MEXICO FUND INC
Form N-CSRS
June 25, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number

811-02409

THE MEXICO FUND, INC.

(Exact name of registrant as specified in charter)

1900 K STREET, N.W.,

WASHINGTON, DC 20006

(Address of principal executive offices) (Zip code)

Alberto Osorio

77 ARISTOTELES STREET, 3RD FLOOR

POLANCO D.F. 11560 MEXICO

(Name and address of agent for service)

Copies to: **Douglas P. Dick**

Dechert LLP

1900 K STREET, N.W.,

WASHINGTON, DC 20006

Registrant s telephone number, including area code: 202-261-7941

Date of fiscal year end: October 31, 2015

Date of reporting period: April 30, 2015

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Reports to Stockholders.

A copy of the Registrant s Semi-Annual Report to Stockholders for the period ending April 30, 2015 transmitted to stockholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is provided below.

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The Mexico Fund, Inc.

Managed Distribution Plan (MDP)

The Board of Directors of the Fund has authorized quarterly distributions under the MDP at an annual rate of 10% of the Fund s net asset value (NAV) per share recorded on the last business day of the previous calendar year. With each distribution, the Fund will issue a notice to stockholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other information required by the Fund s MDP exemptive order. The Fund s Board of Directors may amend or terminate the MDP at any time without prior notice to stockholders. You should not draw any conclusions about the Fund s investment performance from the amount of distributions or from the terms of the Fund s MDP.

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The Mexico Fund, Inc.

The Fund s Management

Directors

Emilio Carrillo Gamboa *Chairman*

Jonathan Davis Arzac

Edward Djerejian

José Luis Gómez Pimienta

Claudio X. González

Jaime Serra Puche

Marc J. Shapiro

Officers

Alberto Osorio *President and Chief Executive Officer*

Alberto Gómez Pimienta *Treasurer*

Samuel García-Cuéllar *Secretary*

Douglas P. Dick *Assistant Secretary*

Investment Adviser

Impulsora del Fondo México, S.C.

Custodian

BBVA Bancomer, S.A.

Comerica Bank

Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC

Counsel

Dechert LLP

Creel, García-Cuéllar, Aiza y Enríquez, S.C.

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

This report, including the financial statements herein, is transmitted to stockholders of The Mexico Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in the report.

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The Mexico Fund, Inc.

2015 Semi Annual Report

April 30, 2015

Highlights

The first half of the Fund s fiscal year 2015 ended on April 30, 2015.

Mexico s gross domestic product (GDP) grew 2.1% during 2014 and 2.5% during the first quarter of 2015. Analysts surveyed by the Mexican Central Bank estimate that GDP growth will gradually recover to 2.9% during calendar 2015 and 3.4% during calendar 2016.

During the first half of fiscal 2015, the Fund s market price and NAV per share registered total returns[1] of -13.99% and -11.94%, respectively. These returns registered by the Fund compare with returns of -12.69% and -12.39% registered by the Morgan Stanley Capital International Mexico Index (MSCI Mexico Index) and the Bolsa IPC Index, respectively.

Fund shares traded mostly at a small discount or at a premium during this six-month period. As of April 30, 2015, the Fund s market price and NAV per share were $21.81 and $22.20, respectively, reflecting a discount of 1.76%, compared with a premium of 0.94% at the end of fiscal 2014.

Since June 2013, the Fund has been issuing additional Fund shares when the Fund is trading at a premium under an Equity Shelf Program (ESP). Under the ESP, the Fund issued 1,700 shares during the first half of fiscal 2015, resulting in additional available assets of $45,087.

The Fund has declared a distribution of $0.5660 per share under its Managed Distribution Plan (MDP), to be paid on July 23, 2015 to stockholders of record on July 14, 2015.

[1] These performance figures take into account the reinvestment of distributions.

The Mexico Fund, Inc. is a non-diversified closed-end management investment company with the investment objective of long-term capital appreciation through investments in securities, primarily equity, listed on the Mexican Stock Exchange. The Fund provides a vehicle to investors who wish to invest in Mexican companies through a managed non-diversified portfolio as part of their overall investment program.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

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The Mexico Fund, Inc.

To Our Stockholders:

We present to you the Fund s 2015 Semi Annual Report for the six-month period ended April 30, 2015. In this report, we summarize the period s prevailing economic, political and market conditions in Mexico and outline the Fund s investment strategy and resulting performance. We hope you find this report useful and informative.

