70,603,639	US\$9.05	US\$7.65

MXE US Dollar Returns

As of 12/31/09	NAV	Common Share Market Price	Mexbol	MSCI Me- xico
Dec.	3.19%	4.22%	3.44%	2.81%
Y-t-d	52.27%*	22.20%	55.34%	56.71%
1 YEAR	52.27%*	22.20%	55.34%	56.71%
Average Annual Dollar Return with Dividends Reinvestment				
5 YEAR	13.59%	12.55%	18.42%	15.90%
10 YEAR	12.86%	14.08%	14.38%	10.65%
Since Inception in 1990 as of 01/26/10 **	12.75%	13.57%	NA	NA

Source: Bloomberg, reinvesting gross dividend in security.

* Performance numbers were calculated according to the methodology explained in the Fund's memorandum released on August 2009, remarking the dilutive effect on Fund performance due to the large dividend from net income and distribution of capital gains paid in January, 2009 (available on the Fund's website). This methodology will be used during 2009 calendar year.

** Thomson. Inception Date 08/30/1990. Not yet adjusted by Thomson on payment date due to the dilution effect on January 27, 2009.

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.

THE MEXICO EQUITY AND INCOME FUND, INC.
MXE Discount/Premium to NAV

As of	High (Ytd)	Low (Ytd)
12/31/2009	3/20/09	1/16/09
-15.47%	-20.83%	-4.16%

Source: Bloomberg

Mexbol Index Best Performing Constituents in US Dollar terms in December 2009

Company	MXE % weight	One month ending 12/31/2009	Year-to-date ending 12/31/2009	1 year 12/31/08-12/31/09
TELMEX INTERNACIONAL	0%	15.47%	54.99%	54.99%
ICH	1.02%	12.08%	36.87%	36.87%
OMA	0%	11.49%	20.21%	20.21%
ELEKTRA	0%	10.98%	15.67%	15.67%
URBI DESARROLLOS	0%	10.40%	61.68%	61.68%
GAP	0%	9.71%	35.27%	35.27%
WALMEX	4.77%	9.45%	65.97%	65.97%
BANCO COM-PARTAMOS	0%	7.70%	182.63%	182.63%
CARSO GLOBAL TELECOM	0%	7.15%	10.82%	10.82%
GRUPO MODELO	0%	6.68%	74.41%	74.41%

Source: Bloomberg

Stock Exchanges Performance in US Dollar terms

Ticker	One month ending 12/31/2009	Year-to-date ending 12/31/2009	1 year 12/31/08-12/31/2009
MEXBOL (Mexico)	2.89%	52.51%	52.51%
Mexbol-Total Return Index	3.44%	55.34%	55.34%
MSCI Mexico	1.95%	53.07%	53.07%
MSCI Mexico*1	2.81%	56.71%	56.71%
IPSA (Chile)	7.48%	90.70%	90.70%
MERVAL (Argentina)	8.35%	95.13%	95.13%
IBOV (Brazil)	2.92%	144.92%	144.92%
IBVC (Venezuela)	3.23%	56.96%	56.96%
IGBVL (Peru)	-0.01%	118.33%	118.33%
IGBC (Colombia)	1.15%	68.85%	68.85%
INDU*2 (U.S.)	0.80%	18.82%	18.82%
CCMP*3 (U.S.)	5.81%	43.89%	43.89%

*1 With dividends reinvested into index.

*2 Dow Jones, *3 Nasdaq.

Source: Bloomberg.

retail, among others. Discovery Americas II has a daily price publication provided by Mexican price vendors.

II. THE MEXBOL INDEX

In December the Mexbol Total Return Index gained 4.31% in nominal and 3.44% in dollar terms underperforming most LatAm markets, with the exception of Colombia (+1.15% in dollar terms) and Peru (-0.01% in dollar terms). The Mexican peso lost some ground against the U.S. dollar during the month closing at \$13.09 pesos/U.S. dollar (-1.23%), but managed to gain 4.41% for the year.

Despite a deep economic recession in Mexico in 2009, the Mexbol Total Return Index managed to register a 46.19% gain in pesos and 55.34% in dollars, due mainly to rising confidence and international liquidity, despite being the worst performer within the Latam region. Brazil remains the best performer in LatAm with a 144.92% gain, followed by Peru 118.33%, Argentina 95.13%, Chile 90.70%, Colombia 68.85%, and Venezuela 56.96%.

III. THE MEXICAN ECONOMY

According to Banamex estimates, the trend in economic activity is expected to improve during the first two months of 4Q'09, albeit at a slower pace than the 3Q'09. Thus, GDP is estimated to have grown at a quarterly annualized rate of 3.3% during the fourth quarter, after increasing at a quarterly annualized rate of 12.2% during the 3Q'09.

On a year-over-year (y/y) basis, in October the IGAE registered a -5.3% decline in response to the contraction in industrial production (-5.5% y/y) and the services sector (-5.6% y/y). Meanwhile, farming activity reported a 4.9% advance.

