



Exhibit 1. Returns

As of May 31, 2018

Total Annual Average U.S. Dollar Return through May 31, 2018  
(Reinvested Dividends)

|   | 1 Month              | YTD                 | 1 Year               | 3 Years             | 5 Years             | 10 Years            | Since MXE Inception in 08/30/90 |
|---|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------------------|
| The Mexico Equity & Income Fund, Inc. (MXE) NAV (Net Asset U.S. Dollar Per Share) | -12.11% <sup>1</sup> | -5.57% <sup>1</sup> | -9.26% <sup>1</sup>  | -5.81% <sup>1</sup> | -3.42% <sup>1</sup> | -0.13% <sup>1</sup> | 11.30% <sup>2</sup>             |
| MXE NAV (Returns in Mexican Pesos "MXN")  | -6.27% <sup>3</sup>  | -4.22% <sup>3</sup> | -2.94% <sup>3</sup>  | 2.67% <sup>3</sup>  | 6.35% <sup>3</sup>  | 6.65% <sup>3</sup>  | 19.33% <sup>3</sup>             |
| MXE Market Price (on the NYSE)  | -11.07% <sup>1</sup> | -5.26% <sup>1</sup> | -10.42% <sup>1</sup> | -6.26% <sup>1</sup> | -3.87% <sup>1</sup> | 0.92% <sup>1</sup>  | 11.61% <sup>2</sup>             |
| MXN Appreciation/ Depreciation vs USD   | -6.23% <sup>3</sup>  | -1.41% <sup>3</sup> | -6.51% <sup>3</sup>  | -8.26% <sup>3</sup> | -9.19% <sup>3</sup> | -6.36% <sup>3</sup> | -6.73% <sup>3</sup>             |
| MEXBOL Index  | -12.90%              | -10.24%             | -13.03%              | -6.72%              | -5.69%              | -1.64%              | 9.06%                           |
| MXF (The Mexico Fund) NAV   | -12.25%              | -7.53%              | -8.95%               | -5.23%              | -5.26%              | -0.81%              | 7.82%                           |
| MXF Market Price (on the NYSE)  | -12.00%              | -7.17%              | -10.31%              | -8.67%              | -8.24%              | 0.19%               | 8.41%                           |
| MXE NAV Excess Return vs. MEXBOL Index  | 79                   | 467                 | 377                  | 91                  | 227                 | 151                 | 224                             |

(Dividends Reinvested)

| Cumulative to May 31, 2018    | YTD                 | 1 Year               | 3 Years              | 5 Years              | 10 Years           | Since MXE Inception 8/30/90 | Discount to NAV, as of May 31, 2018 |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|--------------------|-----------------------------|-------------------------------------|
| MXE Common Share Market Price | -5.26% <sup>1</sup> | -10.42% <sup>1</sup> | -17.62% <sup>1</sup> | -17.90% <sup>1</sup> | 9.54% <sup>1</sup> | 2007.03% <sup>3</sup>       | -13.06%                             |
| MXF Common Share Market Price | -7.17%              | -10.31%              | -23.81%              | -34.95%              | 1.95%              | 839.48%                     | -12.74%                             |

Source: U.S. Bancorp<sup>1</sup>; Thomson<sup>2</sup>; PAM<sup>3</sup>, Bloomberg.

The Fund's Portfolio securities are denominated in Mexican pesos. As a result, the portfolio return in U.S. dollars must increase in market value at a rate in excess of the rate of the decline in the value of the Mexican peso against the U.S. dollar in order to present an excess dollar return.

The NAV accretion that resulted from share repurchases, for the 1, 3, and 5-year period ended May 31, 2018 was 0.04, 0.08 and 0.08 respectively. For the purpose of performance calculation, U.S. Bancorp assumes that MXE's dividends and distributions are reinvested at the closing market price on the dividend ex-date and takes into account the dilution effect resulting from fund's stock dividend. This calculation of MXE's performance figures may differ from other financial sources, such as Bloomberg.

MXE's ratio of expenses to average net assets=1.64% for the semi-annual period ended January 31, 2018.

MXF's ratio of expenses to average net assets=1.59% for the fiscal year ended October 31, 2017.

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.

Exhibit 2. Top Ten Holdings as of May 31, 2018.

| TOP TEN HOLDINGS MXE |               | TOP TEN HOLDINGS MEXBOL |               |
|----------------------|---------------|-------------------------|---------------|
| Issuer               | Weight        | Issuer                  | Weight        |
| AMXL                 | 11.70%        | AMXL                    | 13.77%        |
| IENOVA               | 8.95%         | FEMSAUBD                | 13.17%        |
| FEMSAUBD             | 7.65%         | GFNORTEO                | 9.70%         |
| CEMEXCPO             | 5.99%         | WALMEX                  | 8.83%         |
| MEXCHEM              | 5.95%         | GMEXICOB                | 7.40%         |
| GRUMAB               | 4.87%         | CEMEXCPO                | 5.86%         |
| GFNORTEO             | 4.39%         | TLEVICPO                | 5.64%         |
| GMEXICOB             | 4.22%         | ALFAA                   | 2.87%         |
| VESTA                | 3.72%         | GAPB                    | 2.61%         |
| AC                   | 3.58%         | ASURB                   | 2.36%         |
| <b>TOTAL</b>         | <b>61.02%</b> | <b>TOTAL</b>            | <b>72.21%</b> |

