



Pichardo Asset Management  
Independent Portfolio Management Firm

**Economy & Markets**

*30-year track record investing in Mexican equities*

*September 10, 2020*

*Experience*

*Consistency*

*Vision*

# I. Economic stimulus programs



France



United States



Canada



Spain



Japan



Germany



Eurozone

|   | France                               | United States                                 | Canada                           | Spain                  | Japan                                    | Germany                               | Eurozone                     |
|---|--------------------------------------|---|----------------------------------|------------------------|--|---------------------------------------|------------------------------|
| Fiscal stimulus, billion dollars                | 375                                  | 2,484   | 144                              | 220                    | 990                                      | 810                                   | 840                          |
| % of GDP  | 14%                                  | 12.1%   | 8.4%                             | 15.5%                  | 19.9%                                    | 20.5%                                 | 6.2%                         |
| Monetary Stimulus, billion dollars              |                                      | 2,300   |                                  |                        | 186                                      |                                       | 891                          |
| % of GDP  |                                      | 11.2%   |                                  |                        | 3.7%                                     |                                       | 6.5%                         |
| Additional stimulus, billion dollars            |                                      | 500   |                                  |                        | 929                                      | 146                                   |                              |
| % of GDP  |                                      | 2.4%  |                                  |                        | 18.7%                                    | 3.7%                                  |                              |
| Total stimulus                                  | 375                                  | 5,784   | 144                              | 220                    | 2,105                                    | 956                                   | 1,731                        |
| Nominal GDP, World Bank (Billion dollars, 2018) | 2,778                                | 20,544  | 1,713                            | 1,419                  | 4,971                                    | 3,948                                 | 13,647                       |
| % of GDP  | 13.5%                                | 25.7%   | 8.4%                             | 15.5%                  | 42.3%                                    | 24.2%                                 | 12.7%                        |
| ¿What does include?                             | Support to businesses                | Delay payment of taxes                        | Support to people and businesses | Delay payment of taxes | Checks of US2,800 to affected families   | Guarante loan banks to companies      | Purchase of Government Bonds |
| (Some targets)                                  | Guarantee bank loans                 | Support to corporates, companies and families | Delay of payment of taxes        |                        | Direct payments to companies             | Support to industries in difficulties | Purchase of assets           |
|   | Cut contributions to social security | Support to airlines                           | Support to the health system     |                        | Delayment of payments to social security | Exclusive 300 bond euro per kid       | Loans and subsidies          |

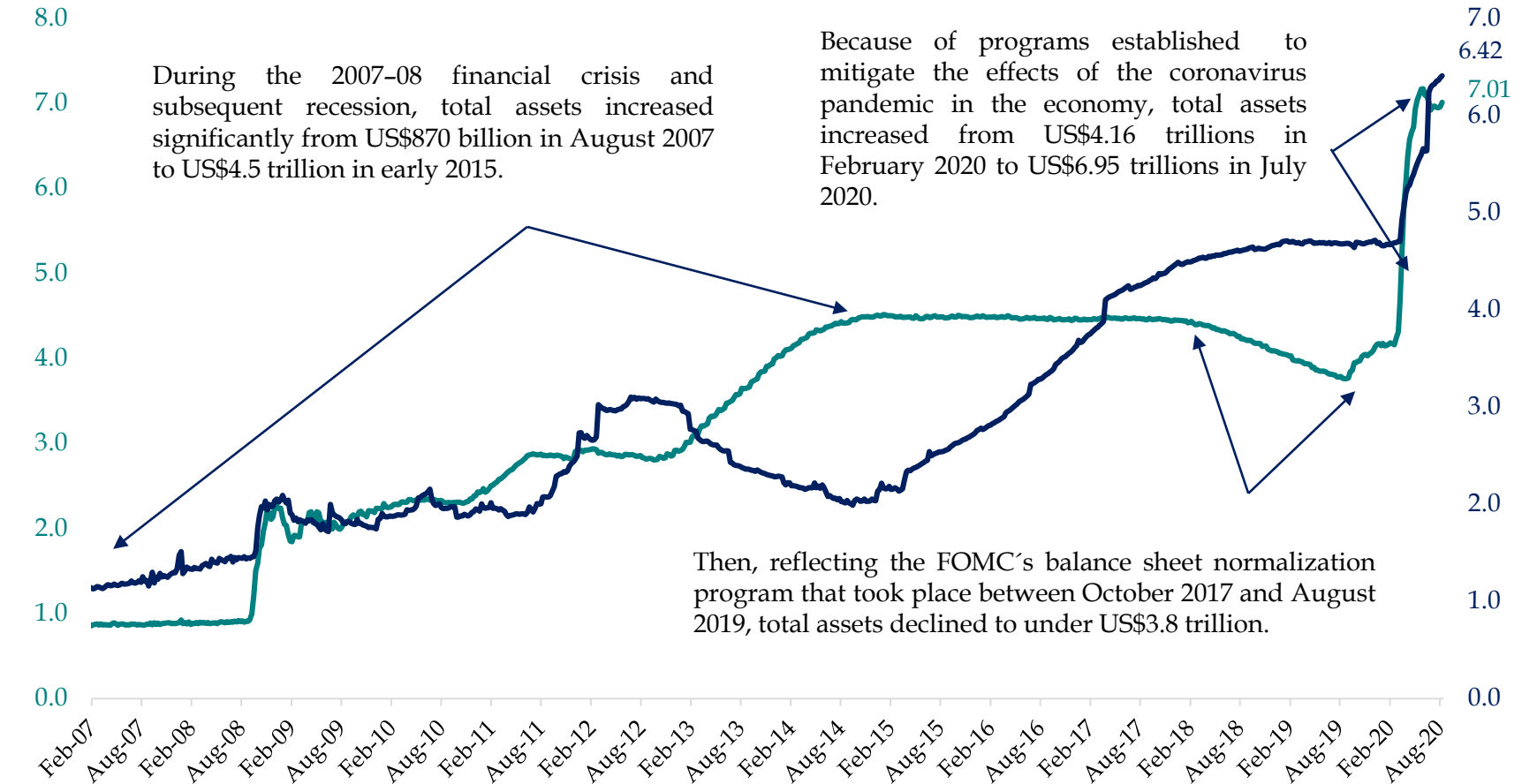
Source: World Bank, Bloomberg, others

## II. Monetary Policy

**FED & ECB Total Assets**  
(As of August 24, 2020)

Trillion Dollars

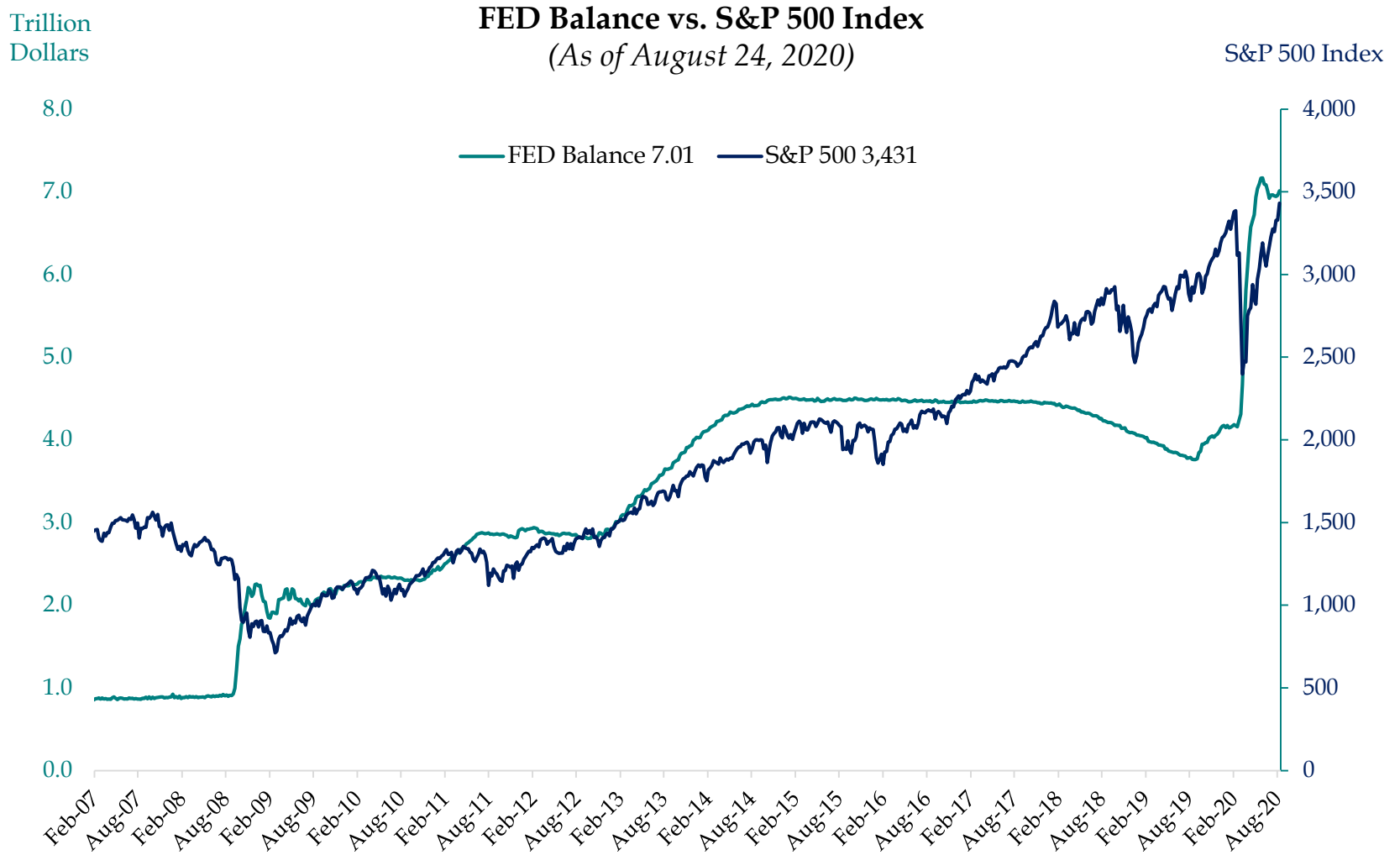
Trillion Euros



Source: Federal Reserve

Note: Past performance does not guarantee future results.

## II. Monetary Policy



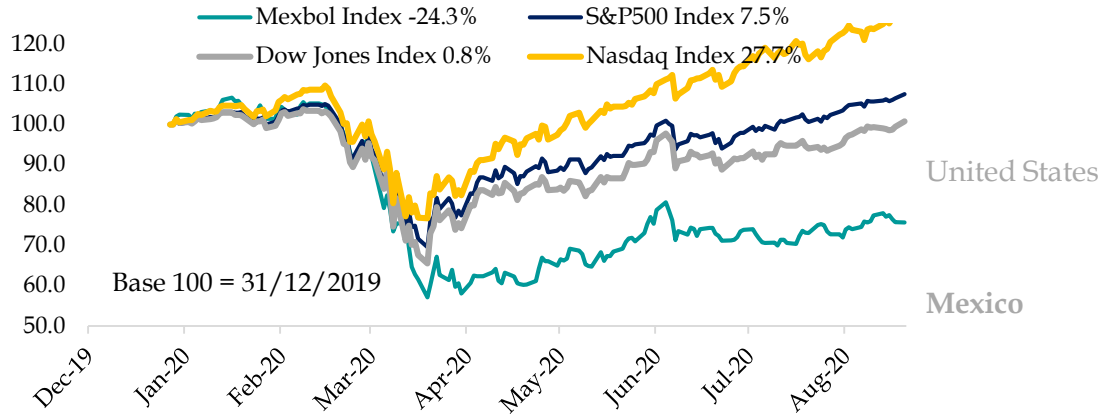
Source: Bloomberg

Note: Past performance does not guarantee future results.

### III. Stock Exchange

#### United States Index vs Mexbol

(As of August 24, 2020)

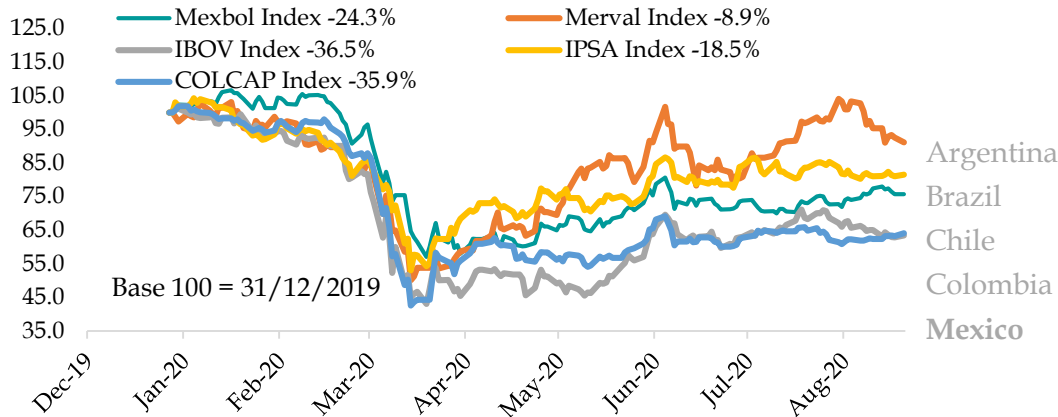


#### Dollars Total Return

|               | 1Q20      | 2Q20   | YTD   | Since minimum |       |
|---------------|-----------|--------|-------|---------------|-------|
| United States | Dow Jones | -22.7% | 18.5% | 0.8%          | 53.8% |
|               | S&P 500   | -19.6% | 20.5% | 7.5%          | 54.6% |
|               | NASDAQ    | -13.9% | 30.9% | 27.7%         | 66.5% |
| Mexico        | Mexbol    | -36.1% | 11.7% | -24.3%        | 32.6% |

#### LATAM Index vs Mexbol

(As of August 24, 2020)



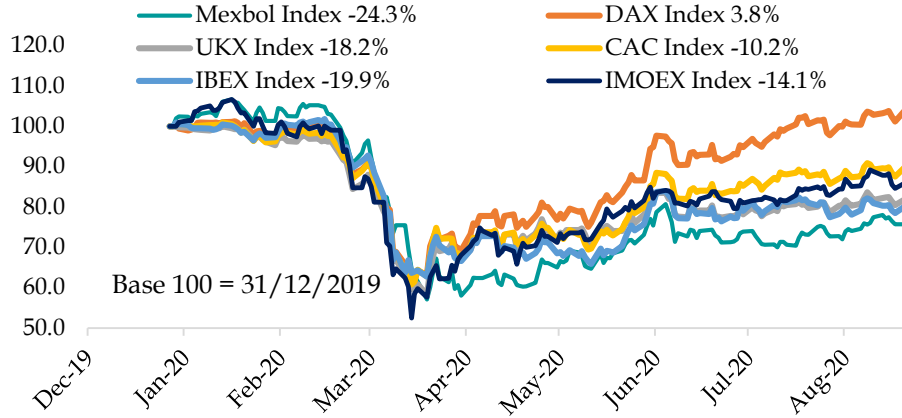
|           | 1Q20    | 2Q20   | YTD   | Since minimum |       |
|-----------|---------|--------|-------|---------------|-------|
| Argentina | Merval  | -45.6% | 45.2% | -8.9%         | 81.8% |
| Brazil    | Bovespa | -51.2% | 24.0% | -36.5%        | 47.4% |
| Chile     | Ipsa    | -34.3% | 18.0% | -18.5%        | 53.6% |
| Colombia  | COLCAP  | -44.7% | 9.1%  | -35.9%        | 50.7% |
| Mexico    | Mexbol  | -36.1% | 11.7% | -24.3%        | 32.6% |

Source: Bloomberg

Note: Past performance does not guarantee future results.

