PAM

Pichardo Asset Management

Asesores de Portafolios de Inversión

THE MEXICO EQUITY AND INCOME FUND, INC.

MONTHLY REPORT
November 2009

Total Net Assets 11/30/09	NAV 11/30/09	Common Share Market Price 11/30/09
US$68,686,288	US$8.77	US$7.34

MXE US Dollar Returns

As of 11/30/09	NAV	Common Share Market Price	Mexbol	MSCI Mexico
Nov.	8.81%	6.69%	10.12%	9.96%
Y-t-d	47.56%*	17.25%	48.22%	50.14%
1 YEAR	51.37%*	31.18%	55.60%	57.02%
Average Annual Dollar Return with Dividends Reinvestment				
5 YEAR	14.01%	13.68%	17.25%	14.91%
10 YEAR	13.84%	14.94%	13.84%	11.89%
Since Inception in 1990 **	13.95%	15.24%	NA	NA

As of 9/30/09	NAV	Common Share Market Price	Mexbol	MSCI Mexico
1 YEAR	-16.08%*	-23.65%	-4.34%	-4.97%
Average Annual Dollar Return with Dividends Reinvestment				
5 YEAR	14.63%	16.25%	17.61%	15.49%
10 YEAR	14.50%	16.07%	14.89%	12.84%

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.

SUMMARY

For the one-month period ended November 30, 2009, the Mexico Equity and Income Fund's NAV per share gained 8.81% in dollar terms underperforming the Mexbol Index's 10.12% gain by 131 bps, due mainly to its underweight in Walmex and America Movil, which contributed the most to the Mexbol's gain during the month.

The Fund´s common share market price increased 6.69% in dollar terms for the month of November and 17.25% y-t-d- through November, according to Bloomberg. The Fund´s NAV discount widened 167 basis points as at end-October to -16.31% from -14.64% the previous month.

We have managed to achieve a 54.29% y-t-d NAV per share gain as of December 14th 2009 for MXE stockholders, in line with the Mexbol Index's 55.85% gain, using a value investing strategy established at the end of 2008, to which we have adhered during 2009. Our ongoing monitoring of our asset classification in Alfa-defensive, Beta-growth and Special Situations companies has enabled us to assess our investment discipline and balance the MXE's risk-return.

Fitch downgraded Mexico's sovereign rating due mainly to the country's dependence on public sector revenues on oil, and the Mex. Peso has stabilized at $13.00 from an all-time high of $15.55 during the year.

I. PERFORMANCE AND INVESTMENT STRATEGY

Year-to-date through November 30, 2009, the MSCI Mexico Index gained 50.14% compared with the MXE's 47.56% gain, due mainly to the MSCI's high concentration in the top ten stocks with a 82% weight compared to the MXE's 60%.

We believe that the MXE's current asset structure is well balanced between large, medium and small caps. Large caps, which accounted for 45% of the MXE's total assets as at December 14th 2009, are companies with strong balance sheets and dominant competitive positions. This category includes overweights in the following sectors:

i. Commodities: mainly copper, including a highly competitive company in terms of extraction costs, ranked as the second largest in proven reserves and whose 505,000 tons copper production in 2009 is estimated to double in three years time. A sum of the parts valuation yields a discount of approximately 28% to one its subsidiaries in Peru, the railroad and a construction business being valued at cero. *(Mkt. Cap. US$18.5 Bn., Net Sales US$4.1 Bn., EBITDA US$1.7 Bn.)*

ii. Consumption:
- *Food & Beverages*: including one of the largest producers of baked goods in the world, as measured by revenues, and also one of the most profitable, with consistent double-digit EBITDA growth.*(Mkt. Cap. US$8.2 Bn., Net Sales US$8.0 Bn., EBITDA US$1.0 Bn.)*
- *Retailing*: including the leading retailer in Mexico (Walmex) with a sound balance sheet and pricing power, which recently acquired 100% of the shares of Walmart Centro America, from Wal-Mart Stores, Inc. (51%) and local investors (49%).*(Mkt. Cap. US$37.4 Bn., Net Sales US$19.5 Bn., EBITDA US$1.9 Bn.)*