On the internal demand side, November retail sales came in a bit better than expected and offers some hope than in 4Q09 private consumption expenditure may have expanded. Retail sales decreased only 1.5% y/y, better than the -3.7% anticipated by the consensus. Seasonally adjusted sales show a substantial increase of 1.74% month-over-month (m/m) over the previous month.

Employment figures as at December continued to improve as the unemployment rate eased to 4.80% from 5.26% the previous month.

In November the trade balance posted a deficit of US\$195 million. During the month exports rose 10.0% y/y, mainly on the back of a 37.0% increase in oil exports and a 6.5% rise in manufacturing exports. On the

other hand, imports declined -3.2%.

According to the Central Bank, inflation continued to trend lower in December, with the overall index increasing 0.41% from the previous month for an annual inflation rate of 3.57%. Nonetheless, consumer prices trended higher in the first half of January, registering an annual rate of 4.17% compared with a 4.03% consensus estimate, owing to January increases in fuel, basic products and services prices, which together with the already known impact of the sales tax are expected to result in higher inflation during the first half of the year.

IV. CONCLUSION

As at end-December, the MXE's NAV per share posted an average annual dollar return (with dividends reinvested) of 12.75% for the last 19 years since inception in August 1990 through January 26, 2010, according to Thomson Analytical.

The incipient economic recovery, expectations of a rebound in corporate earnings, historically-low interest rates and an undervalued Mexican peso, suggest that 2010 could be a positive year for equities. Moreover, Afores extended their commitment to investing only in Mexican equities, fixed-income instruments and productive investment projects until May 31, 2010, which should provide the Mexican Bolsa with additional support.

Overall, Mexico's GDP is expected to grow by at least 3% in 2010, mainly driven by a US manufacturing recovery as well as expected growth in infrastructure spending, which currently stands at 5% of GDP. But whether the increase in US productivity along with a restocking process and improvements in overseas trade activity are enough to sustain the US economic recovery without fiscal and monetary stimuli programs still remains to be seen.

The MXE will likely continue to have a more diversified asset allocation than the MSCI Mexico and/or the Mexbol Indexes, as we believe that our methodology, rating and valuation process will allow us to take advantage of non-indexed companies, which not only have sound fundamentals but also earnings growth potential at reasonable valuations and clean balance sheets. Nevertheless, we do not rule out a re-balancing of the MXE's assets, as volatility may continue and 2010 will more than likely challenge companies' investment objectives and financial results.

Yours sincerely,
 Eugenia Pichardo,
 Portfolio Manager

ECONOMIC DATA

Economic Activity Index

- IGAE (monthly GDP proxy) showed a meager performance in **October** over the previous month increasing 0.1% month-on-month (m/m). By sector, agriculture increased 5.3% m/m and industry 0.97% m/m, while services declined -5.3% m/m. In annual terms, IGAE posted a -5.3% decline.

Industrial Activity

- **November's** industrial output expanded 1.05% m/m. This result was on the back of an increase of 1.91% m/m in manufacturing activity and a 0.01% m/m increase in utilities. Meanwhile, construction and mining decreased compared with the previous month by 0.02% m/m and 0.28% m/m, respectively.

Gross Fixed Investment

- Gross fixed investment decreased 14% y/y in **October**. Such performance was explained by the decline in machinery and equipment investment of 24.9% y/y, while investment in construction decreased 5.3% y/y. In seasonally adjusted figures, total investment fell 1.6% m/m over the preceding month on the back of lower spending in machinery and equipment (-2.8% m/m) as well as in construction (-1.0% m/m).

Trade Balance

- **November's** trade balance posted a deficit of US\$195m. Exports came in at US\$22.3bn, expanding 10% year-over-year, mainly as a result of an increase in non-oil exports of 6.5%, while oil exports increased 37%. Imports dropped -3.2% to US\$22.5bn on a year-over-year basis. Oil imports contracted -29.9% year-over-year while non-oil imports fell -0.1%.

Mexican Oil Mix

- The price of the Mexican oil mix closed **December** at US\$73.43 per barrel translating into a 1.05% increase in the month and 114.58% increase during 2009.

Retail Sales

- Retail sales continued curbing their decline in **November**, falling only 1.5% y/y, better than expected on the back of the reduction in sales of appliances and other durable goods (-11.3% y/y), while sales in the car sector have curbed their rate of decline significantly (-4.6% y/y vs. An average of -12.6% y/y in the first ten months of 2009). In the meantime, sales of non-discretionary items such as food and beverages along with sales in supermarket and department stores showed positive rates of growth, expanding 7.4% y/y and 0.8% y/y, respectively.

Unemployment

- Mexico's employment situation continued to improve in **December**, as the unemployment rate reported eased to 4.80% from 5.26% in November.

Monetary Policy

- Banco de México decided to keep unchanged at 4.5% its key interest rate in **January**. The decision was primarily based on the belief that recent increases in basic products, public services, and sale taxes might not result in a potential inflation spiral, and that GDP growth below potential is likely to help maintain price pressures under control.

Inflation

- According to Banco de Mexico, consumer prices continued to follow a downward trend in **December**, with the overall index increasing 0.41% from the previous month to total an annual inflation rate of 3.57%. Within its components, core inflation ended December at 4.46%.



