

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 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.

Characteristics

The Mexico Equity and Income Fund, Inc, incorporated in Maryland, U.S.A. , is registered under the U.S. Investment Company Act of 1940, as amended, as a closed-end, non diversified management investment company. Since August 21, 1990, the Fund's common stock has traded on the New York Stock Exchange (the "NYSE") under the symbol "MXE".

Investment Objective

The Fund's investment objective is to seek high total return through capital appreciation and current income by investing at least 80% of the Fund's assets in equity and convertible securities issued by Mexican companies and debt securities of Mexican issuers.

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. Stocks of small-and-mid-capitalization companies involve greater volatility and less liquidity than larger-capitalization companies. 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 December Report on the Economy.*

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 Management	Experience	Analyst	Experience
Maria Eugenia Pichardo	27 years	Mauro Castañeda	13 years
Arnulfo Rodriguez	25 years	Itziar Garcia	4 years
Assistant Portfolio Manager		Erick Solano	Debt Analyst
David Estevez	6 years	Oscar Sifuentes	Trainee
Juan Elizalde	5 years		

Fund Information

Market Data	As of Feb. 28, 2018	As of Feb. 28, 2017
Net Asset Value (NAV) USD	\$12.42 ¹	\$11.05 ¹
Common Share Market Price USD	\$10.80 ¹	\$9.50 ¹
Premium/Discount to NAV (%)	-13.04 ¹	-14.03 ¹
Net Assets (USD)	\$86,637,415 ¹	\$81,190,472 ¹
Outstanding Shares	6,976,242 ¹	7,349,716 ¹
One Year Share Repurchases	373,474* ¹	192,577 ¹
Equity + Private Equity	94.98%	97.74%
Treasury Bond (USD)	3.74%	0.67%
Mutual Funds (MXN)	1.28%	1.59%

Source: US Bancorp¹ & PAM.

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

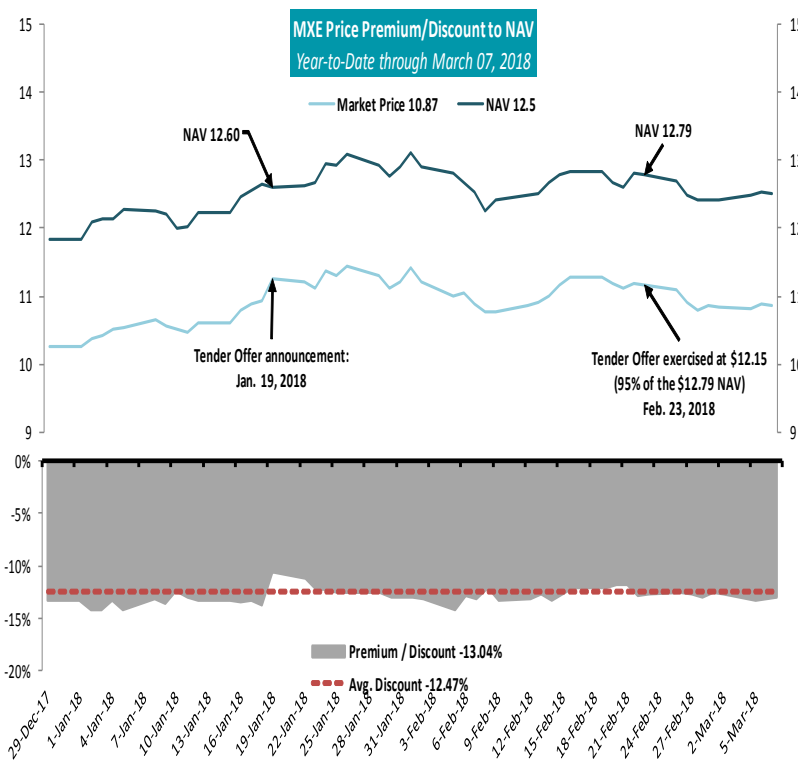
Exhibit 1.*

The Mexico Equity and Income Fund, Inc. Announces Results of Tender Offer

New York, February 26, 2018—The Mexico Equity and Income Fund, Inc. (NYSE: MXE) (the "Fund") today announced that its offer to purchase up to 367,170 common shares of the Fund at 95% of the net asset value ("NAV") per common share as determined at the close of the regular trading session of the New York Stock Exchange on February 23, 2018 expired at 5:00 p.m., Eastern Time on February 23, 2018.

Based on information provided by U.S. Bancorp Fund Services, LLC, the depository for the Offer, a total of 1,960,943 shares or approximately 26.70% of the Fund's outstanding common shares were validly tendered. As the total number of shares tendered exceeds the number of shares the Fund offered to purchase pursuant to the Offer, on a pro-rated basis, approximately 18.72% of the Fund's shares tendered by each tendering shareholder were accepted for payment. All such shares will be accepted for payment at a price of \$12.15 per share (95% of the NAV per common share of \$12.79).

For information, please contact: U.S. Bancorp Fund Services, LLC (1-877-785-0376).