# III. Stock Exchange

**European Index vs Mexbol**  
(As of August 24, 2020)

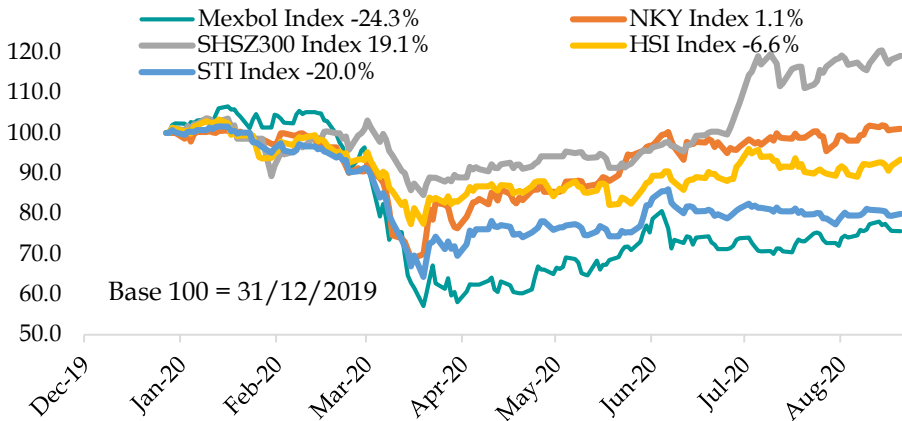


**Dollars Total Return**

| INDEX    | 1Q20   | 2Q20  | YTD    | Since minimum |
|----------|--------|-------|--------|---------------|
| Spain    |        |       |        |               |
| IBEX     | -30.2% | 10.7% | -19.9% | 27.7%         |
| France   |        |       |        |               |
| CAC      | -27.8% | 16.3% | -10.2% | 47.7%         |
| Germany  |        |       |        |               |
| DAX      | -26.6% | 27.0% | 3.8%   | 68.4%         |
| U.K      |        |       |        |               |
| FTSE 100 | -29.0% | 9.4%  | -18.2% | 40.6%         |
| Russia   |        |       |        |               |
| IMOEX    | -34.4% | 21.3% | -14.1% | 63.6%         |
| Mexico   |        |       |        |               |
| Mexbol   | -36.1% | 11.7% | -24.3% | 32.6%         |

Source: Bloomberg

**Asian Index vs Mexbol**  
(As of August 24, 2020)



| INDEX      | 1Q20   | 2Q20  | YTD    | Since minimum |
|------------|--------|-------|--------|---------------|
| China      |        |       |        |               |
| Shenzhen   | -11.5% | 14.4% | 19.1%  | 40.8%         |
| Hong Kong  |        |       |        |               |
| Hang Seng  | -15.7% | 5.1%  | -6.6%  | 20.8%         |
| India      |        |       |        |               |
| SENSEX     | -32.3% | 18.4% | -8.8%  | 54.8%         |
| Japan      |        |       |        |               |
| Nikkei 225 | -18.4% | 18.0% | 1.1%   | 46.3%         |
| Singapore  |        |       |        |               |
| STI        | -26.9% | 8.5%  | -20.0% | 24.4%         |
| Mexico     |        |       |        |               |
| Mexbol     | -36.1% | 11.7% | -24.3% | 32.6%         |

Source: Bloomberg

Note: Past performance does not guarantee future results.

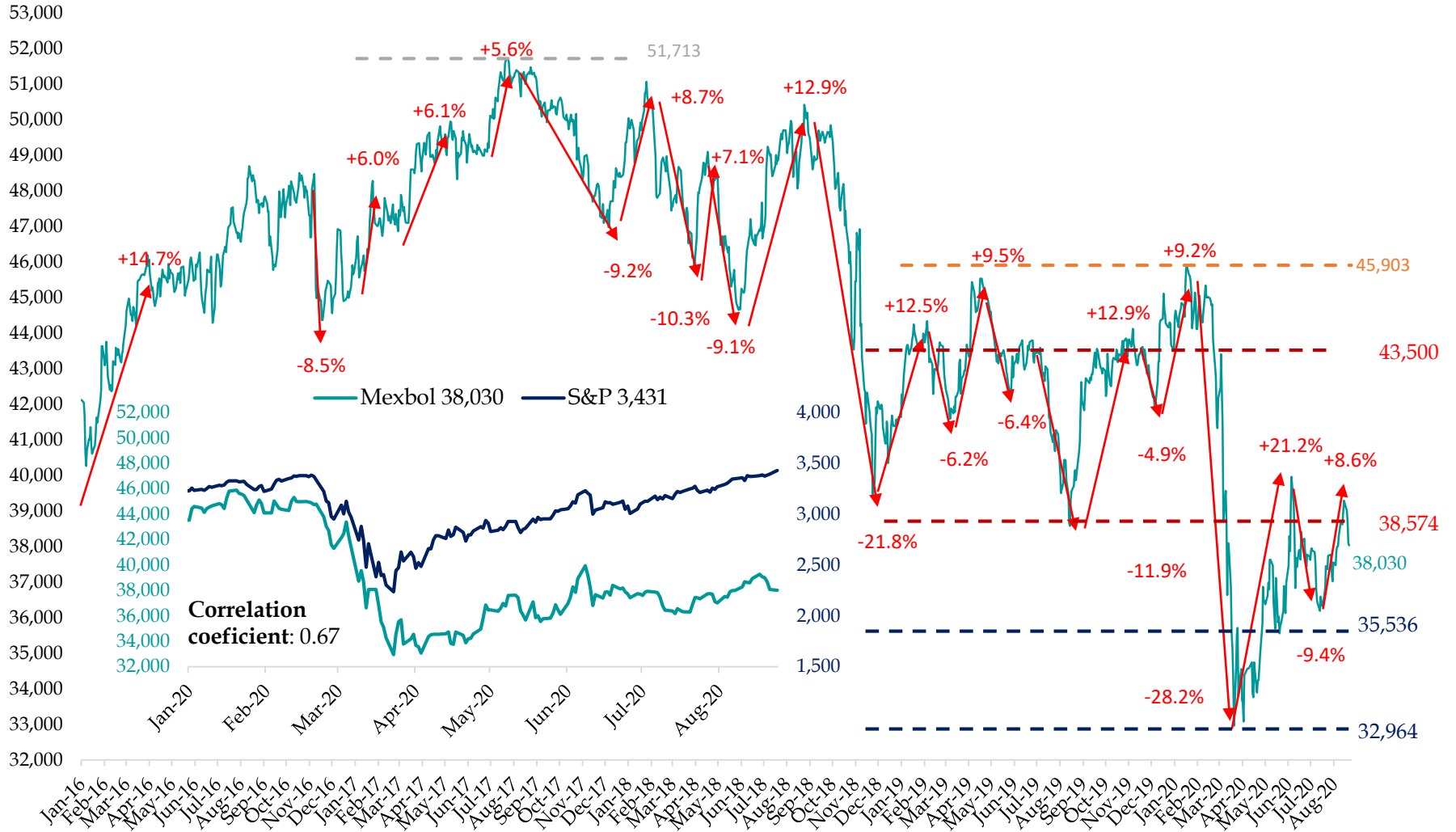
**Experience**

**Consistency**

**Vision**

# III. Stock Exchange

## Mexbol Index (As of August 24, 2020)



Source: Bloomberg

Note: Past performance does not guarantee future results.

Experience

Consistency

Vision

### III. Stock Exchange

**S&P 500 & Mexbol Index**  
*(As of August 24, 2020)*

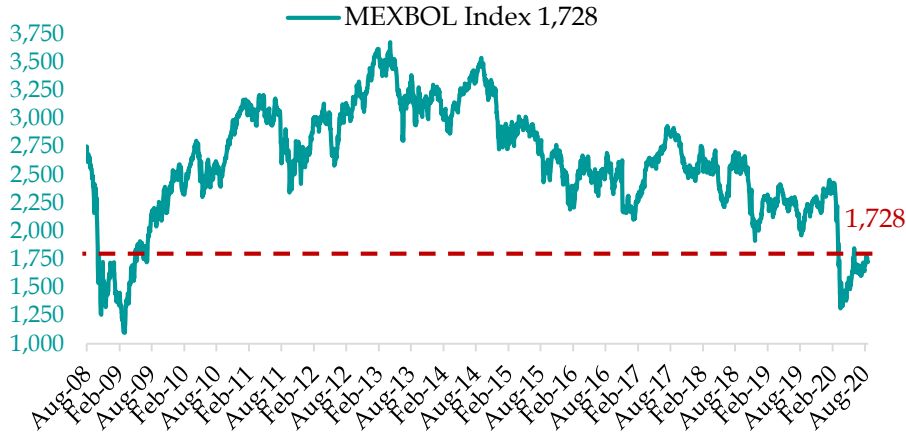


Source: Bloomberg  
 Note: Past performance does not guarantee future results.



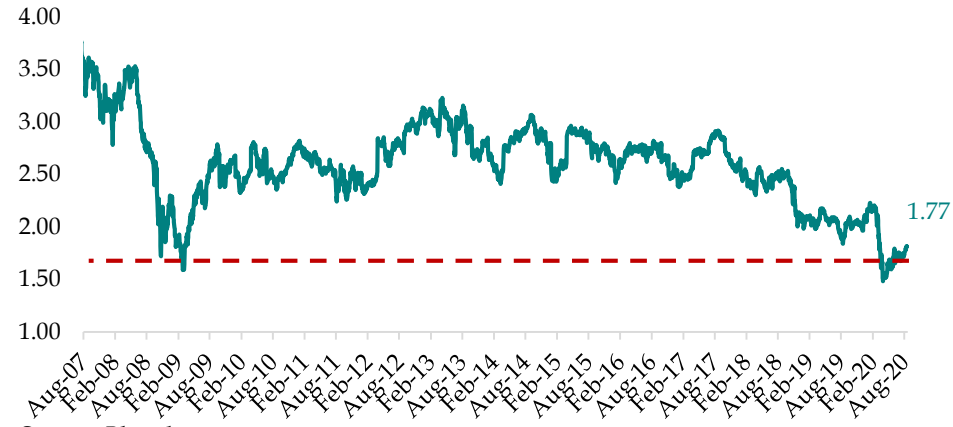
# III. Stock Exchange

**Mexbol Index**  
(Long term, as of August 24, 2020)



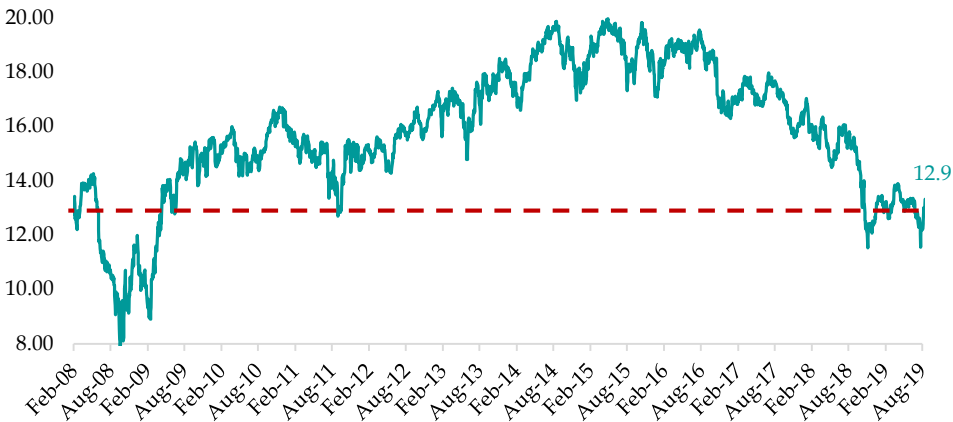
Source: Bloomberg

**Book Value per Share Mexbol Index**  
(As of August 24, 2020)



Source: Bloomberg

**P/E Multiple Mexbol Index**  
(Long term, as of August 19, 2020)



Source: Bloomberg

Note: Past performance does not guarantee future results.