THE MEXICO EQUITY AND INCOME FUND, INC.

ECONOMIC PROJECTIONS

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

	2004	2005	2006	2007	2008	2009e
National Accounts						
Real GDP growth (y/y)	4.4%	3.0%	4.8%	3.2%	1.3%	-2.4%
GDP (US \$bn.)	676.5	769.4	843.6	886.0	1,099.0	903.0
Consumption (Chg. y/y)	5.5%	5.4%	6.0%	4.3%	2.2%	-1.0%
Investment (Chg. y/y)	7.5%	7.6%	11.5%	7.4%	4.4%	-2.6%
Exports (Chg. y/y)	11.5%	6.9%	10.3%	6.2%	1.3%	-6.1%
Imports (Chg. y/y)	10.2%	8.7%	13.1%	7.1%	5.5%	-2.5%
Monetary and Exch. Rate Ind.						
CPI Inflation (Dec. cumulative)	5.2%	3.3%	3.8%	3.8%	6.5%	3.5%
US\$ Exchange Rate (Year-End)	11.1	10.6	10.9	10.9	13.40	13.50
28day Cetes Int. Rate (Year-End)	8.5%	8.2%	7.1%	7.4%	7.9%	5.75%
Balance of Payments						
Trade Balance (US\$bn.)	-8.8	-7.6	-6.1	-12.4	-16.8	-26.0
Exports (US\$bn.)	188.0	214.2	253.9	270.6	291.8	232.5
Imports (US\$bn.)	196.8	221.8	260.0	283.0	308.6	258.5
Transfers (US\$bn.)	17.0	20.5	24.0	24.3	25.5	24.0
Current Account (US\$bn.)	-7.3	-4.6	-2.4	-9.0	-15.5	-20.9
Current Account (%GDP)	-1.1	-0.7	-0.3	-1.0	-1.4	-2.3
Foreign Direct Inv. (US\$bn.)	17.9	18.8	17.9	21.6	27.2	18.6
Debt Profile						
International Reserves (US\$bn.)	61.5	68.7	71.5	76.5	85.4	93.6

Source: Banamex.

MAIN MARKET STATISTICS

Global Value Traded (12/31/09)	
Index	Volume (U.S. \$ Million)
Mexico Stock Exchange	209.80
Brazil-Bovespa	2,585.32
Chile-Santiago Stock Exchange	351.30
Peru-Lima Stock Exchange	32.26
US-NYSE	16,055.50
US-NASDAQ	8,587.44

Source: Bloomberg

Commodities (12/31/09)				
US\$, %	Last	1M	3M	Y-T-D
Silver	16.88	-8.7	1.4	48.2
Gold	1,096.95	-7.0	8.9	24.4
Copper	7,342.00	6.4	19.4	141.4
Crude (WTI)	79.36	2.7	12.4	77.9
Crude (MIX)	73.12	0.6	14.9	113.7

Source: UBS Pactual

Currencies (12/31/09)				
(per US\$ %)	Last	1M	3M	Y-T-D
MXN (Mexico)	13.09	-1.2	3.2	4.4
ARS (Argentina)	3.80	0.3	1.1	-9.1
BRL (Brazil)	1.74	0.6	1.3	32.7
EUR (European Union)	0.70	-4.5	-2.1	2.6
JPY (Japan)	93.02	-7.1	-3.6	-2.6
PEN (Peru)	2.89	-0.3	-0.2	8.5
CLP (Chile)	507.45	-2.0	8.3	25.8

Source: UBS Pactual

Debt Securities (12/31/09)	
	Last
28-day Cetes	4.50%
M10Y Bond	7.98%
M20Y Bond	8.58%
30Y Treasury Bond	4.64%

Source: Bloomberg

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The information contained herein reflects the opinion of Pichardo Asset Management and as such does not constitute fundamental research. Nor 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 are no guarantee of future earnings.

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. 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.*
- *Mexbol-total return index. The Mexican Bolsa index that calculates the performance of their constituents assuming that all dividends and distributions are reinvested.*
- *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.*

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- *MSCI MEXICO: The Morgan Stanley Capital International Index Mexico is a capitalization weighted index that monitors the performance of stocks from Mexico.*
- *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 (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 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.

Alfa-defensive companies: is an asset classification created by PAM and is based on the following criteria: high total annual yield, clean balance sheet, market share dominance and pricing power.

Beta-growth companies: is an asset classification created by PAM and is based on the following criteria: oversold stocks with consistent sales and EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) growth, especially in the infrastructure and housing sectors.

Special Situation companies: is an asset classification created by PAM and is based on the following criteria: High discount to companies' valuation.

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

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower than expected growth rate in earnings and sales.

Earnings before interest, taxes, depreciation and Amortization (EBITDA): an indicator of a company's financial performance and it is essentially Net Income with interest, taxes, depreciation, and amortization added back to it. EBITDA can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions. However, this is a non-GAAP measure that allows a greater amount of discretion as to what is (and is not) included in the calculation.