Economic and Political Environment

During calendar 2014, Mexico s GDP expanded 2.1%. This low rate of growth is explained by sluggish domestic consumption due to higher tax rates and new taxes, the results of a fiscal reform that was put in place in 2014. Additionally, low levels of public sector expenditures had a negative impact on growth. During the first quarter of 2015, GDP expanded at an annual rate of 2.5%.

The Mexican economy was affected by the decline in oil prices during the first half of fiscal 2015. In the six-month period ending April 30, 2015, the price of West Texas Intermediate oil (used as a benchmark in oil pricing) and Mexican oil mix both declined 26% to $59.6 USD/bbl and $57.0 USD/bbl, respectively. During 2013 and 2014, oil revenues represented 33% and 30% of public sector revenues, respectively. Although the Mexican government has hedged a significant portion of oil exports at $79 USD/bbl for 2015, no such oil price hedges are currently in place for 2016. As a result of lower oil prices, Mexico s Ministry of Finance announced in January 2015 public expenditure cuts of 124 billion pesos (Ps.) for 2015, which is equivalent to 0.7% of GDP.

Despite the decrease in oil prices mentioned above, Mexico s energy reform is moving forward as Petróleos Mexicanos (Pemex), the Mexican state-owned oil company, has started auctioning oil field contracts with the aim of increasing production. These auctions are open to domestic and foreign companies, and Pemex expects to begin announcing the results gradually in the second half of 2015. Any future increase in crude oil production, which has fallen from 3.4 mbpd in 2004 to 2.4 mbpd in 2014, could compensate for lower oil prices.

Mexico s Central Bank (Banxico) has maintained the overnight interest rate at 3.0% since June 6, 2014, when it reduced the reference rate by 50 basis points, and inflation remains under control at an annual rate of 3.06% as of April 2015. The Federal Reserve (Fed) ended its asset-purchase program at the end of October 2014, but has kept its overnight interest rate unchanged in the range of 0.00% to 0.25%. During the Fed s March 2015 meeting, it was mentioned that a possible rate hike in its overnight interest rate may occur in the coming months.

The Mexican peso depreciated 12.2% against the U.S. dollar to Ps. 15.35 in the six-month period ended April 30, 2015, and the U.S. dollar increased 8.8%, as measured by the DXY Index[1]. We believe that the peso s depreciation is due to the current low oil price environment and investors expectation that the Fed will start to increase its reference rate. As a result of the peso s depreciation, Banxico announced on

[1] **DXY Index** computes the value of the U.S. dollar relative to a basket of foreign currencies.

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December 8, 2014 a program in which it will sell in auction up to $200 million whenever the peso falls at least 1.5% in any given day. In addition, on March 11, 2015, Banxico announced the implementation of a new mechanism consisting of the auction of $52 million daily until June 8, 2015; on May 22, 2015, Banxico extended the mechanism until September 29, 2015. Foreign reserves amounted to $195.3 billion at the end of April 30, 2015, near historical highs.

Mexico s public finances are healthy and its fiscal deficit was 3.2% in 2014. Mexico s government continues to focus on maintaining a prudent approach to its public finances, announcing that the federal budget for 2016 will be made using zero-based budgeting. The use of zero-based budgeting implies an extensive review and justification of every item to be budgeted with the goal of reducing public expenditures.

Mexican economists surveyed by Banxico at the end of April 2015 estimate GDP growth for 2015 and 2016 at 2.9% and 3.4%, respectively, with inflation at annual rates of 3.1% and 3.5%, respectively. Economists also expect the overnight interest rate to reach 3.5% and 4.3% by the end of 2015 and 2016, respectively, and the fiscal deficit as a percentage of GDP to be 3.3% and 3.1%, respectively.

Management Discussion of Fund s Performance and Portfolio Strategy

During the first half of fiscal 2015, slow economic growth, lower oil prices, general appreciation of the U.S. dollar against other currencies, and expectations that the Fed will start to increase its overnight interest rate resulted in a negative performance of the Mexican equity market in U.S. dollar terms. As such, the Fund s NAV followed the decline of the Mexican equity market. During the six-month period ended April 30, 2015, the MSCI Mexico Index and the Bolsa IPC Index registered returns[1] of -12.69% and -12.39%, respectively, while the Fund s market price and NAV registered returns of -13.99% and -11.94%, respectively. The larger negative return registered by the Fund s market price is the result of a lower valuation relative to its NAV per share, as it was trading at a premium of 0.94% at the end of October 2014, which converted into a discount of 1.76% at the end of April 2015.