*Experience*

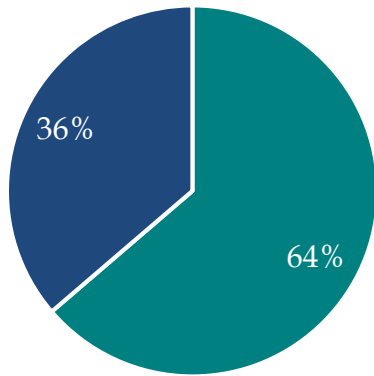
*Consistency*

*Vision*

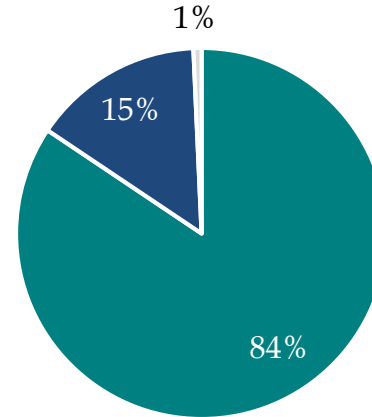
### III. Stock Exchange

#### Quarterly Reports (2Q20) S&P500 Index

Reported Sales vs. estimated



Reported Earnings vs. estimated

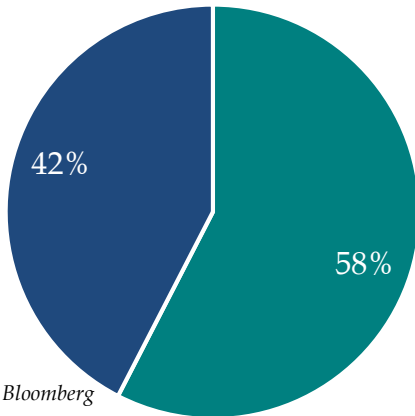


Lower than expected  
 Higher than expected

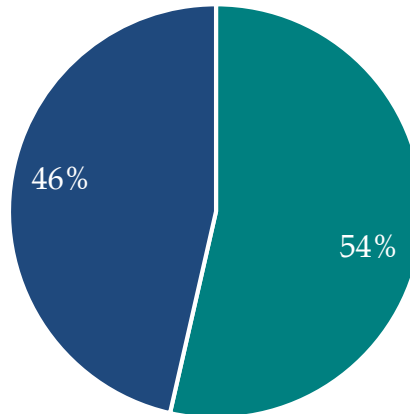
\*453 of 500 companies reported from S&P500 Index

#### Quarterly Reports (2Q20) Mexbol Index

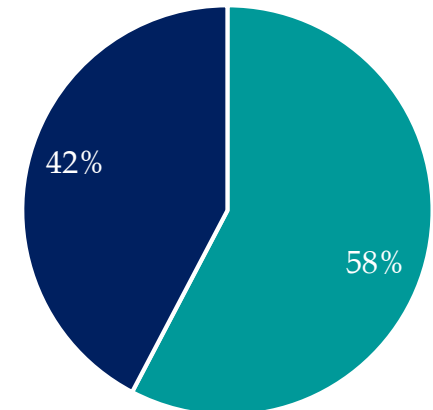
Reported Sales vs. Estimated



Reported Earnings vs. Estimated



Reported EBITDA vs. Estimated

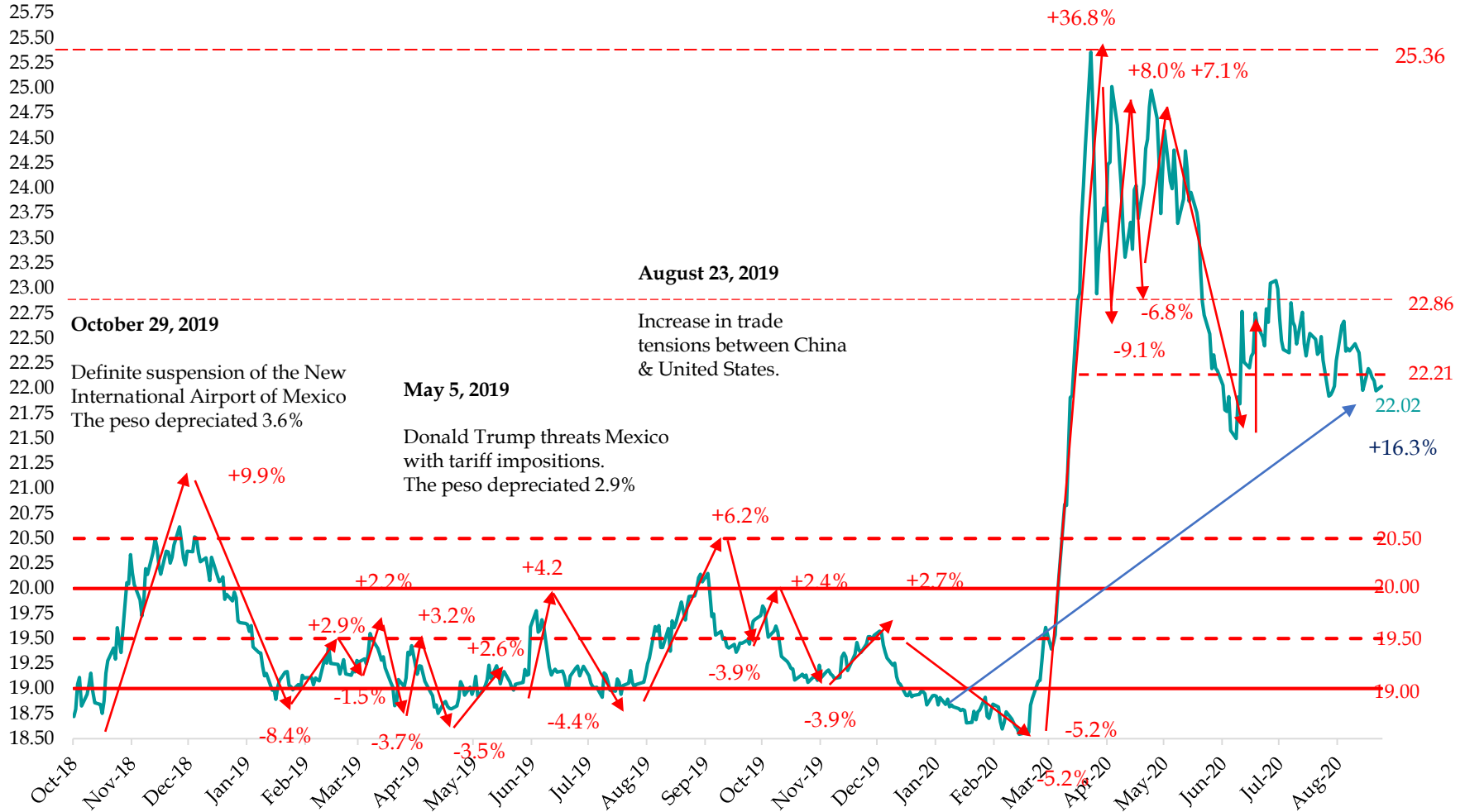


Source: Bloomberg

\*35 of 35 companies reported from Mexbol Index

# IV. Spot Exchange Rate

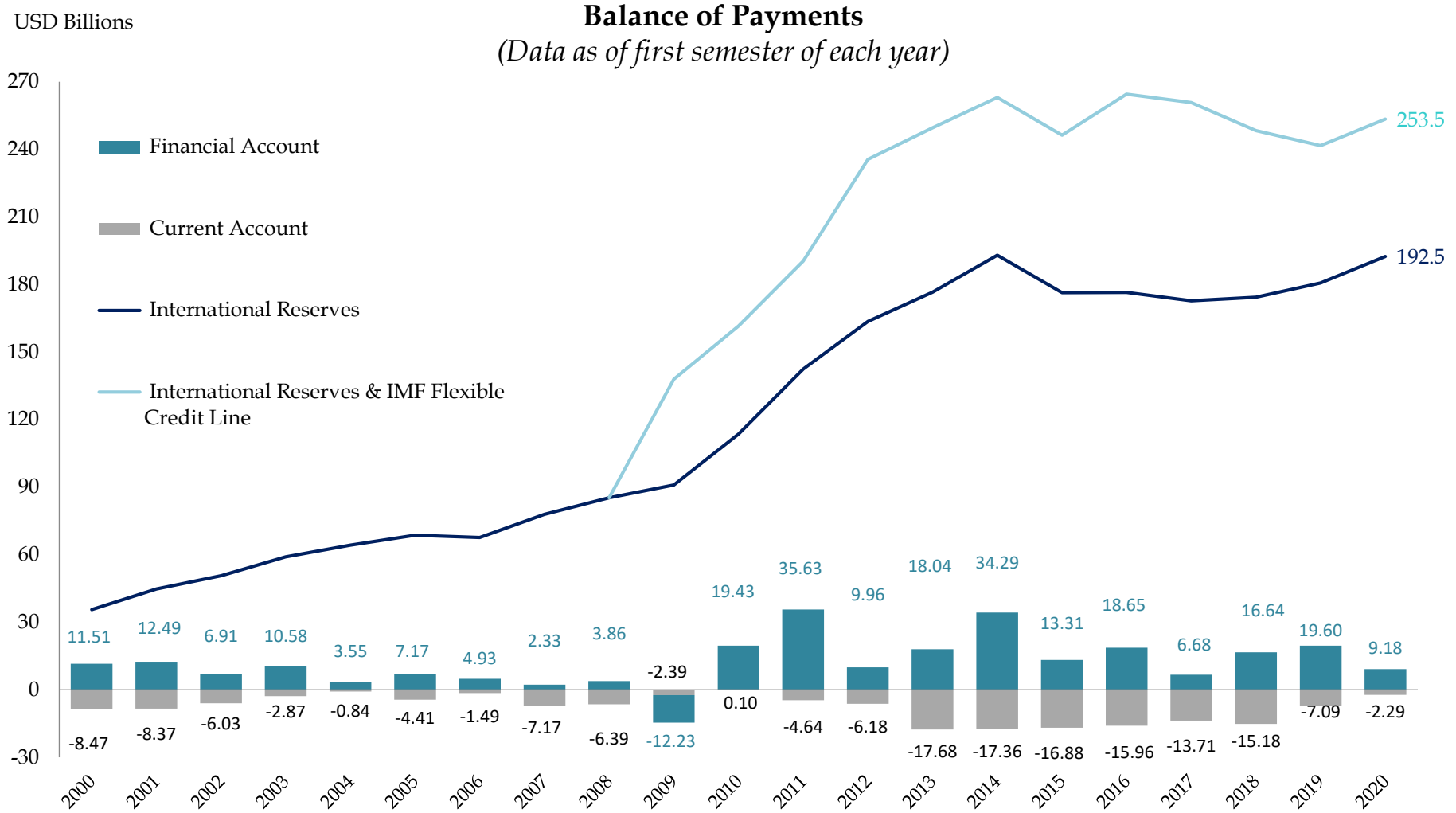
## Spot Exchange Rate MXN/USD (Short term, as of August 24, 2020)



Source: Bloomberg

Note: Past performance does not guarantee future results.

# V. Current Account Balance



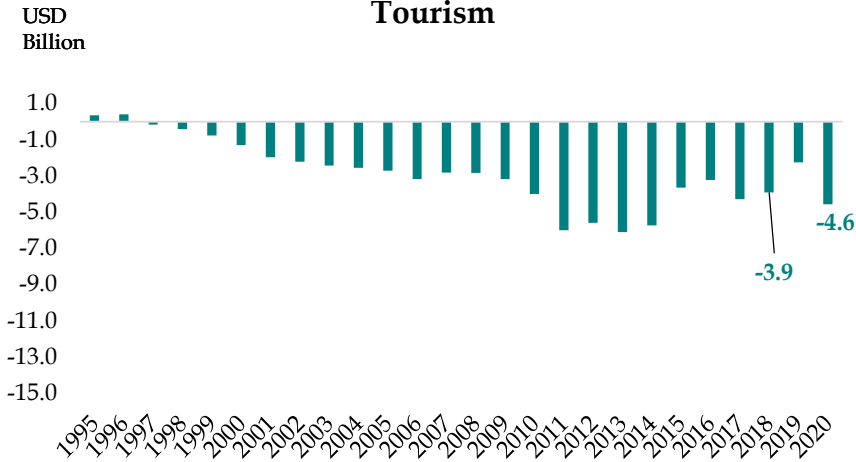
Source: Banxico

Note: The present chart represents the status as at 30 June of each year.