The MXE's small-medium caps comprise approximately 52% of the MXE's total assets. The top ten stocks in this category account for 35% with companies mainly related to domestic consumption in underserviced sectors and focused-experienced managements, including:

i. Infrastructure: companies related to infrastructure investment in Mexico, mainly asphalt plants, toll road concessions and ports. An approximate 30% discount to the sum of its parts, mainly due to technical issues the market does not consider. *(Mkt. Cap. US$816 Mn., Net Sales US$262 Mn., EBITDA US$164 Mn.)*

ii. Petrochemicals: including the operator of the world's largest fluorite mine, which produces a diverse portfolio of chemical and petrochemical products (PVC, pipe and resin, and hydrofluoric acid). Good management and aggressive growth. 1.1x net debt to Ebitda.*(Mkt. Cap. US$3.6 Bn., Net Sales US$2.3 Bn., EBITDA US$483 Mn.)*

iii. Consumption: a company that develops, advertises, and sells OTC medicine and personal-care products in Mexico with an international presence in the main Latam countries and estimated 50% EBITDA growth in 2010. *(Mkt. Cap. US$1.2 Bn., Net Sales US$260 Mn., EBITDA US$63 Mn.)*. Also a car insurance industry with a large market share and cash position.

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MXE Discount/Premium to NAV

As of 11/30/2009	High (Ytd) 3/20/09	Low (Ytd) 1/16/09
-16.31%	-20.83%	-4.16%

Source: Bloomberg

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

Company	MXE % weight	One month ending 11/30/2009	Year-to-date ending 11/30/2009	1 year 11/30/08-11/30/09
AXTEL	0%	28.23%	74.94%	132.12%
PEÑOLES	3.98%	25.95%	89.11%	171.44%
ALFA	1.48%	22.86%	192.33%	247.46%
TELMEX INTERNACIONAL	0%	18.76%	35.82%	53.51%
GRUPO MEXICO	9.94%	18.26%	279.11%	285.06%
BANCO COMPARTAMOS	0%	16.68%	162.42%	222.37%
MEXICHEM	4.43%	16.14%	110.74%	94.13%
WALMEX	1.28%	14.98%	51.64%	50.08%
CONSORCIO ARA	0%	14.36%	83.55%	106.05%
GRUPO MODELO	0%	13.35%	63.49%	101.17%

Source: Bloomberg

Stock Exchanges Performance in US Dollar terms

Ticker	One month ending 11/30/2009	Year-to-date ending 11/30/2009	1 year 11/30/08-11/30/2009
MEXBOL (Mexico)	10.12%	48.22%	55.60%
Mexbol-Total Return Index	10.18%	50.18%	57.73%
MSCI Mexico	9.96%	50.14%	57.02%
MSCI Mexico*[1]	10.02%	51.99%	59.05%
IPSA (Chile)	5.51%	77.43%	80.52%
MERVAL (Argentina)	1.69%	80.08%	91.25%
IBOV (Brazil)	9.25%	137.97%	141.82%
IBVC (Venezuela)	5.04%	52.05%	54.84%
IGBVL (Peru)	0.46%	118.34%	105.20%
IGBC (Colombia)	4.82%	66.93%	77.84%
INDU*[2] (U.S.)	6.51%	17.87%	17.17%
CCMP*[3] (U.S.)	4.86%	35.99%	39.66%

*[1] With dividends reinvested into index.
*[2] Dow Jones, *[3] Nasdaq. Source: Bloomberg.

II. THE MEXBOL INDEX

The Mexbol Index gained 8.07% in nominal terms and 10.12% in dollar terms in November, outperforming every other LatAm market, on the back of an economic recovery in both Mexico and the U.S. The Mexican peso appreciated 2% against the U.S. Dollar, closing the month at $12.93. The Index's outperformance is remarkable given the downgrade of the Mexican debt by Fitch Ratings.

For the year-to-date period ended November 30, 2009, the Mexbol Index's 48.22% dollar gain continued to rank it at the bottom of the Latam region.