The following table shows the annualized performance[1] of the Fund s market price and NAV per share as well as that of the two most relevant benchmarks, for periods ended April 30, 2015.

	Years (Annualized %)			
	One	Three	Five	Ten
Fund s Market Price	-7.01	6.33	8.28	12.88
Fund s NAV	-6.70	3.51	5.68	11.08
MSCI Mexico Index	-5.77	0.38	3.94	11.16
Bolsa IPC Index	-5.49	0.10	3.42	12.07

Source: Impulsora del Fondo México, S.C.

1 Performance figures take into account the reinvestment of distributions.

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During the first half of 2015, Impulsora del Fondo México, SC (Adviser or Impulsora) decreased the Fund s exposure to issuers linked to the oil industry due to the steep decline in oil prices, as mentioned earlier in this report. At the same time, Impulsora reduced the Fund s exposure to companies in the consumption sector due to some issuers high relative valuations. On the other hand, the Adviser increased the Fund s exposure to the construction and industrial real estate sectors, as it expects the Mexican government to auction the construction and operation of several highways to the private sector and also anticipates that the industrial real estate sector will benefit from strong manufacturing activity, especially in the automotive industry. Due to the volatility in the financial markets in recent months, the Fund increased its cash position to 5.4% as of April 30, 2015, from 1.8% as of October 31, 2014.

The following table shows the top five contributors to the performance of the Fund s NAV relative to the MSCI Mexico Index during the first half of fiscal 2015. The table is sorted according to the contribution of these issuers to the Fund s outperformance relative to the MSCI Mexico Index and shows their market price returns during such period. The Fund maintained no exposure to Funo, Gfinbur, Lab and Kof, as well as an underweight exposure to Amx, issuers that registered double-digit negative returns.

Top Five Contributors to Relative Performance vs the MSCI Mexico Index

Issuer	Industry	Return	Contribution to Relative Fund Performance	Average Over/ Under Weight
Funo	Real Estate	-26.59%	0.98%	-3.58%
Gfinbur	Financial Group	-20.45%	0.67%	-3.26%
Lab	Health Care	-53.23%	0.50%	-0.64%
Kof	Beverages	-22.39%	0.48%	-1.94%
Amx	Telecommunications	-13.24%	0.47%	-2.63%

The following table shows the top five detractors from the performance of the Fund s NAV relative to the MSCI Mexico Index during the first half of fiscal 2015 and shows their respective market price returns during

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such period. The Fund maintained an overweight exposure to Alfa, Alpek, Ienova, Mexchem and Cemex, all of which registered negative returns during the period.

Top Five Detractors from Relative Performance vs the MSCI Mexico Index

Issuer	Industry	Return	Contribution to Relative Fund Performance	Average Over/ Under Weight
Alfa	Holding company	-35.34%	-0.70%	1.39%
Alpek	Petrochemical	-21.10%	-0.45%	1.76%
Ienova	Energy	-4.87%	-0.39%	0.62%
Mexchem	Chemical products	-29.75%	-0.36%	0.79%
Cemex	Building materials	-21.65%	-0.34%	1.44%

The following chart shows the Fund s portfolio composition by sector, expressed as a percentage of the Fund s net assets as of April 30, 2015, which amounted to $335.21 million. More detailed information about the Fund s portfolio is available below in this report.

Portfolio Composition by Sector

Percentage of Net Assets and Weights on MSCI Mexico Index,

April 30, 2015

Increased investor demand for Fund shares continues to result in a high volume of shares traded. During the first half of fiscal 2015, the Fund traded a total of 7.45 million shares on all U.S. consolidated markets, resulting in a daily average value of shares traded of $1.33 million. The Fund is one of the most liquid closed-end funds investing in Latin America, as very few of the comparable funds trade more than one million dollars per day.

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The average price-to-earnings ratio (PER) of the Mexican equity market at the end of April 2015 was 22.6 times, while the price-to-book value ratio was 2.7 times[2]. The market capitalization of the Bolsa at the end of April 2015 amounted to $486.2 billion. During the first quarter of calendar 2015, financial statements for Mexican listed companies showed, in general, solid operating results, as revenues and EBITDA[3] increased 9.1% and 11.2%, respectively. However, net profit decreased 14.9% due to the depreciation of the peso against the U.S. dollar, as mentioned earlier in this report. The Adviser will seek to be prudent in identifying companies with strong balance sheets that include manageable debt levels, positive free cash flows, strong corporate governance policies, high-quality management teams, attractive growth potential and proven business models.