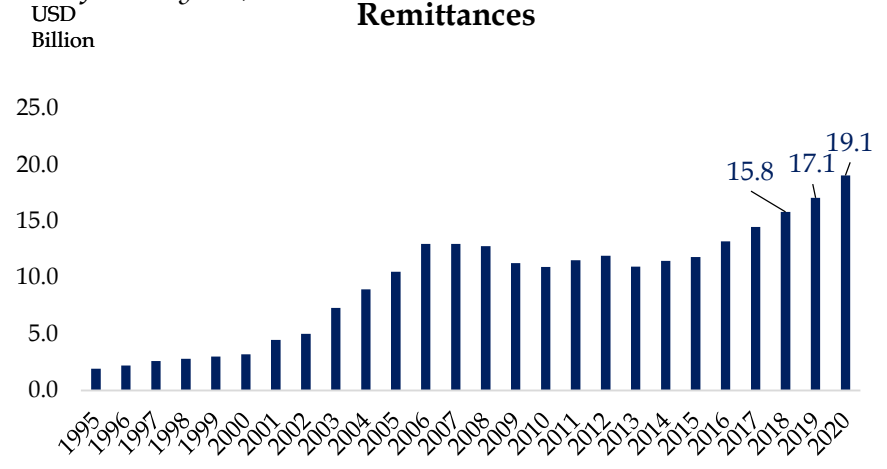
# V. Current Account Balance

## Current Account

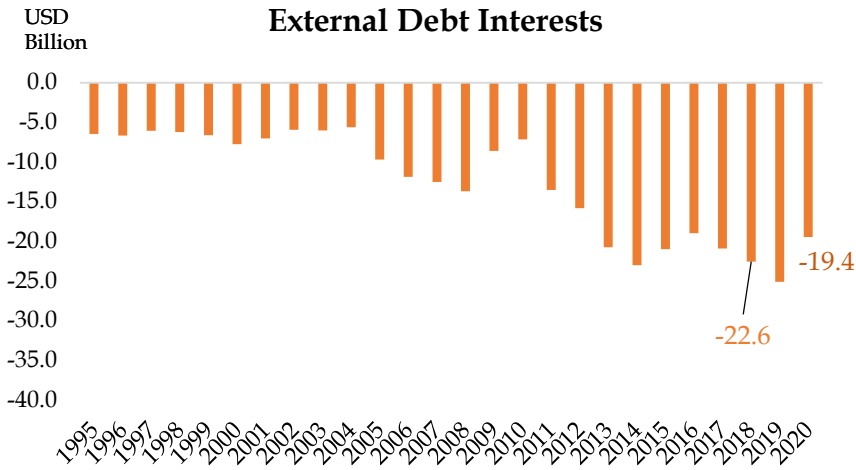
(Data as of first semester of each year)



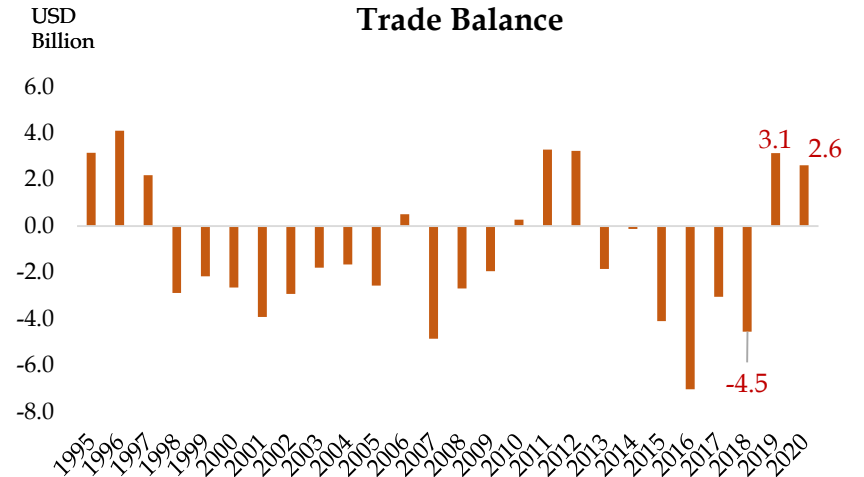
Source: Banxico



Source: Banxico



Source: Banxico



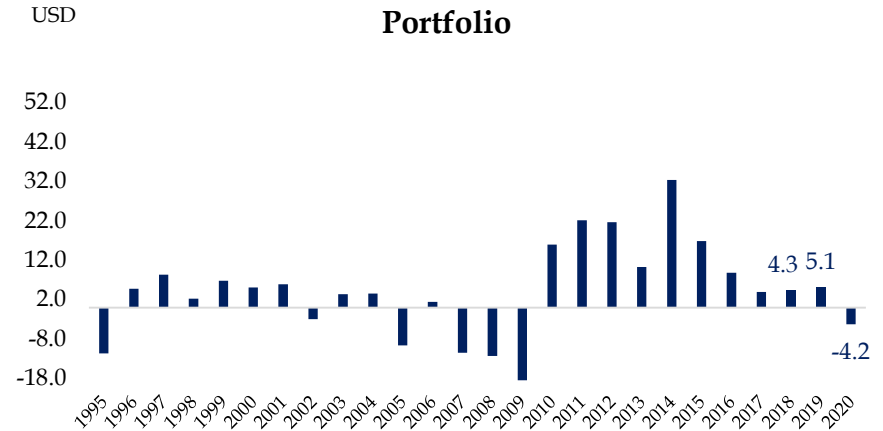
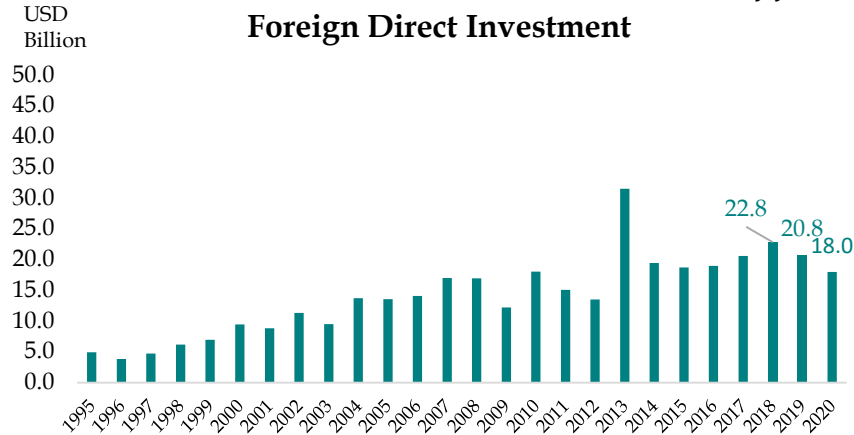
Source: Banxico

Note: The present charts represents the status as at 30 June of each year.

# V. Current Account Balance

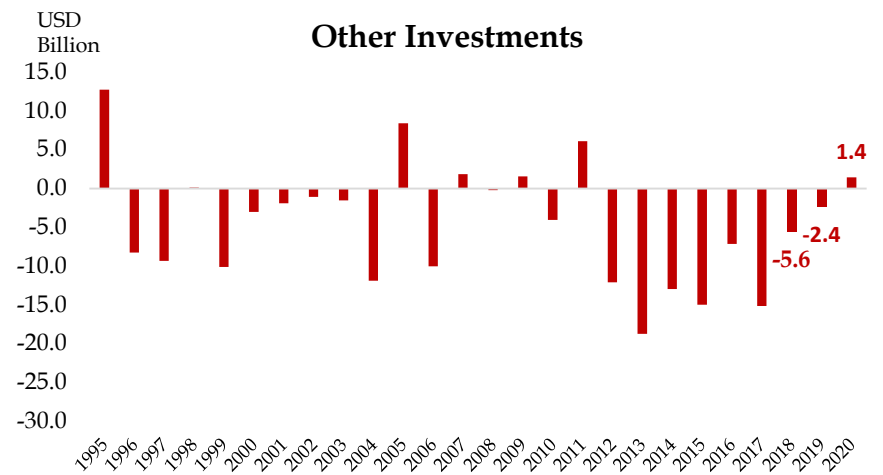
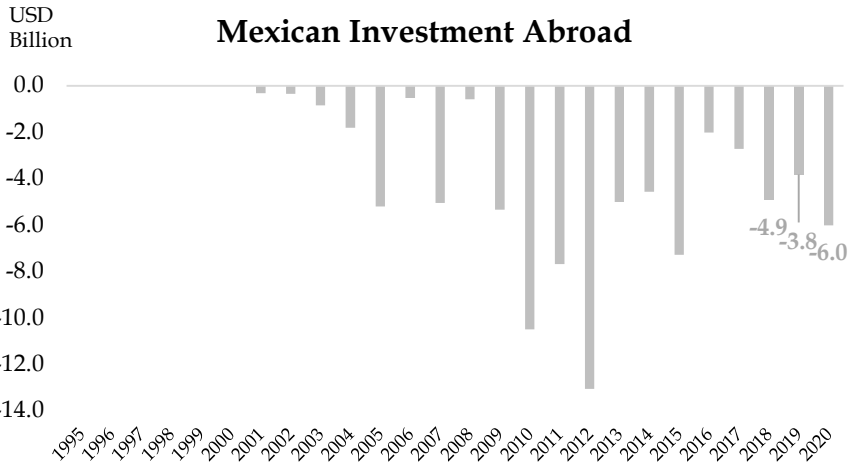
## Financial Account

(Data as of first semester of each year)



Source: Banxico

Source: Banxico

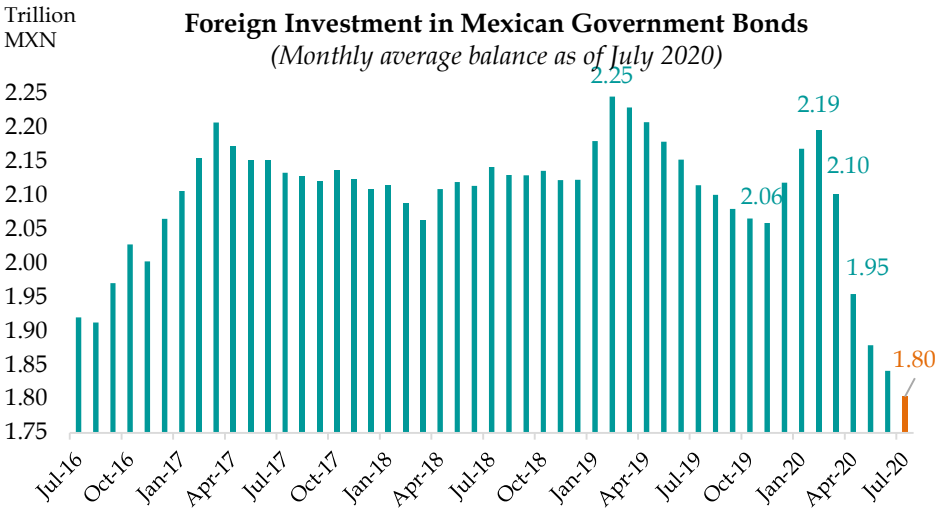


Source: Banxico

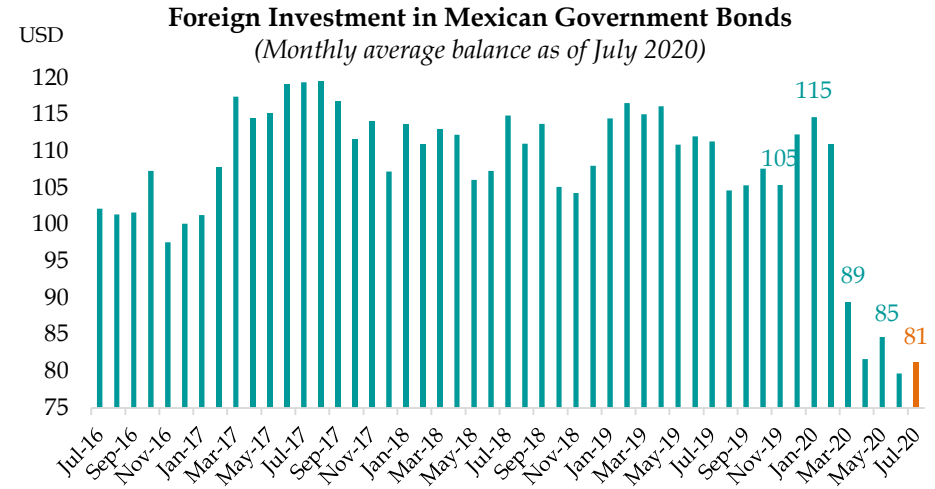
Source: Banxico

Note: The present charts represents the status as at 30 June of each year.

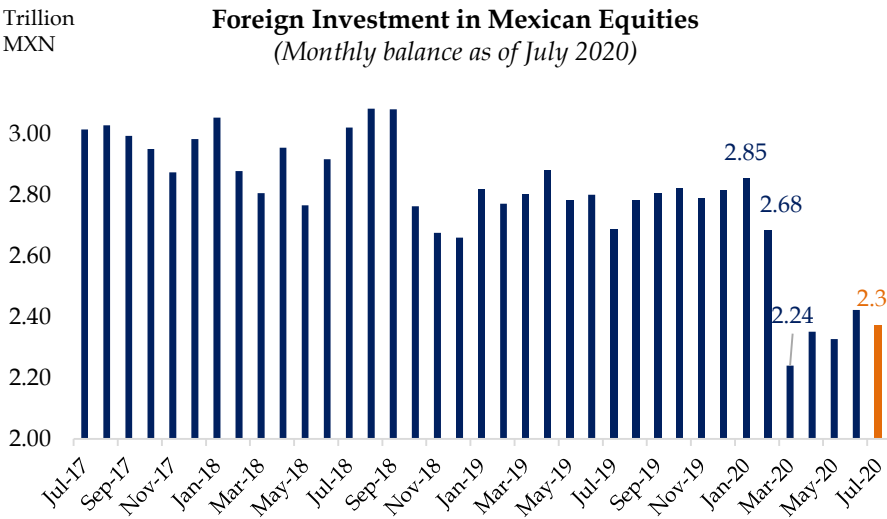
# VI. Foreigns Tenancy



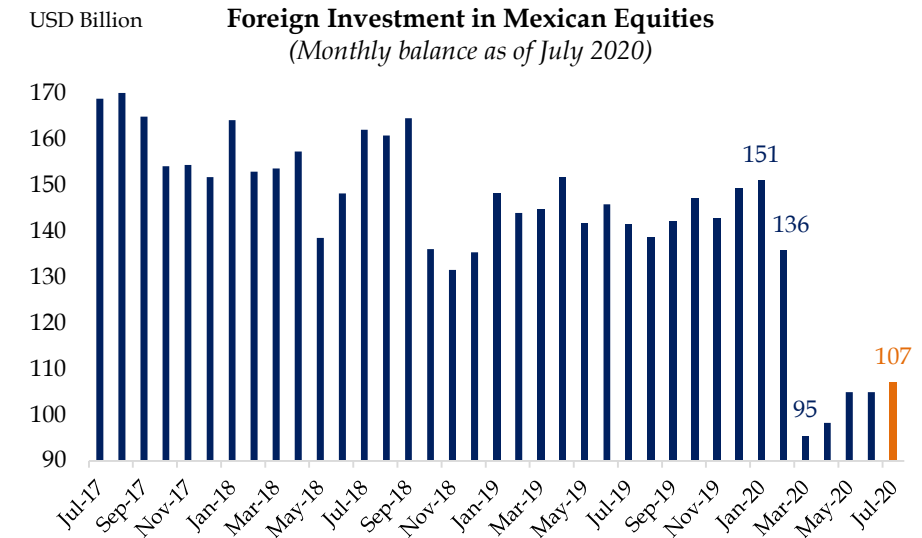
Source: Banxico



Source: Banxico  
\*FIX Exchange Rate



Source: Banxico



Source: Banxico

# VII. Credit Ratings

## Mexico's & Pemex Credit Ratings

(As of August 24, 2020)