Source: Bloomberg; PAM

Exhibit 3. Fund Information as of May 31, 2018.

| Market Data                   | As of May 31, 2018        | As of May 31, 2017        |
|-------------------------------|---------------------------|---------------------------|
| Net Asset Value (NAV) USD     | \$11.18 <sup>1</sup>      | \$12.37 <sup>1</sup>      |
| Common Share Market Price USD | \$9.72 <sup>1</sup>       | \$10.90 <sup>1</sup>      |
| Premium/Discount to NAV (%)   | -13.06% <sup>1</sup>      | -11.88% <sup>1</sup>      |
| Net Assets (USD)              | \$77,989,255 <sup>1</sup> | \$90,893,351 <sup>1</sup> |
| Outstanding Shares            | 6,976,242 <sup>1</sup>    | 7,349,716 <sup>1</sup>    |
| One Year Share Repurchases    | 373,474 <sup>1</sup>      | 137,462 <sup>1</sup>      |
| Equity + Private Equity       | 93.33% <sup>2</sup>       | 98.55% <sup>2</sup>       |
| Treasury Bond (USD)           | 1.38% <sup>2</sup>        | 0.12% <sup>2</sup>        |
| Mutual Funds (MXN)            | 5.29% <sup>2</sup>        | 1.33% <sup>2</sup>        |

Source: US Bancorp<sup>1</sup> & PAM<sup>2</sup>.

\*Includes a tender offer of 367,174 shares of common stock.



# THE MEXICO EQUITY & INCOME FUND, INC. MAY 2018 FACT SHEET

## Fund Objective & Strategy

### Profile

The Mexico Equity and Income Fund, Inc. ("the Fund") maintains an investment objective of long-term capital appreciation through investments in the Mexican universe of equities listed on the Mexican Stock Exchange.

### Characteristics

The Mexico Equity and Income Fund, Inc. (MXE) incorporated in Maryland, U.S.A., is registered under the U.S. Investment Company Act of 1940, as amended, as a NYSE closed-end, non diversified management investment company.

### Risk Factors

The Fund invests substantially all of its assets in securities of Mexican issuers. All investments involve risk. Principal loss is possible. Investing internationally involves additional risks such as currency fluctuations, market price volatility, social and economic instability, changes in taxation, periods of illiquidity and other factors. All Mexican companies are subject to Mandatory IFRS (International Financial Reporting Standards) accounting since the year 2011. Mexico has experienced currency devaluations, high levels of inflation and interest rates, but currently has a solid macro economic framework. (Please see PAM's most recent Report on the Economy at the Fund's website.)

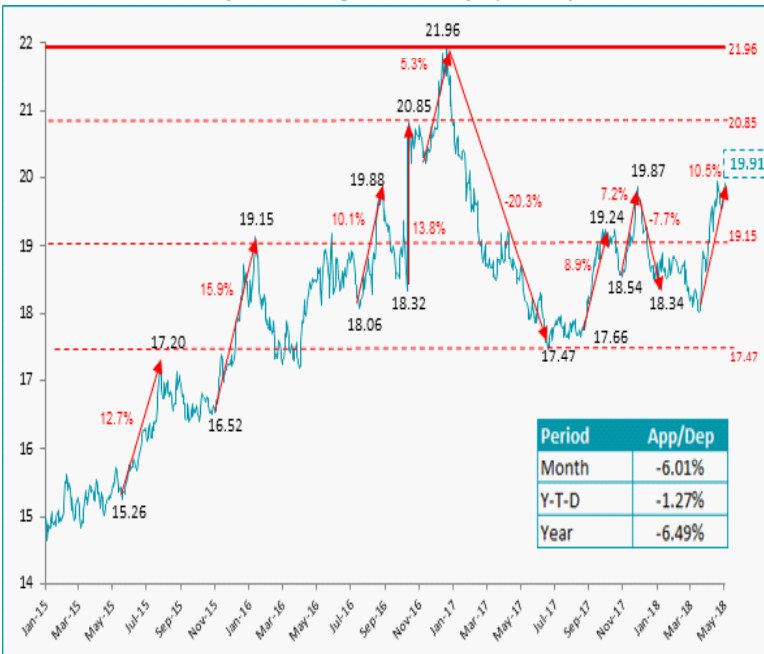
To read about The Mexico Equity and Income Fund, Inc, please access the Annual Report by calling (414) 765-4255 to receive a copy, or access the Annual Report on the Fund's website, "www.mxefund.com", under the section captioned investor reports. Investors should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. An investment in the Fund should not constitute a complete investment program.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund's portfolio and there is no assurance that the fund will achieve its investment objective.