Annual Meeting of Stockholders

The Fund held its Annual Meeting of Stockholders on March 5, 2015 at 9:30 a.m. Central time at the John Jacob Boardroom on the Mezzanine Level of the St. Regis Hotel, located at 1919 Briar Oaks Lane, Houston, Texas 77027. Stockholders re-elected Marc J. Shapiro and Jaime Serra Puche as Directors. A total of 11,981,501.33 Fund shares were represented in the meeting, constituting a quorum of 79.36%.

Regarding the election of the Fund s Class I Directors, the results of the Annual Meeting were as follows*:

	For	% Outstanding	% of Voted	Withheld	% Outstanding	% of Voted
Marc J. Shapiro	11,571,845.13	76.65%	96.58%	409,656.20	2.71%	3.42%
Jaime Serra Puche	11,698,055.04	77.48%	97.63%	283,446.29	1.88%	2.37%

* There were no abstentions or broker non-votes with regard to the election of the Fund s Class I Directors.

Equity Shelf Program

Since June 2013, the Fund has been issuing additional Fund shares when the Fund is trading at a premium under an Equity Shelf Program (ESP). The ESP is conducted pursuant to a shelf registration statement filed with the SEC. Under the ESP, the Fund issued 1,700 shares during the first half of fiscal 2015, resulting in additional available assets of $45,087.

Declaration of Distributions under MDP

Under the MDP, the Fund pays quarterly distributions at an annual rate of 10% of the Fund s NAV per share recorded on the last business day of the previous calendar year. The Fund has maintained this rate of distributions since May 2009 and all distributions paid since then were composed of net investment income and realized capital gains. The Board has ratified the continuation of the Fund s MDP during fiscal 2015 at the same annual rate of 10%, with distributions to be based on the Fund s NAV per share as of December 31, 2014. In making this

2 Source: Impulsora del Fondo Mexico, S.C. with figures provided by the Mexican Stock Exchange.
3 EBITDA refers to earnings before interest, taxes, depreciation and amortization.

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determination, the Board considered all of the relevant facts and circumstances, including both the challenging global economic environment and the value to stockholders of steady cash distributions.

Pursuant to the MDP, the Board of Directors has declared a dividend distribution of $0.5660 per share, payable in cash on July 23, 2015 to stockholders of record on July 14, 2015.

For each distribution under the MDP, the Fund will issue a notice to stockholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other information. The Fund s Board of Directors may amend or terminate the MDP at any time without prior notice to stockholders. You should not draw any conclusions about the Fund s investment performance from the amount of distributions or from the terms of the Fund s MDP.

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As mentioned in this report, the Mexican economy and equity market have faced a challenging environment; notwithstanding the above, we are confident that the solid fundamentals of selected listed companies and the overall strength of key economic variables in Mexico will continue to result in attractive investment opportunities in the Mexican equity market. We hope you find this report useful and informative, and we thank you for your continued confidence in the Fund.

Sincerely yours,

Alberto Osorio
President and Chief Executive Officer
June 12, 2015

Emilio Carrillo Gamboa
Chairman of the Board

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General Information

Renewal of Investment Advisory and Management Agreement

At an in-person meeting of the Board held on March 5, 2015 at which a majority of the Directors were in attendance, including a majority of the Independent Directors, the Board, and separately a majority of the Independent Directors, taking into consideration the recommendation of the Contract Review Committee of the Board (Committee), approved the continuation of the Investment Advisory Agreement (Agreement) with Impulsora based on its consideration of various factors, including (1) the nature, extent and quality of services provided by the Adviser to the Fund; (2) the investment performance of the Fund; (3) the costs of the services provided, and profits to be realized, by the Adviser from its relationship with the Fund; (4) the extent to which economies of scale have been realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of Fund investors; and (5) other benefits to the Adviser from its relationship with the Fund (and any corresponding benefit to the Fund). In response to a specific request by the Independent Directors, Impulsora provided detailed information concerning the foregoing factors. The Board also received a memorandum from independent legal counsel discussing the duties of board members in considering the approval of the continuation of the Agreement. The Board evaluated information consisting of comparative figures of overall expenses, management and other fees, of a group of substantially similar funds. As discussed more fully below, the Board considered the Fund s historical performance through the beginning of March 2015, as well as the Fund s current advisory fee rate, which is below both of the median and average for regional closed-end funds followed by Lipper, Inc. The Board determined that the fees payable to Impulsora were reasonable, especially in light of the quality of the services provided, as well as the level of advisory fees paid by comparable funds.