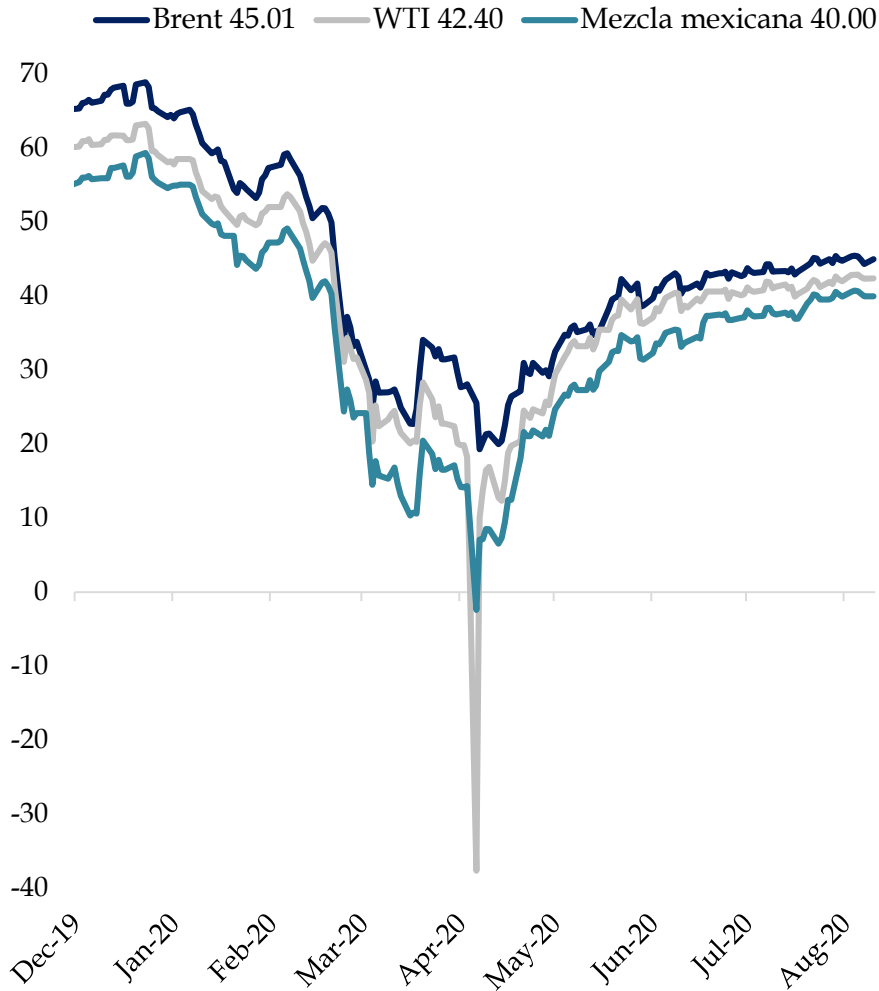
| Fitch Ratings              | S&P Global | MOODY'S |
|----------------------------|------------|---------|
| A-                         | A-         | A3      |
| BBB+                       | BBB+       | Baa1    |
| BBB                        | BBB        | Baa2    |
| BBB-                       | BBB-       | Baa3    |
| Investment grade threshold |            |         |
| BB+                        | BB+        | Ba1     |
| BB                         | BB         | Ba2     |
| BB-                        | BB-        | Ba3     |

Note: Definition of Bond Ratings in Appendix, page 25.



# VIII. Oil Prices

**Oil Prices**  
(Shorte term, as of August 24, 2020)



Source: Bloomberg, Energy Intelligence

**Credit Default Swaps (CDS) USD 5-Year Mexico**  
(As of August 24, 2020)



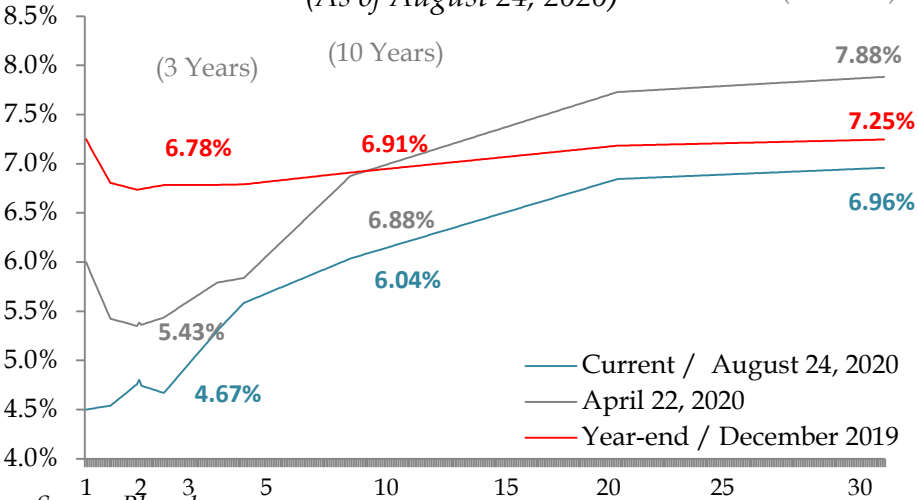
Source: Bloomberg

# IX. Yields Curve

### Mexico Bond Yield Curve

(As of August 24, 2020)

(30 Years)

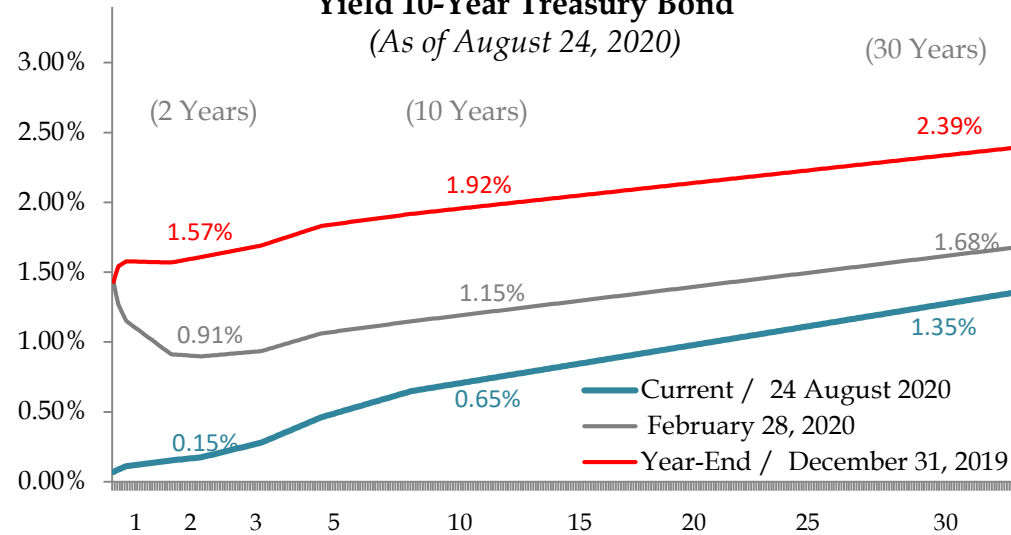


Source: Bloomberg

### Yield 10-Year Treasury Bond

(As of August 24, 2020)

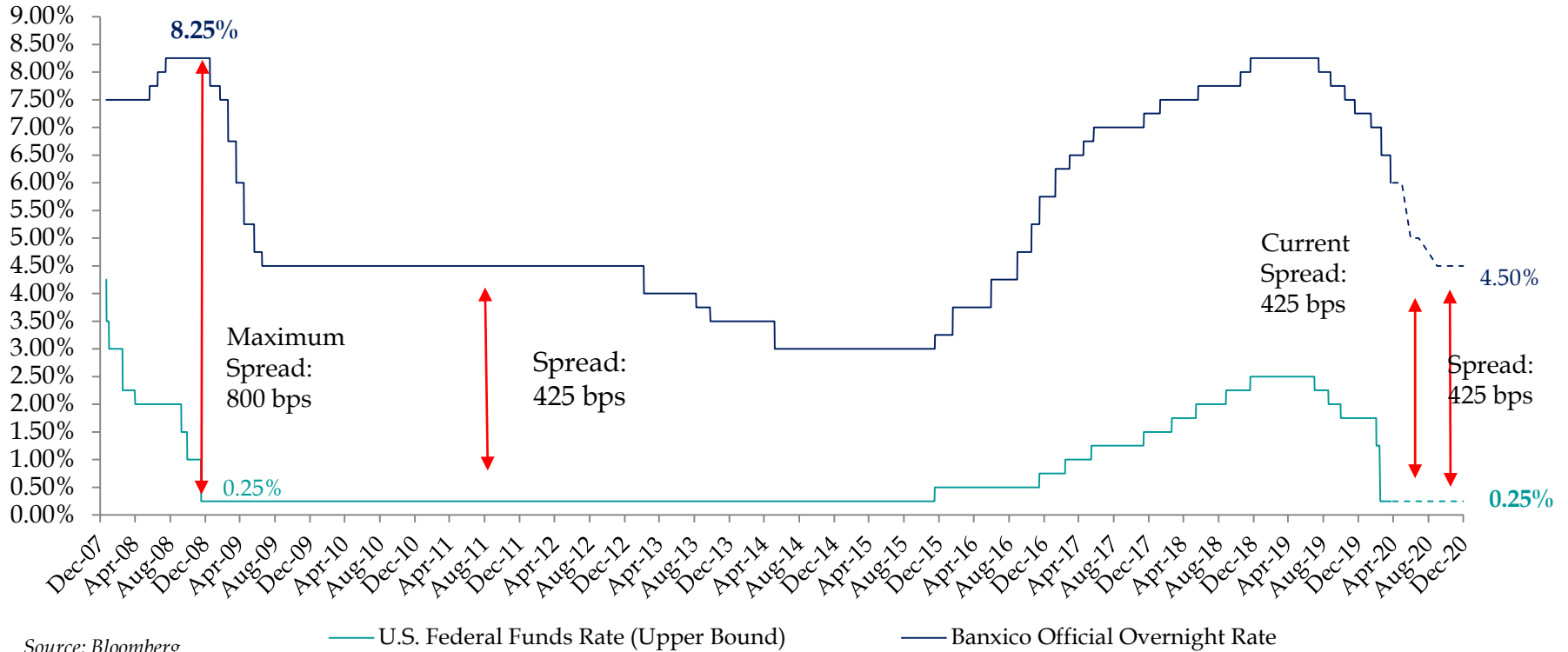
(30 Years)



Source: Bloomberg

# X. Banxico's Monetary Policy

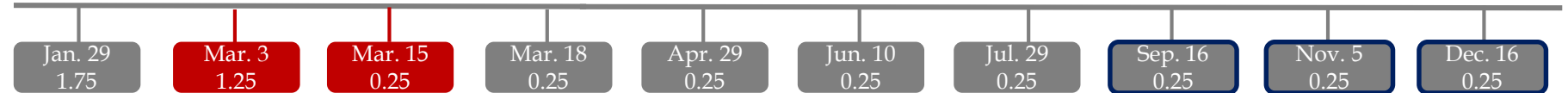
## Banxico vs. Federal Reserve Interest Rate



