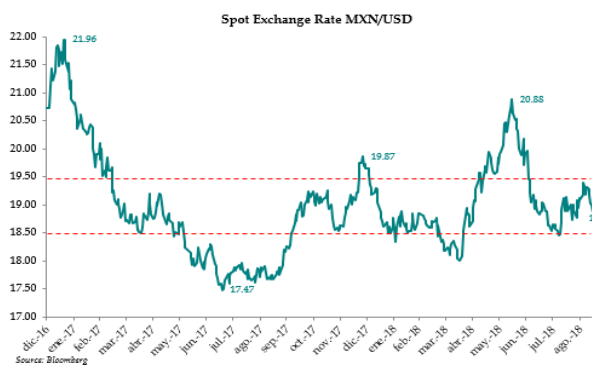


Favorable Winds for the Peso and the Mexican Stock Exchange

From September 10th thru September 14th, the exchange rate reversed the depreciation trend it had shown in the previous weeks. The spot exchange rate closed at 18.88 pesos per dollar, for a weekly appreciation of 2.4% and annual improvement of 4.2% during 2018. Among the factors that explain the change in trend is:

1. The commercial understanding between Mexico and the US eliminates one of the primary sources of volatility in the foreign exchange market in the last two years. According to Mexico's Economy Minister, Idelfonso Guajardo, Mexico's commercial integration is a long-term effort and, even if Canada does not join, Mexico will have to take the next step to reach a bilateral agreement.
2. A recovery in currency markets, especially the emerging ones. Two reasons for the upturn are: (i) the Chinese government disposition to have a dialogue with the United States regarding commercial matters and (ii) Turkey Central Bank recent actions to stabilize the lira.
3. Less uncertainty about Mexico's new government political agenda. Namely, Sergio Pimentel, President of the National Hydrocarbons Commission, and Rocío Nahle, future Energy Minister, confirmed oil bidding processes would not be suspended. In the same regard, Alfonso Romo, next head of the President's office, mentioned in the framework of the Economic Forum 2018 summoned by the Institute of International Finance (IIF), that the new administration will give special priority to fostering trust and enabling stability to increase national and foreign investments.
4. Mexico's leaving administration and the one that is about to start have had effective communication and visible cooperation efforts that have contributed to order and stability during the transition period.



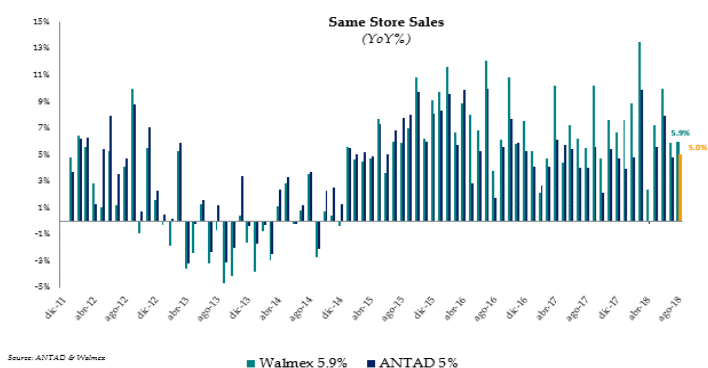
As in the foreign exchange market, MEXBOL closed with a weekly gain of 1.3% at 49,611 points, which amounts to 2.08% gains in 2018. Good performance holds up even more after Alfonso Romo's speech, in particular, after the following remarks:

- Current fuel incentives and existing taxes will remain unchanged next year; therefore, austerity and fiscal discipline will be essential for public spending.
- The new government will meet companies that were awarded contracts during former bidding processes. These interviews will intend to identify challenges and opportunities regarding the Energy Reform, and the means to make it work.

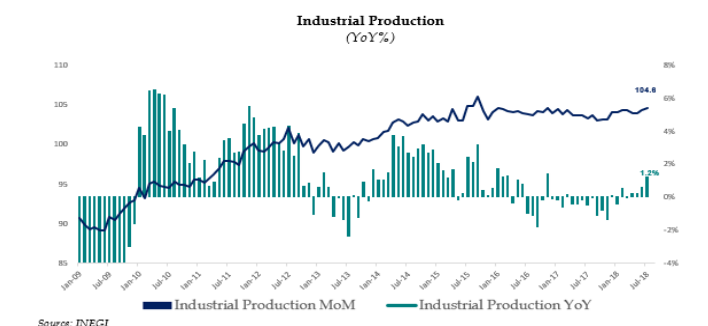
The companies that contributed the most to MEXBOL during the week were: GENTERA (9.0%), IENOVA (7.4%), LIVEPOL (5.7%), ASUR (5.1%) and WALMEX (5.0%). The companies that had the weakest performance during the week were NEMAK (2.9%), CARSO (2.1%), BSMX (2.1%) and FEMSA (2.1%).

Economic indicators

Same Store Sales reported by ANTAD (National Association of Self-Service and Departmental Stores) grew 5% in August, two basis points above 4.8% growth in July. This the highest increment for August since 2015, when the reported increase was 7.8%.



Industrial Production increased 1.2% in July. By Industrial Production Index component, utilities, construction and manufacturing rose 4.0%, 4.0%, and 2.0% respectively, while mining decreased 7.1%.



Eugenia Pichardo & Arnulfo Rodríguez
 Equity Portfolio Manager & Macro and Debt Strategist
 Investor Relations: igarcia@paminversion.com
 (55) 5261 4600



Pichardo Asset Management, SA de CV
An Independent Investment Advisory Firm

www.paminversion.com
Andres Bello 45, 22nd Floor,
Polanco, 11550 CDMX, México
Phone: + 52 (55) 52 61 46 00 /04/21/16

epichardo@paminversion.com
Equity Portfolio Manager

arodriguez@paminversion.com
Macro Strategist & Debt Portfolio Manager

destevez@paminversion.com
Financials Analyst
Assistant Portfolio Manager

jelizalde@paminversion.com
Industrials Analyst
Assistant Portfolio Manager

lcalzada@paminversion.com
Compliance

Definitions

Mexican Stock Exchange – The Mexican Stock Exchange headquartered in Mexico City, is the full service securities exchange of the country, dealing in cash equities, derivatives and fixed income products.

INEGI - The National Institute of Statistics and Geography. It is the institution responsible for performing the population census every ten years; as well as the economic census every five years and the agricultural, livestock and forestry census of the country.

IIF: Institute of International Finance

Basis point (BPS) - refers to a common unit of measure for interest rates and other percentages in finance.

Disclosures

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.

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

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

The information contained herein reflects the opinion of "Pichardo Asset Management" and as such should not be taken to be fundamental analysis or a decision-making model. Neither