The following discussion is not intended to be all-inclusive. The Board reviewed a variety of factors and considered a significant amount of information, including information received on an ongoing basis at meetings of the Board and Board committees. In view of the broad scope and variety of these factors and information, the Board did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors in reaching their conclusions and determination to approve the continuance of the Agreement.

The Board has determined that the Agreement is in the best interests of the Fund s stockholders, as it would enable the stockholders to obtain high quality services at a cost that is appropriate and reasonable. In addition, the Board has concluded that the Agreement appropriately aligns the interests of the Adviser, the Fund, and Fund stockholders by rewarding superior performance or penalizing poor investment results when compared with the MSCI Mexico Index.

Performance adjustments under the Agreement began on April 1, 2015 based upon the Fund s performance during the 12 months ended March 31, 2015. However, no adjustments were made during April 2015,

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as the difference in performance between the Fund s NAV and the MSCI Mexico Index was less than 2 percentage points.

Investment Services. The Board considered the nature, extent and quality of advisory services provided by the Adviser. The Board receives information at regular meetings throughout the year regarding the services rendered by the Adviser concerning the management of the Fund and the Adviser s role in coordinating providers of other services to the Fund. Also, the Adviser provides all facilities and services necessary to analyze, execute and maintain investments consistent with the Fund s objectives, and has done so since the Fund s inception in 1981. The Board had available to it the qualifications, backgrounds and responsibilities of the personnel primarily responsible for the day-to-day portfolio management of the Fund and recognized that these individuals report to the Board regularly and provide a detailed report on the Fund s performance at each regular meeting of the Board. The Board also received and considered the Adviser s financial information, including recent operating results and expenses, as well as the specific services performed by the Adviser. The Board concluded that overall, it was satisfied with the nature, quality and extent of services that the Adviser provides to the Fund.

Investment Performance. At the in-person Board meeting on March 5, 2015, the Board received and considered information regarding Fund performance relative to the leading Mexican equity indices, including the Bolsa IPC Index and the MSCI Mexico Index, as well as comparable funds. The Board had also received information throughout the year at periodic intervals regarding the Fund s performance, including with respect to the leading Mexican equity indices. The Board was provided with the performance matrix as of March 4, 2015 with periods of three months, year-to-date, one year, three years, five years and ten years, and determined that the Fund had outperformed both the MSCI Mexico Index and the Bolsa IPC Index over periods of 3 years and 5 years. The Board also determined that the Adviser had achieved superior investment performance compared with nearly all of the major Mexican equity mutual funds over the three year and five year periods. The Board also considered the fruitful efforts made by the Adviser to address the Fund s stock price relative to NAV, including the Fund s Managed Distribution Plan (MDP), the open market repurchase policy, and efforts to provide investors with more timely information about the Fund s assets. Based on its review and the Adviser s explanation, the Board concluded that the Fund s performance has been positive and competitive.

Costs and Profitability. The Board reviewed the fees charged by Impulsora for investment advisory services, as well as the gross revenues and pre-tax profits earned by Impulsora. The Board also reviewed and considered comparative information supplied by Lipper Inc., which the Board noted showed that the effective investment advisory fee of the Fund remained competitive and lower than the median and average fees of other comparable regional closed-end funds. The Board also reviewed and considered comparative information regarding administrative fees and expense ratios charged to comparable funds. Additionally, the Board

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reviewed the actual dollar amount of the fees payable under the Agreement, as well as the fee as a percentage of assets under management. On the basis of this information, the Board concluded that the level of the investment advisory fee and the profitability of the relationship between the Fund and Impulsora are appropriate in light of the nature, extent and quality of services provided to the Fund. The Board also concluded that the Agreement s performance component and its use of the MSCI Mexico Index were fair and appropriate.

Economies of Scale. The Board determined that the investment advisory fees payable under the Agreement already reflect potential future economies of scale, through the existing fee structure, which includes the imposition of breakpoints as Fund assets increase, of 1.0% of average daily net assets for assets up to and including $200 million, 0.90% of average daily net assets for assets in excess of $200 million and up to and including $400 million, 0.80% of average daily net assets for assets in excess of $400 million and up to and including $600 million, 0.70% of average daily net assets for assets in excess of $600 million and up to and including $800 million, and 0.60% of average daily net assets for assets over $800 million.