## Banxico's Monetary Policy



## Federal Reserve's Monetary Policy



Source: Bloomberg & PAM Projections

Experience

Consistency

Vision

## XI. World Economy Affection

|   | Projections |              |      | April 2020 WEO Projections |      | Difference from April 2020 WEO Update |      |
|---|-------------|--------------|------|----------------------------|------|---------------------------------------|------|
|   | 2019        | 2020         | 2021 | 2020                       | 2021 | 2020                                  | 2021 |
| <b>World GDP</b>                                | 2.9         | <b>-4.9</b>  | 5.4  | <b>-3.0</b>                | 5.8  | -1.9                                  | -0.4 |
| <b>Advanced Economies</b>                       | 1.7         | <b>-8.0</b>  | 4.8  | <b>-6.1</b>                | 4.5  | -1.9                                  | 0.3  |
| United States                                   | 2.3         | <b>-8.0</b>  | 4.5  | <b>-5.9</b>                | 4.7  | -2.1                                  | -0.2 |
| Euro Area                                       | 1.3         | <b>-10.2</b> | 6.0  | <b>-7.5</b>                | 4.7  | -2.7                                  | 1.3  |
| Germany   | 0.6         | <b>-7.8</b>  | 5.4  | <b>-7.0</b>                | 5.2  | -0.8                                  | 0.2  |
| France  | 1.5         | <b>-12.5</b> | 7.3  | <b>-7.2</b>                | 4.5  | -5.3                                  | 2.8  |
| Italy   | 0.3         | <b>-12.8</b> | 6.3  | <b>-9.1</b>                | 4.8  | -3.7                                  | 1.5  |
| Spain   | 2.0         | <b>-12.8</b> | 6.3  | <b>-8.0</b>                | 4.3  | -4.8                                  | 2.0  |
| Japan   | 0.7         | <b>-5.8</b>  | 2.4  | <b>-5.2</b>                | 3.0  | -0.6                                  | -0.6 |
| United Kingdom                                  | 1.4         | <b>-10.2</b> | 6.3  | <b>-6.5</b>                | 4.0  | -3.7                                  | 2.3  |
| Canada  | 1.7         | <b>-8.4</b>  | 4.9  | <b>-6.2</b>                | 4.2  | -2.2                                  | 0.7  |
| Other advanced economies <sup>2</sup>           | 1.7         | <b>-4.8</b>  | 4.2  | <b>-4.6</b>                | 4.5  | -0.2                                  | -0.3 |
| <b>Emerging Market and Developing Economies</b> | 3.7         | <b>-3.0</b>  | 5.9  | <b>-1.0</b>                | 6.6  | -2.0                                  | -0.7 |
| Emerging & Developing Asia                      | 5.5         | <b>-0.8</b>  | 7.4  | <b>1.0</b>                 | 8.5  | -1.8                                  | -1.1 |
| China   | 6.1         | <b>1.0</b>   | 8.2  | <b>1.2</b>                 | 9.2  | -0.2                                  | -1.0 |
| India <sup>3</sup>                              | 4.2         | <b>-4.5</b>  | 6.0  | <b>1.9</b>                 | 7.4  | -6.4                                  | -1.4 |
| ASEAN-5 <sup>4</sup>                            | 4.9         | <b>-2.0</b>  | 6.2  | <b>-0.6</b>                | 7.8  | -1.4                                  | -1.6 |
| Emerging & Developing Europe                    | 2.1         | <b>-5.8</b>  | 4.3  | <b>-5.2</b>                | 4.2  | -0.6                                  | 0.1  |
| Russia  | 1.3         | <b>-6.6</b>  | 4.1  | <b>-5.5</b>                | 3.5  | -1.1                                  | 0.6  |
| Latin America & the Caribbean                   | 0.1         | <b>-9.4</b>  | 3.7  | <b>-5.2</b>                | 3.4  | -4.2                                  | 0.3  |
| Brazil  | 1.1         | <b>-9.1</b>  | 3.6  | <b>-5.3</b>                | 2.9  | -3.8                                  | 0.7  |
| Mexico  | -0.3        | <b>-10.5</b> | 3.3  | <b>-6.6</b>                | 3.0  | -3.9                                  | 0.3  |
| Middle East and Central Asia                    | 1.0         | <b>-4.7</b>  | 3.3  | <b>-2.8</b>                | 4.0  | -1.9                                  | -0.7 |
| Saudi Arabia                                    | 0.3         | <b>-6.8</b>  | 3.1  | <b>-2.3</b>                | 2.9  | -4.5                                  | 0.2  |
| Sub-Saharan Africa                              | 3.1         | <b>-3.2</b>  | 3.4  | <b>-1.6</b>                | 4.1  | -1.6                                  | -0.7 |
| Nigeria   | 2.2         | <b>-5.4</b>  | 2.6  | <b>-3.4</b>                | 2.4  | -2.0                                  | 0.2  |
| South Africa                                    | 0.2         | <b>-8.0</b>  | 3.5  | <b>-5.8</b>                | 4.0  | -2.2                                  | -0.5 |

Source: International Monetary Fund

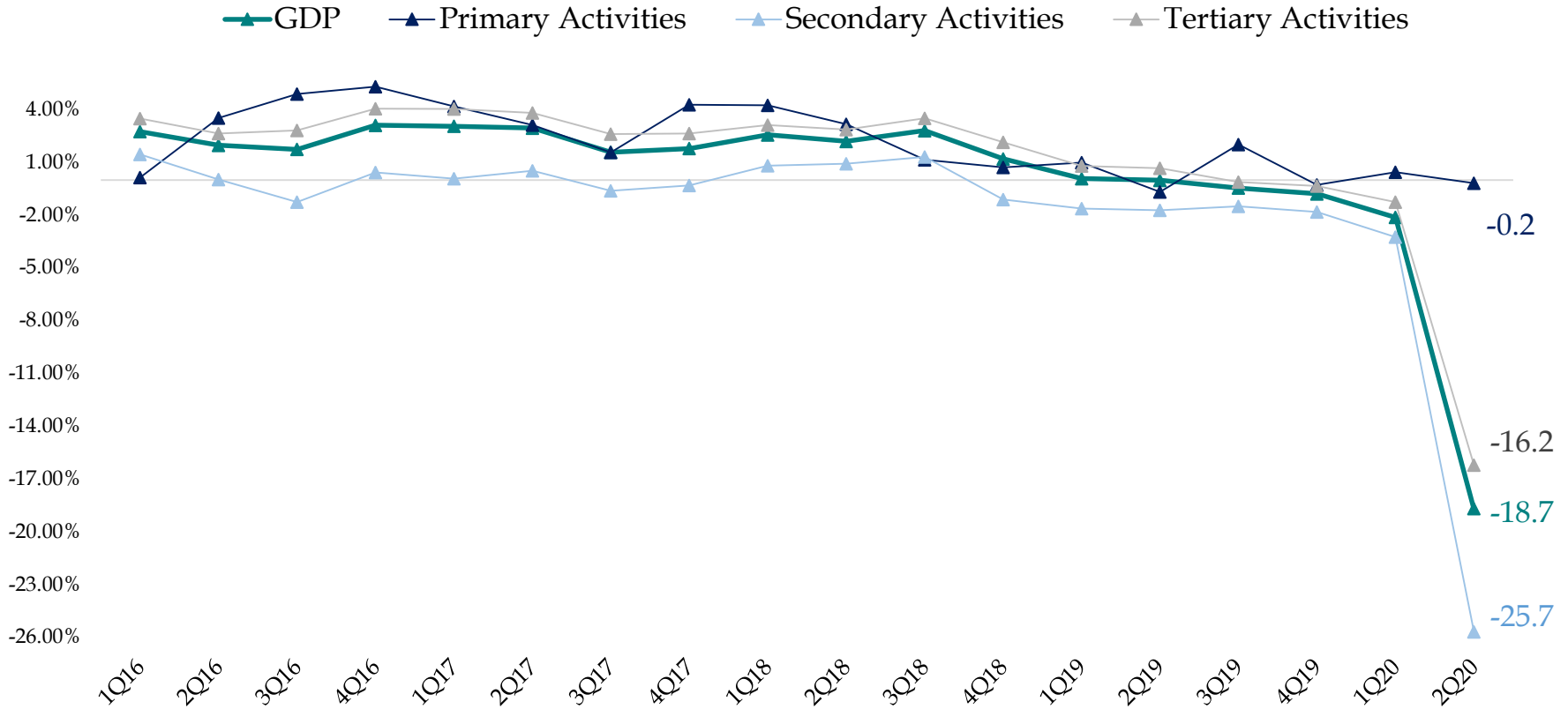
<sup>2</sup> Excludes the group of seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States)

<sup>3</sup> Data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011 / 12 as a base year.

<sup>4</sup> Indonesia, Malaysia, Philippines, Thailand, Vietnam

## XII. Real sector

**Quarterly GDP by Component**  
*Year over Year Growth*



Source: INEGI

**¡Thanks!**

# Additional information

## Appendix. Definitions

**Dow Jones:** The Dow Jones Industrial Average (DJIA) is a stock market index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

**Nasdaq:** Nasdaq Composite is an index of more than 3,000 stocks listed on the Nasdaq exchange that includes the world's foremost technology and biotech giants such as Apple, Google, Microsoft, Oracle, Amazon, and Intel.

**S&P 500:** The S&P 500 or Standard & Poor's 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

**Merval:** The S&P Merval Index is the most important index of the Buenos Aires Stock Exchange.

**Bovespa:** The Bovespa Index tracks around 50 stocks traded on the São Paulo Stock, Mercantile & Futures Exchange.

**Ipsa:** The Índice de Precio Selectivo de Acciones (S&P/CLX IPSA) is a Chilean stock market index composed of the 40 stocks with the highest average annual trading volume in the Santiago Stock Exchange.

**Colcap:** COLCAP is the main stock market index of the Colombia Stock Exchange, it consists of the 20 most actively traded shares of the market.

**Mexbol:** is the broadest indicator of the BMV's overall performance. It is made up of a balanced weighted selection of shares that are representative of all the shares listed on the exchange from various.

**IBEX:** The IBEX 35 is the benchmark stock market index of the Bolsa de Madrid, Spain's principal stock exchange.

**CAC:** The CAC 40 is the French stock market index that tracks the 40 largest French stocks based on the Euronext Paris market capitalization.

**DAX:** The DAX – also known as the Deutscher Aktien Index – is a stock index that represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange.

**FTSE 100:** The FTSE 100 includes the largest 100 companies which list on the LSE and represents about 80% of the total market capitalization of the exchange.

**Shenzen:** The Shenzhen Stock Exchange (SZSE) is one of two main stock exchanges operating independently in mainland China.

**Hang Seng:** The Hang Seng Index or HSI is a market capitalization-weighted index of the largest companies that trade on the Hong Kong Exchange.

**SENSEX:** Sensex, otherwise known as the S&P BSE Sensex index, is the benchmark index of India's BSE, formerly known as the Bombay Stock Exchange.



## Appendix. Definitions

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**Nikkei 225:** The Nikkei is short for Japan's Nikkei 225 Stock Average, the leading index of Japanese stocks. It is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

**STI:** The Straits Times Index is Singapore's premier equity index and the most widely used benchmark for the performance of equities traded on the Singapore Stock Exchange.

**Bond ratings:** Bond ratings are grades given to bonds that indicate their credit quality as determined by a private independent rating service such as Standard & Poorts, Moody's or Fitch. Bonds are evaluated on an issuer's financial strength or its ability to pay a bond's principal and interest in a timely manner. Ratings are expressed as letters ranging from AAA, which is the highest grade, to D, which is the lowest grade. In limited situations when a rating agency has not issued a formal rating, the rating agency will classify the security as non-rated.

# Appendix. Stock Exchange

## International Stock Exchange Yields vs. Mexbol

(As of August 24, 2020)

| Mexbol vs. US Stock Markets |               |              |                |               |              |               |              |               |                |              |              |              |              |
|-----------------------------|---------------|--------------|----------------|---------------|--------------|---------------|--------------|---------------|----------------|--------------|--------------|--------------|--------------|
| Dividends reinvested        |               |              |                |               |              |               |              |               |                |              |              |              |              |
|                             |               | Local        |                |               |              |               | USD          |               |                |              |              |              |              |
| INDEX                       |               | 2019         | 2020 YTD       | May. 20       | Jun. 20      | Jul. 20       | Aug. 20      | 2019          | 2020 YTD       | May. 20      | Jun. 20      | Jul. 20      | Aug. 20      |
| US                          | Dow Jones     | 25.34%       | 0.78%          | 4.66%         | 1.82%        | 2.51%         | 7.37%        | 25.34%        | 0.78%          | 4.66%        | 1.82%        | 2.51%        | 7.37%        |
|                             | S&P 500       | 31.48%       | 7.54%          | 4.76%         | 1.99%        | 5.64%         | 5.04%        | 31.48%        | 7.54%          | 4.76%        | 1.99%        | 5.64%        | 5.04%        |
|                             | NASDAQ        | 36.74%       | 27.69%         | 6.90%         | 6.07%        | 6.85%         | 6.00%        | 36.74%        | 27.69%         | 6.90%        | 6.07%        | 6.85%        | 6.00%        |
| Mexico                      | <b>Mexbol</b> | <b>7.58%</b> | <b>-11.78%</b> | <b>-0.77%</b> | <b>4.51%</b> | <b>-1.63%</b> | <b>2.85%</b> | <b>12.05%</b> | <b>-24.32%</b> | <b>7.33%</b> | <b>0.62%</b> | <b>1.83%</b> | <b>4.07%</b> |

| Mexbol vs. LATAM Stock Markets |               |              |                |               |              |               |              |               |                |              |              |              |              |
|--------------------------------|---------------|--------------|----------------|---------------|--------------|---------------|--------------|---------------|----------------|--------------|--------------|--------------|--------------|
| Dividends reinvested           |               |              |                |               |              |               |              |               |                |              |              |              |              |
|                                |               | Local        |                |               |              |               | USD          |               |                |              |              |              |              |
| INDEX                          |               | 2019         | 2020 YTD       | May. 20       | Jun. 20      | Jul. 20       | Aug. 20      | 2019          | 2020 YTD       | May. 20      | Jun. 20      | Jul. 20      | Aug. 20      |
| Argentina                      | Merval        | 37.56%       | 12.16%         | 15.52%        | 2.28%        | 27.31%        | -5.11%       | -13.47%       | -8.89%         | 12.65%       | -0.50%       | 24.05%       | -6.93%       |
| Brazil                         | Bovespa       | 31.58%       | -11.54%        | 8.57%         | 8.76%        | 8.27%         | -0.60%       | 26.91%        | -36.53%        | 9.26%        | 7.90%        | 13.59%       | -7.59%       |
| Chile                          | Ipsa          | -8.53%       | -15.15%        | -8.30%        | 8.54%        | 1.47%         | -1.36%       | -15.61%       | -18.50%        | -4.70%       | 6.36%        | 9.95%        | -4.46%       |
| Peru                           | S&P/BVL       | 6.08%        | -10.87%        | 5.42%         | 8.33%        | 3.76%         | 4.47%        | 8.13%         | -17.67%        | 3.94%        | 4.66%        | 4.29%        | 2.94%        |
| Colombia                       | COLCAP        | 30.35%       | -24.90%        | -3.70%        | 1.85%        | 2.46%         | 6.35%        | 29.06%        | -35.86%        | 2.17%        | 0.99%        | 3.10%        | 3.22%        |
| Mexico                         | <b>Mexbol</b> | <b>7.58%</b> | <b>-11.78%</b> | <b>-0.77%</b> | <b>4.51%</b> | <b>-1.63%</b> | <b>2.85%</b> | <b>12.05%</b> | <b>-24.32%</b> | <b>7.33%</b> | <b>0.62%</b> | <b>1.83%</b> | <b>4.07%</b> |

Source: Bloomberg

Note: Past performance does not guarantee future results.