III. THE MEXICAN ECONOMY

Recent economic data for Mexico shows that the economy initiated a recovery in the third quarter of this year. The Mexican economy grew +2.93% Quarter-on-Quarter (QoQ) non annualized in the third quarter of 2009, consistent with the global economic recovery and comparing favorably with +0.70% QoQ non annualized growth for the US in 3Q'09.

Although GDP was impacted by the influenza outbreak in April, as of June there was strong recovery, as reflected in 3.3% growth in the IGAE for the period May to September, 2009. Likewise, industrial output has shown a significant uptick (+2.2%) as has manufacturing (+4%) for the June-September period. Meanwhile car production soared +54% between June and October on the cash for clunkers program. Finally, the services sector increased +5% for the May-September period.

On the internal demand side, consumption indicators also point to a recovery, as reflected by the total sales of Antad and Walmart, despite a strong slowdown in remittances this year (a -15.4% y-t-d contraction as of October). Mexico's retail sales dropped 4.6% year-on-year (y/y) in September, less than the -5.5% y/y decrease reported the previous month.

Recent employment figures continue to show recovery signs with the unemployment rate coming down to 5.94% in October compared to 6.41% registered the previous month.

Trade balance figures for October show a surplus of US$96 million compared with a US$3.3 billion deficit in the same period last year. Year-to-date, the trade balance registers a deficit of US$4.2 billion, 65.4% below the same period last year y/y. This figure is mainly explained by the reduction in total exports (-10.0% y/y), while imports continued falling at around 21.1% y/y in the January-October period.

During a period of contained inflation, Mexico's central bank published its forecasts for 2010, raising its inflation forecast for the end of 2010 to a 4.75%-5.25% range y/y, up 175 bps from the previous estimate, while it expects economic activity to pick up 2.5-3.5% y/y in 2010.

IV. CONCLUSION

The MXE continues to balance its large, medium and small market cap allocation. This has enabled the Fund to achieve a competitive return using a non-indexed strategy and greater stock diversification compared to the Mexbol Index's overconcentration in a few stocks. Large caps account for 87% of the Bolsa Index compared with 45% for the MXE with medium and small caps comprising the rest.

A macro positive is that Public finances are balanced with the public deficit projected at 0.75% of GDP.
There is still much uncertainty about whether US consumption will be strong enough by 2H'10 to confirm an industrial production recovery and thus replace the effect US government stimuli and inventory adjustment had on the economy in 2009. In turn, Mexico's economic recovery will depend on the effectiveness of anti-cyclical measures and/or second generation structural reforms at boosting and maintaining domestic consumption.

The recently approved tax measures could be viewed by some strategists as not enough to materially address the structural weakness of public finances, especially in the context of falling oil production. However, there is a small window of opportunity for pushing structural reforms in the first half of 2010 that would eventually enhance Mexico's growth prospects.

Yours sincerely,
Eugenia Pichardo,
Porftolio Manager

ECONOMIC DATA

Economic Activity Index

•IGAE (monthly GDP proxy) showed a recovery of output in **September** over the previous month of 0.69% month-on-month (m/m). By sector, services increased 1.31% m/m and industry 0.15% m/m, while agriculture declined 2.82% m/m. Annual comparisons continue to be negative, although showing that economic activity is no longer free-falling.

Industrial Activity

• Industrial output expanded 0.81% m/m in October. This result was mainly explained by the recovery of manufacturing activity, which increased 2.4% m/m, while utilities output expanded 0.05% m/m. Meanwhile, construction and mining decreased compared with the previous month by 0.2% m/m and 0.82% m/m, respectively.

Gross Fixed Investment

• Gross fixed investment was down 11.6% y/y in **September**. The performance of investment during the ninth month of the year was explained by the decline in machinery and equipment investment by 23.1% y/y, while investment in construction decreased only 2.2% y/y. In seasonally adjusted figures, the comparisons are also negative, with total investment falling 1.1% y/y over the preceding month on the back of lower spending in machinery and equipment (-2.03% m/m) as well as in construction (-0.72% m/m).