## Portfolio Management

| Portfolio Manager                                     | Experience | Analysts        | Experience   |
|---|------------|-----------------|--------------|
| Maria Eugenia Pichardo                                | 27 years   | Mauro Castañeda | 13 years     |
| <b>Macro and Debt Strategist</b><br>Arnulfo Rodriguez | 25 years   | Itziar Garcia   | 4 years      |
| <b>Assistant Portfolio Managers, Analysts</b>         |            | Erick Solano    | Debt Analyst |
| David Estevez   | 6 years    | Oscar Sifuentes | Trainee      |
| Juan Elizalde   | 5 years    |                 |              |

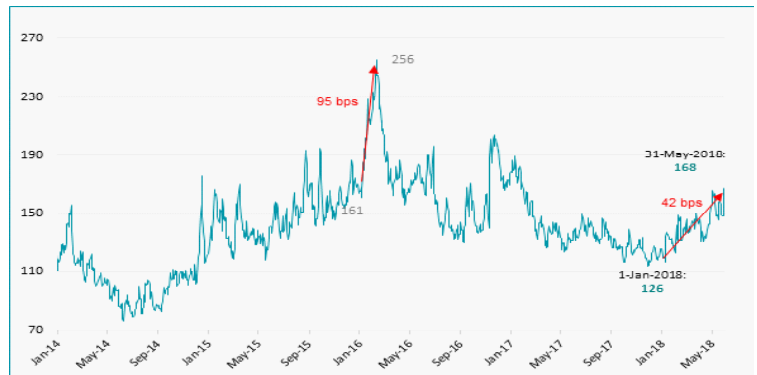
Exhibit 4. MXN/USD Spot Exchange Rate. As of April May 31, 2018.



Source: Bloomberg;

MXN volatility mainly due to: 1) 10-Year Treasury Yield & FED normalization, 2) NAFTA and 3) Politics.

Exhibit 5. 10-Year UMS vs. Treasury Bond. As of May 31, 2018.



Source: Bloomberg;

Exhibit 6. NAFTA Negotiations As of May 31, 2018.

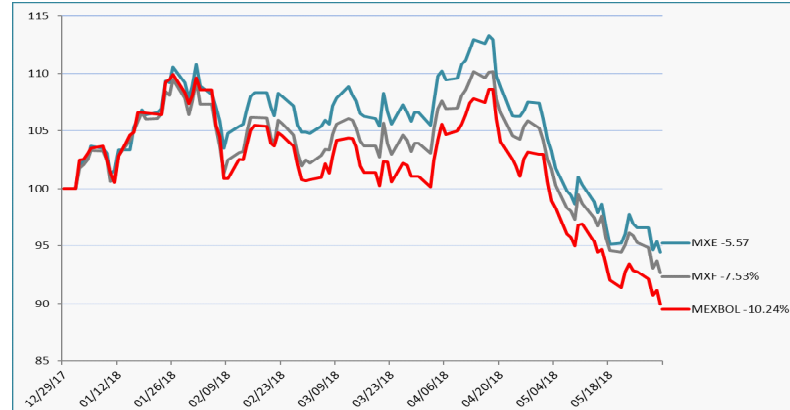
U.S. imposed tariffs on steel (25%) and aluminum (10%) imports from Canada, Mexico and the European Union.

Difficult proposals:

- "Sunset" clause.
- Auto sector rules of origin.
- **US:** Increase the content of auto parts from the NAFTA region from 62.5% to 75% and 40% from regions with wages of \$16 dls/hrs. Threatening to impose tariffs of up to 25% on imported vehicles.
- **Mexico:** Increase the content of auto parts from the NAFTA region from 62.5% to 70% & accepted 20% content with an hourly wage of USD\$16.
- The main NAFTA dispute settlement mechanisms (Chapters 11, 19 & 20)
- **Chapter 19:** dispute mechanism that allows an independent panel to settle issues around trade.
- **Chapter 11:** mechanism for the settlement of investment disputes that assures both equal treatment among investors of the Parties to the Agreement.
- **Chapter 20:** Institutional arrangements and dispute settlement procedures.
- Setting limits on seasonal trade of agricultural products

Source: El Economista

Exhibit 7. MXE 1 Year Performance vs. Mexbol Index. As of May 31, 2018.



Source: Bloomberg, PAM.

**Definitions: MEXBOL Index:** The Mexican Bolsa Index is a capitalization-weighted index of the leading stocks traded on Mexican Stock Exchange.

**-MXN/USD:** Refers to Mexican peso / U.S. dollar exchange rate.

**-The North American Free Trade Agreement (NAFTA):** A regulation implemented January 1, 1994 in Mexico, Canada and the United States to eliminate most tariffs on trade between these nations. The three countries phased out numerous tariffs, (with a focus on those related to agriculture, textiles and automobiles), between the agreement's implementation and January 1, 2008. NAFTA's purpose is to encourage economic activity between the United States, Mexico and Canada.

**-Ten Year Treasury Bond Yield:** Is the return on investment, expressed as a percentage, on the U.S. government's debt obligations.

**-Ten Year Treasury Bond Yield:** United Mexican States sovereign bonds denominated in USD.