# Appendix. Stock Exchange

## International Stock Exchange Yields vs. Mexbol

(As of August 24, 2020)

| Mexbol vs. Europe Stock Markets |          |          |         |         |         |         |       |          |         |         |         |         |       |
|---------------------------------|----------|----------|---------|---------|---------|---------|-------|----------|---------|---------|---------|---------|-------|
| Dividends reinvested            |          |          |         |         |         |         |       |          |         |         |         |         |       |
| Local                           |          | USD      |         |         |         |         |       | USD      |         |         |         |         |       |
| INDEX                           | 2019     | 2020 YTD | May. 20 | Jun. 20 | Jul. 20 | Aug. 20 | 2019  | 2020 YTD | May. 20 | Jun. 20 | Jul. 20 | Aug. 20 |       |
| Germany                         | DAX      | 25.48%   | -1.38%  | 6.68%   | 6.25%   | 0.02%   | 6.12% | 22.95%   | 3.80%   | 8.25%   | 7.64%   | 4.89%   | 6.20% |
| Spain                           | IBEX     | 16.53%   | -23.78% | 2.59%   | 2.77%   | -4.40%  | 3.37% | 14.26%   | -19.90% | 4.10%   | 4.12%   | 0.26%   | 3.45% |
| France                          | CAC      | 30.45%   | -14.58% | 3.38%   | 5.48%   | -2.64%  | 4.69% | 27.91%   | -10.24% | 4.90%   | 6.86%   | 2.10%   | 4.77% |
| Italy                           | FTSE MIB | 33.80%   | -12.73% | 3.73%   | 6.82%   | -1.13%  | 5.35% | 31.11%   | -8.15%  | 5.25%   | 8.21%   | 3.69%   | 5.43% |
| UK                              | FTSE 100 | 17.23%   | -16.96% | 3.36%   | 1.66%   | -4.20%  | 4.16% | 21.98%   | -18.17% | 1.18%   | 2.18%   | 1.37%   | 3.92% |
| Switzerland                     | SMI      | 30.16%   | 0.24%   | 2.46%   | 2.17%   | -0.37%  | 3.02% | 32.37%   | 6.54%   | 2.95%   | 3.76%   | 3.32%   | 3.29% |
| Russia                          | IMOEX    | 38.45%   | 3.31%   | 3.89%   | 0.75%   | 8.63%   | 4.09% | 55.35%   | -14.14% | 9.79%   | -0.25%  | 4.07%   | 3.68% |
| Mexico                          | Mexbol   | 7.58%    | -11.78% | -0.77%  | 4.51%   | -1.63%  | 2.85% | 12.05%   | -24.32% | 7.33%   | 0.62%   | 1.83%   | 4.07% |

| Mexbol vs. Asia Stock Markets |               |          |         |         |         |         |       |          |         |         |         |         |       |
|-------------------------------|---------------|----------|---------|---------|---------|---------|-------|----------|---------|---------|---------|---------|-------|
| Dividends reinvested          |               |          |         |         |         |         |       |          |         |         |         |         |       |
| Local                         |               | USD      |         |         |         |         |       | USD      |         |         |         |         |       |
| INDEX                         | 2019          | 2020 YTD | May. 20 | Jun. 20 | Jul. 20 | Aug. 20 | 2019  | 2020 YTD | May. 20 | Jun. 20 | Jul. 20 | Aug. 20 |       |
| China (Hong Kong)             | Hang Seng     | 13.01%   | -7.02%  | -6.31%  | 7.38%   | 1.50%   | 3.94% | 13.64%   | -6.55%  | -6.33%  | 7.41%   | 1.50%   | 3.94% |
| China (Shanghai)              | SSE Composite | 25.30%   | 13.49%  | -0.07%  | 5.63%   | 11.96%  | 2.40% | 23.76%   | 14.21%  | -1.09%  | 6.70%   | 13.41%  | 3.22% |
| India                         | SENSEX        | 15.66%   | -5.03%  | -3.74%  | 7.75%   | 8.14%   | 3.28% | 13.17%   | -8.80%  | -4.20%  | 7.79%   | 9.05%   | 4.33% |
| Indonesia                     | IDX           | 4.17%    | -14.15% | 0.89%   | 4.16%   | 5.16%   | 2.61% | 8.71%    | -18.28% | 3.50%   | 5.91%   | 3.26%   | 3.29% |
| Japan                         | Nikkei 225    | 20.73%   | -1.71%  | 8.35%   | 2.03%   | -2.59%  | 5.88% | 22.41%   | 1.07%   | 7.47%   | 2.01%   | -0.76%  | 5.83% |
| South Korea                   | KRX100        | 15.30%   | 5.91%   | 4.27%   | 4.56%   | 6.47%   | 3.61% | 11.12%   | 3.03%   | 2.20%   | 7.73%   | 6.99%   | 4.09% |
| Mexico                        | Mexbol        | 7.58%    | -11.78% | -0.77%  | 4.51%   | -1.63%  | 2.85% | 12.05%   | -24.32% | 7.33%   | 0.62%   | 1.83%   | 4.07% |

Source: Bloomberg

Note: Past performance does not guarantee future results.

Experience

Consistency

Vision

## Appendix. External Accounts

### United States International Trade (As of June 2020)

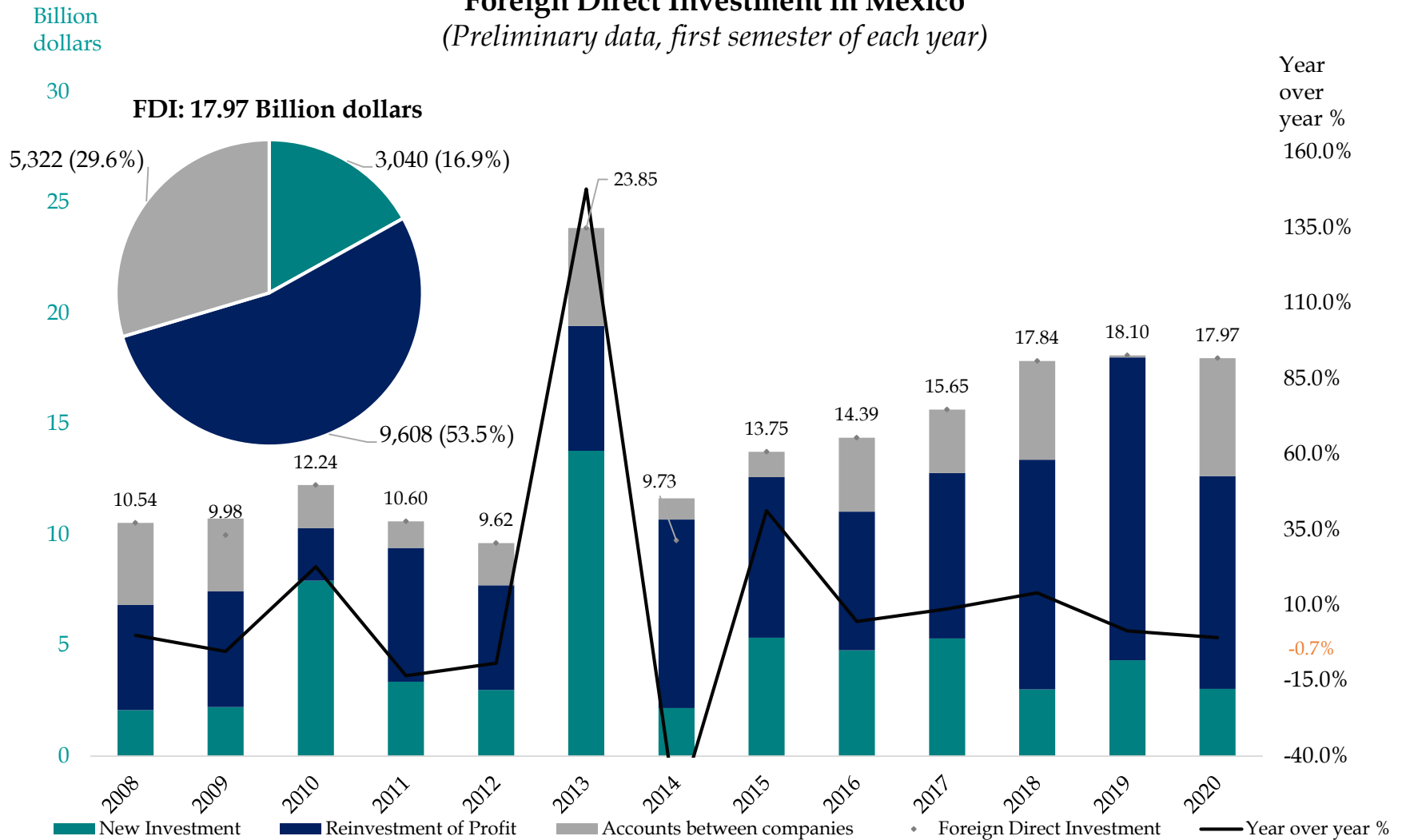
| Country           | Exports | Imports | Total Trade | Balance  | Country               | Exports          | Imports          | Total Trade      | Balance         |
|-------------------|---------|---------|-------------|----------|-----------------------|------------------|------------------|------------------|-----------------|
| China             | 51,647  | 193,882 | 245,529     | -142,235 | India                 | 13,233           | 22,398           | 35,631           | -9,165          |
| <i>% of Total</i> | 7.5%    | 17.7%   | 13.8%       |          | <i>% of Total</i>     | 1.9%             | 2.1%             | 2.0%             |                 |
| Canada            | 118,149 | 125,748 | 243,897     | -7,599   | France                | 14,651           | 20,305           | 34,956           | -5,654          |
| <i>% of Total</i> | 17.1%   | 11.5%   | 13.7%       |          | <i>% of Total</i>     | 2.1%             | 1.9%             | 2.0%             |                 |
| Mexico            | 99,554  | 144,280 | 243,834     | -44,726  | Italy                 | 9,781            | 23,027           | 32,808           | -13,246         |
| <i>% of Total</i> | 14.4%   | 13.2%   | 13.7%       |          | <i>% of Total</i>     | 1.4%             | 2.1%             | 1.8%             |                 |
| Japan             | 33,272  | 57,346  | 90,618      | -24,074  | Singapore             | 14,113           | 16,278           | 30,391           | -2,165          |
| <i>% of Total</i> | 4.8%    | 5.2%    | 5.1%        |          | <i>% of Total</i>     | 2.0%             | 1.5%             | 1.7%             |                 |
| Germany           | 27,095  | 55,154  | 82,249      | -28,059  | Brazil                | 17,823           | 11,296           | 29,119           | 6,527           |
| <i>% of Total</i> | 3.9%    | 5.0%    | 4.6%        |          | <i>% of Total</i>     | 2.6%             | 1.0%             | 1.6%             |                 |
| Korea, South      | 26,364  | 36,326  | 62,690      | -9,962   | Hong Kong             | 12,050           | 5,623            | 17,673           | 6,427           |
| <i>% of Total</i> | 3.8%    | 3.3%    | 3.5%        |          | <i>% of Total</i>     | 1.7%             | 0.5%             | 1.0%             |                 |
| United Kingdom    | 28,957  | 25,067  | 54,024      | 3,890    | Saudi Arabia          | 5,857            | 5,862            | 11,719           | -5              |
| <i>% of Total</i> | 4.2%    | 2.3%    | 3.0%        |          | <i>% of Total</i>     | 0.8%             | 0.5%             | 0.7%             |                 |
| Taiwan            | 15,681  | 28,009  | 43,690      | -12,328  | All other countries   | 201,102          | 321,964          | 523,066          | -120,862        |
| <i>% of Total</i> | 2.3%    | 2.6%    | 2.5%        |          | <i>% of Total</i>     | 29.2%            | 29.5%            | 29.4%            |                 |
|                   |         |         |             |          | <b>TOTAL 2020 YTD</b> | <b>689,329</b>   | <b>1,092,565</b> | <b>1,781,894</b> | <b>-403,236</b> |
|                   |         |         |             |          | <b>TOTAL 2019</b>     | <b>1,645,486</b> | <b>2,498,400</b> | <b>4,143,886</b> | <b>-852,914</b> |
|                   |         |         |             |          | <b>TOTAL 2018</b>     | <b>1,664,064</b> | <b>2,542,735</b> | <b>4,206,799</b> | <b>-878,671</b> |

Source: U.S. Census Bureau

Amounts in millions of dollars

# Appendix. External Accounts

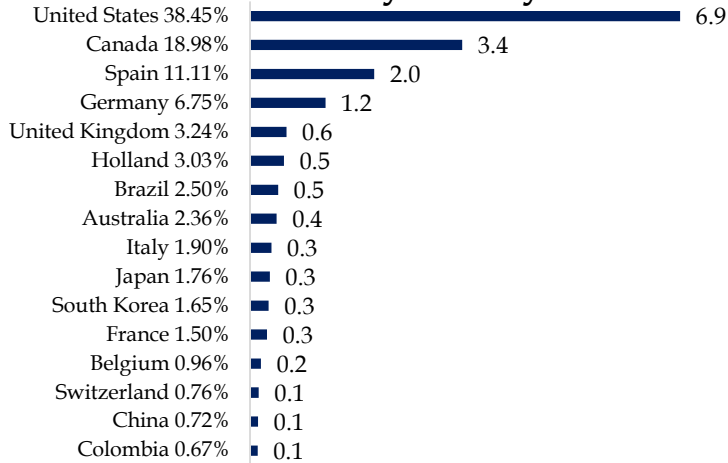
## Foreign Direct Investment in Mexico (Preliminary data, first semester of each year)