Trade Balance

• **October**'s trade balance posted a surplus of US$96m. Exports came in at US$21.9bn, down -10% year-over-year, driven by a decline in non-oil exports of -10.9% (oil exports fell -4.6%). Imports dropped -21.1% to US$21.8bn. Oil imports contracted -39.6% year-overyear while non-oil imports fell -18.7%.

Mexican Oil Mix

• The price of the Mexican oil mix closed **November** at US$72.67 per barrel translating into a 2.45% increase in the month and 112.36% increase during 2009.

Retail Sales

• Retail sales curbed its decline in **September**, falling only 4.6% y/y, better than expected. According to the index published by INEGI, retail sales declined by 4.6% y/y in the ninth month of the year on the back of a sharp contraction in sales of appliances and other durable goods (-21.3% y/y) as well as in sales of vehicles (-18.1% y/y). In the meantime, sales on nondiscretionary items such as food and beverages along with sales in supermarket and department stores showed positive rates of growth, expanding 3.2% y/y and 1.3% y/y, respectively.

Unemployment

• The unemployment rate came in at 5.94% in **October**. Unemployment came in better than market expectations of 6.30% and last month's 6.41% print. Further, the underemployment rate fell to 8.8%, from 6.7% last year.

Monetary Policy

• Banxico left its benchmark rate unchanged at 4.5%. In its post-meeting communiqué, the Central Bank mentioned that the recently approved fiscal package will have effects in next year's inflation. At the same time the Bank acknowledged that they will follow other consumer prices so that they don't get "contaminated". Finally, Banxico's board said that "medium term inflation expectations remain well anchored".

Inflation

• Mexico's **November** inflation rose 0.52% m/m with respect to October 2009. Core inflation came in at 0.20% m/m. 12-month inflation stood at 3.86% y/y.

Source: UBS Investment Research

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ECONOMIC PROJECTIONS

Structure of GDP:

	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 $bn.)	676.5	769.4	843.6	886.0	1,099.0	**903.0**
70% Consumption (Chg. y/y)	5.5%	5.4%	6.0%	4.3%	2.2%	**(1.0%)**
24% Investment (Chg. y/y)	7.5%	7.6%	11.5%	7.4%	4.4%	**(-2.6%)**
29% Exports (Chg. y/y)	11.5%	6.9%	10.3%	6.2%	1.3%	**(6.1%)**
(32%) Imports (Chg. y/y)	10.2%	8.7%	13.1%	7.1%	5.5%	**(2.5%)**
Monetary and Exch. Rate Ind.						
CPI Inflation (Dec. cumulative)	5.2%	3.3%	3.8%	3.8%	6.5%	**3.5%**
US$ 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 (11/30/09)	
Index	Volume (U.S. $ Million)
Mexico Stock Exchange	727.69
Brazil-Bovespa	2,652.17
Chile-Santiago Stock Exchange	96.59
Peru-Lima Stock Exchange	22.64
US-NYSE	31,233.70
US-NASDAQ	15,588.30

Source: Bloomberg

Commodities (11/30/09)				
US$, %	Last	1M	3M	Y-T-D
Silver	18.49	13.3	24.1	62.3
Gold	1,179.60	12.8	24.0	33.7
Copper	6,902.75	6.9	6.8	126.9
Crude (WTI)	77.28	0.4	10.5	73.3
Crude (MIX)	71.95	1.5	4.9	110.3

Source: UBS Pactual

Currencies (11/30/09)				
(per US$ %)	Last	1M	3M	Y-T-D
MXN (Mexico)	12.93	2.0	3.3	5.7
ARS (Argentina)	3.81	0.2	1.1	-9.4
BRL (Brazil)	1.76	0.3	7.1	31.8
EUR (European Union)	0.67	1.9	4.7	7.4
JPY (Japan)	86.41	4.3	7.8	4.9
PEN (Peru)	2.88	1.0	2.5	8.8
CLP (Chile)	497.05	6.8	11.4	28.5

Source: UBS Pactual

Debt Securities (11/30/09)	
	Last
28-day Cetes	4.48%
M10Y Bond	7.85%
M20Y Bond	8.35%
30Y Treasury Bond	4.19%

Source: Bloomberg

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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. 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-weigthed 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, aslo 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.*

- *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.