Other Benefits to the Adviser. The Board determined that the other benefits described by the Adviser were reasonable, fair, and consistent with industry practice and the best interest of the Fund and its stockholders. In this regard, the Board specifically considered the benefits to the Adviser due to the fact that it also serves, and receives an additional administrative fee from, the Fund pursuant to the Fund Services Agreement.

The above discussion is not intended to be all-inclusive. The Board reviewed a variety of factors and considered a significant amount of information, including information received on an ongoing basis at meetings of the Board and Board committees. In view of the broad scope and variety of these factors and information, the Board did not find it practicable, and did not make specific assessments of, quantify or otherwise assign relative weights to the specific factors in reaching their conclusions and determination to approve the continuance of the Agreement.

Concentration Policy

The Fund has a concentration policy that permits it to concentrate its investments in any industry or group of industries in the IPC Index (or any successor or comparable index as determined by the Board to be an appropriate measure of the Mexican market) if, at the time of investment, such industry represents 20% or more of the IPC Index; provided, however, that the Fund will not exceed the Bolsa IPC Index concentration by more than 5%. At the end of April 2015, no industry group represented 20% or more of the value of the securities included in the Bolsa IPC Index.

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Proxy Voting

Information about how the Fund voted proxies during the twelve-month period ended June 30 will be available, without charge, upon request by calling Mr. Alberto Gomez Pimienta, the Fund s Treasurer, or on the SEC s website at www.sec.gov. The Fund s and its Investment Adviser s proxy voting policies and procedures are on the Fund s website, www.themexicofund.com under the heading Corporate Governance , on the SEC s website at www.sec.gov, or are available without charge, upon request, by calling Mr. Alberto Gómez Pimienta. Mr. Gómez Pimienta can be contacted at (+52-55) 9138-3350, during Mexico City business hours (10:00 am to 3:00 pm and 5:00 to 7:00 pm ET).

How to Obtain More Information About the Fund

The Fund s semi-annual and annual reports and proxy statements are published on the Fund s website, www.themexicofund.com, under the section captioned Investor Reports.

Stockholders will receive printed versions of these documents unless they have consented to receiving them electronically (see below). Stockholders who wish to receive public reports and press releases regarding the Fund by e-mail should log in to their AST accounts at www.amstock.com and consent to electronic delivery.

The Fund publishes a Monthly Summary Report containing information about the Fund s performance, portfolio composition and relevant figures of the Mexican economy. The Monthly Summary Reports are distributed via e-mail to interested investors, made available on the Fund s website, and filed with the SEC on Form 8-K.

Stockholders that have questions about the Fund may contact Mr. Alberto Gómez Pimienta, the Fund s Treasurer, at (+52-55) 9138-3350 between 10:00 am and 3:00 pm ET, and between 5:00 pm and 7:00 pm ET. If you prefer to contact the Fund via e-mail, please direct your e-mail inquiries to investor-relations@themexicofund.com.

Please visit our website for daily information on the Fund s NAV and market price per share. The Fund s NYSE trading symbol is MXF.

Electronic Delivery of Fund Materials

We encourage our stockholders to receive Fund materials via e-mail in order to save on printing expenses and contribute to saving the environment. Please inform your broker about your preference for electronic delivery (if you are holding your shares in street name) or if you are a record holder of Fund shares, by logging in to your AST account at www.amstock.com and consenting to electronically receive Fund materials.

Open Market Repurchases

Under the Fund s open market share repurchase policy, the Fund may repurchase up to 10% of the Fund s outstanding common stock in open market transactions during any 12-month period if and when Fund shares

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General Information

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trade at a price which is at a discount of at least 10% to NAV. During the first half of fiscal 2015 the discount did not exceed 10% and therefore the Fund did not repurchase Fund shares in open market transactions.

Distribution Reinvestment and Stock Purchase Plan

The Fund s Distribution Reinvestment and Stock Purchase Plan (the Plan) provides a convenient way to increase your holdings in the common stock of the Fund through the reinvestment of distributions paid by the Fund. The Plan includes the following:

(1) **Voluntary Stock Purchase Option.** All registered stockholders (regardless of whether they are Plan participants) can make monthly voluntary cash investments in Fund shares through the Plan Agent, American Stock Tra