Source: Bloomberg

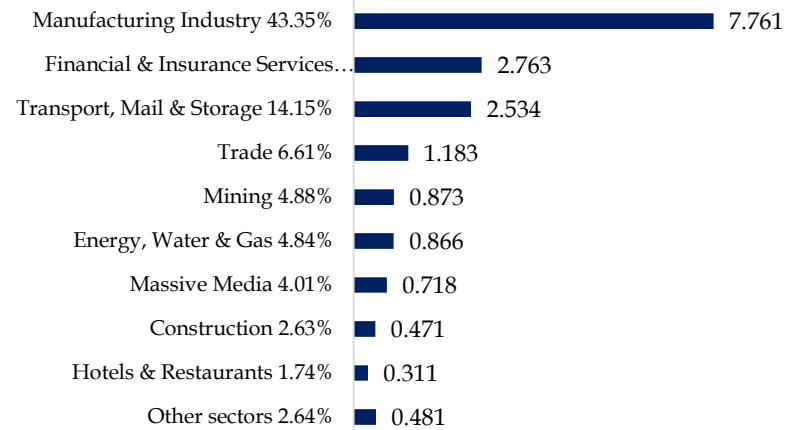
# Appendix. External Accounts

## FDI by country



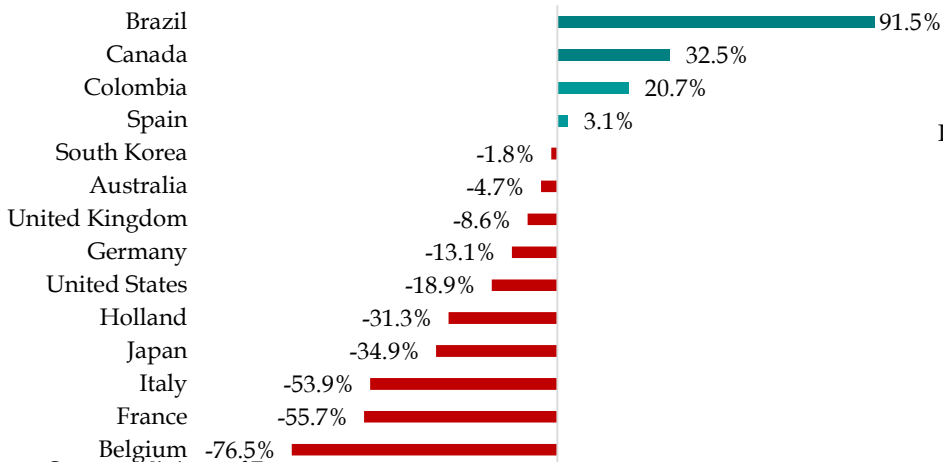
Source: Ministry of Economy \*Amounts in billion dollars

## FDI by Sector



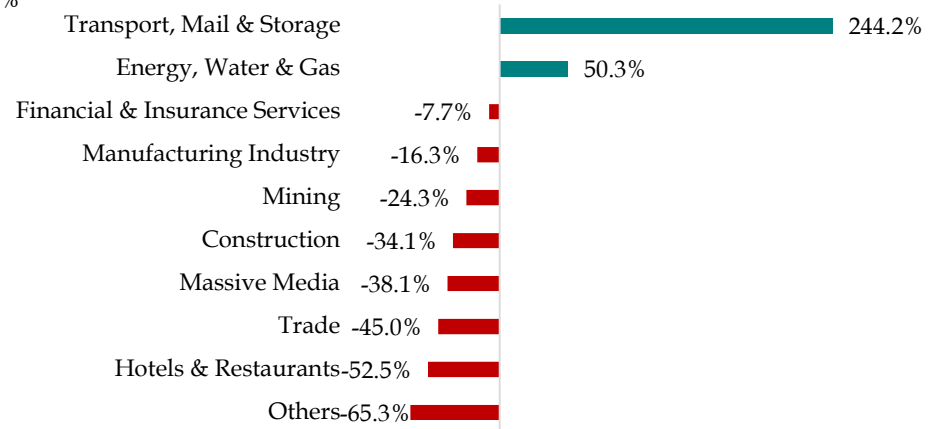
Source: Ministry of Economy \*Amounts in billion dollars

## FDI by country of origin (Year over year %)



Source: Ministry of Economy

## FDI by Sector (Year over year %)



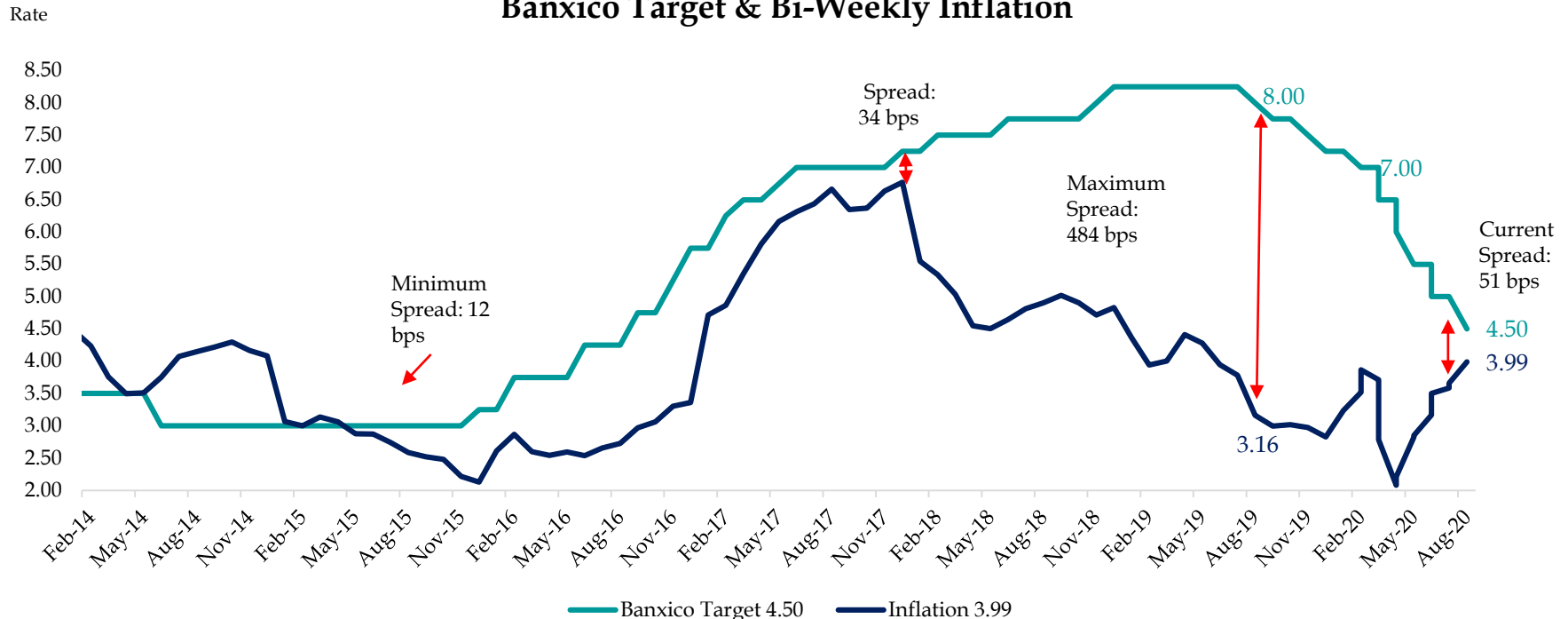
Source: Ministry of Economy

# Appendix. Banxico's Monetary Policy

## Bank of Mexico (Banxico) Monetary Policy Meeting

- The Banxico's Governing Board cut its rate target by 50 basis points to 4.50%. In August 2019, when the rate cut began, it stood at 8.25%.
- A near end is possible in the current cycle of decline in Banxico's reference rate. Regarding this possibility, it must be taken into account that when subtracting the tax withholding (1.40%) from the reference rate, the effective nominal rate is located at 3.10%. And by subtracting the annual monthly inflation observed in July (3.99%), a real rate of (-) 0.89% is obtained.

### Banxico Target & Bi-Weekly Inflation



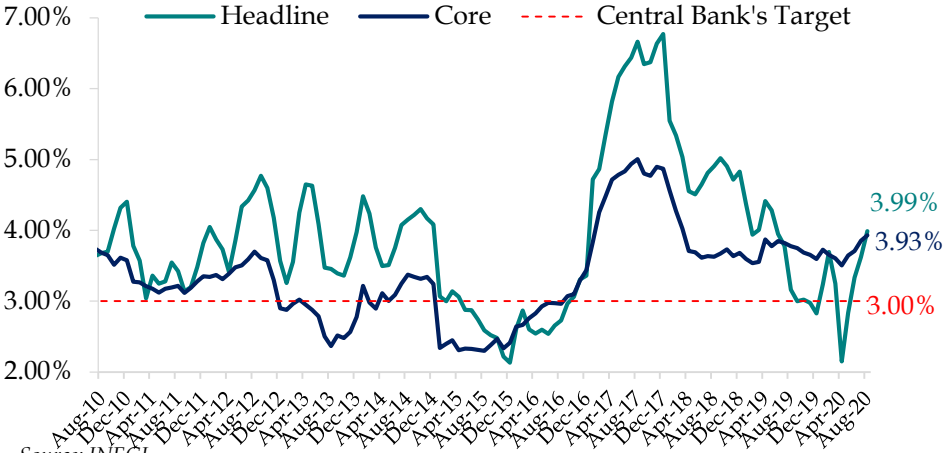
Source: Bloomberg

# Appendix. Reference Rates

## Mexico's Consumer Price Index and Producer Price Index

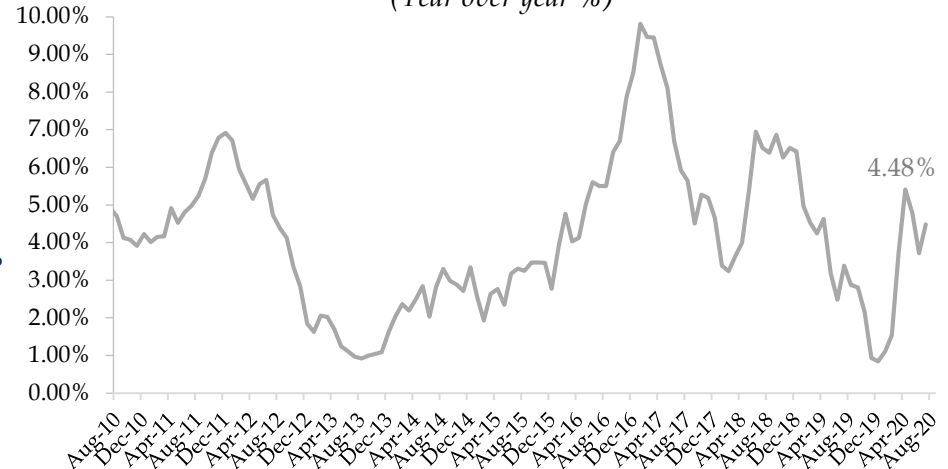
### Inflation

(Year over Year % Change)



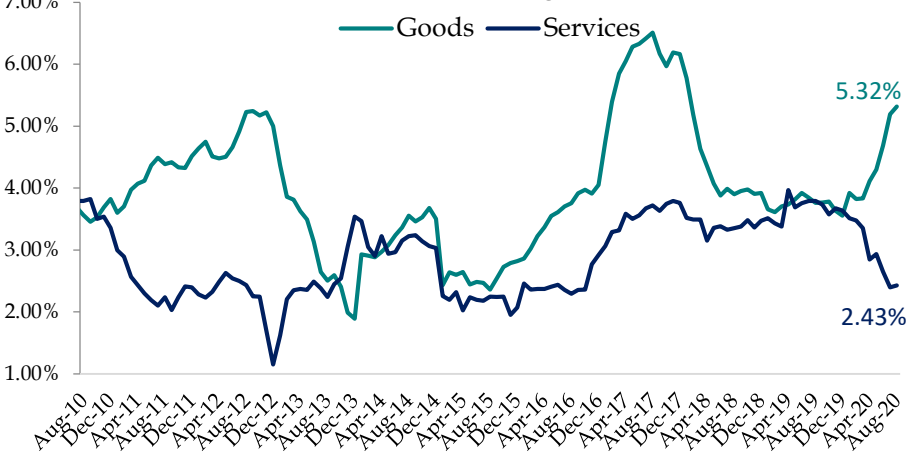
### Producer Inflation

(Year over year %)



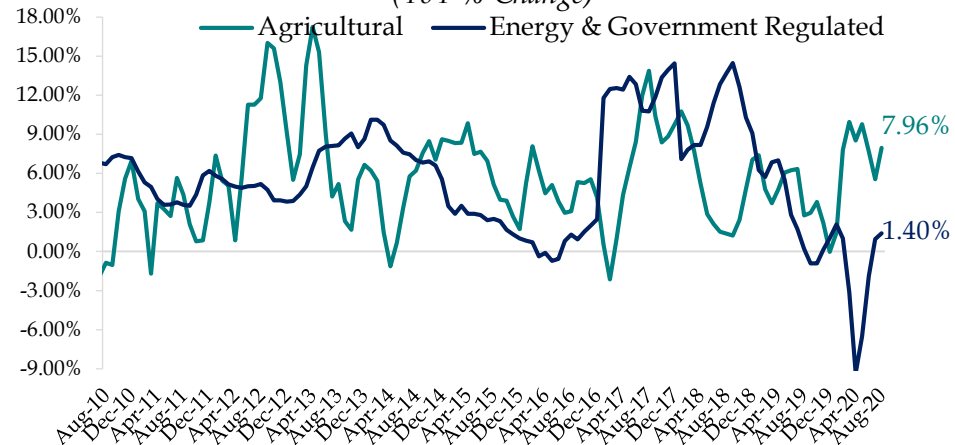
### Core Inflation

(YoY % Change)



### Non-Core Inflation

(YoY % Change)





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