Exhibit 2. Top Ten Holdings As of February 28, 2018.*

TOP TEN HOLDINGS MXE		TOP TEN HOLDINGS MEXBOL	
Issuer	Weight	Issuer	Weight
FEMSAUBD	8.89%	AMXL	14.26%
GFNORTEO	8.57%	FEMSAUBD	12.84%
AMXL	8.17%	GFNORTEO	9.49%
IENOVA	6.03%	WALMEX	7.81%
GMEXICOB	4.73%	GMEXICOB	7.53%
MEXCHEM	4.56%	CEMEXCPO	6.68%
VESTA	4.43%	TLEVICPO	5.45%
SHY	4.30%	ALFAA	2.75%
GFREGIO	3.98%	GAPB	2.52%
GRUMAB	3.96%	ASURB	2.29%
TOTAL	57.62%	TOTAL	71.62%

*Source: Bloomberg; PAM.



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

Exhibit 3. Returns

	Total Annual Average U.S. Dollar Return through Feb. 28, 2018 (Reinvested Dividends)						
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Since MXE Inception on 08/30/90
MXE NAV*	-3.72% ¹	4.90% ¹	12.84% ¹	-2.82% ¹	-0.43% ¹	2.14% ¹	11.83% ²
MXE NAV (Returns in Mexican Pesos "MXN")	-2.48% ³	0.57% ¹	13.61% ³	5.04% ³	7.64% ³	8.07% ³	19.73% ³
MXE Market Price	-3.74% ¹	5.26% ¹	14.21% ¹	-3.32% ¹	-0.84% ¹	3.52% ¹	12.15% ²
MXN Appreciation/ Depreciation	-1.27% ³	4.31% ³	-0.68% ³	-7.48% ³	-7.50% ³	-5.48% ³	-6.60% ³
MEXBOL Index	-6.81%	0.78%	10.06%	-3.45%	-4.48%	1.00%	9.63%
MXF NAV	-5.28%	1.96%	12.73%	-2.04%	-3.54%	1.19%	8.24%
MXF Market Price	-5.27%	2.38%	12.09%	-5.16%	-5.93%	2.49%	8.84%
MXE NAV Excess Return vs. MEXBOL Index	309	412	278	63	405	114	220

	(Dividends Reinvested)						
	YTD	1 Year	3 Years	5 Years	10 Years	Since MXE Inception 8/30/90	Discount to NAV, as of Feb. 28, 2018
MXE Common Share Market Price	5.26% ¹	14.21% ¹	-9.63% ¹	-4.13% ¹	41.39% ¹	2240.41% ³	-13.04%
MXF Common Share Market Price	2.38%	12.09%	-14.70%	-26.33%	27.88%	926.94%	-12.62%

Source: U.S. Bancorp¹; Thomson²; PAM³, 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.

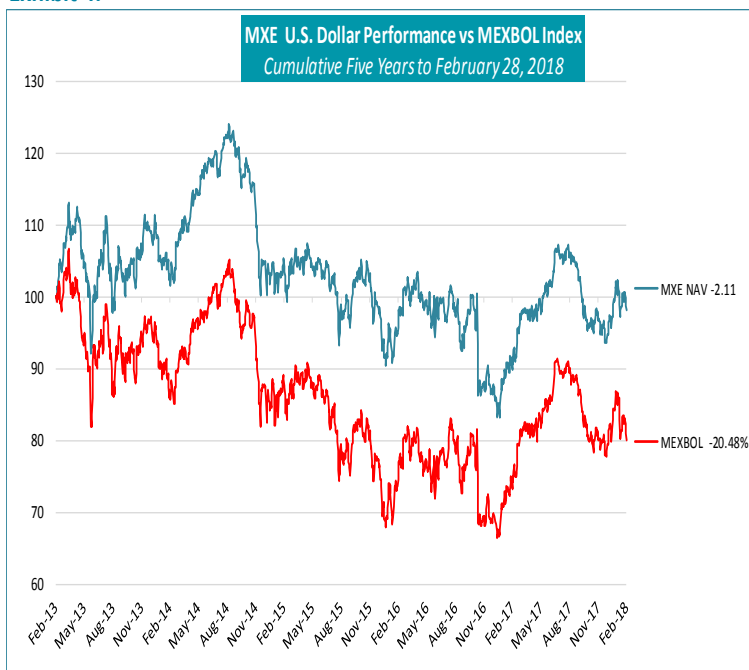
The NAV accretion that resulted from share repurchases, for the 1, 3, and 5-year period ended February 28, 2018, was 0.037, 0.08, and 0.08 respectively. For the purpose of performance calculation, U.S. Bancorp assumes that MXE's dividends and distributions are reinvested at the closing market price on 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=1.71% for the Fiscal Year ended July 31, 2017.

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

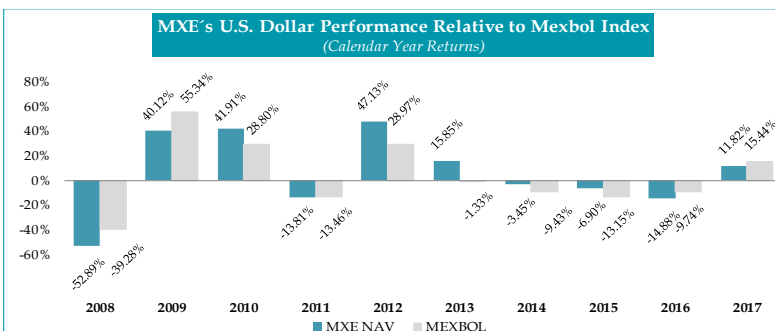
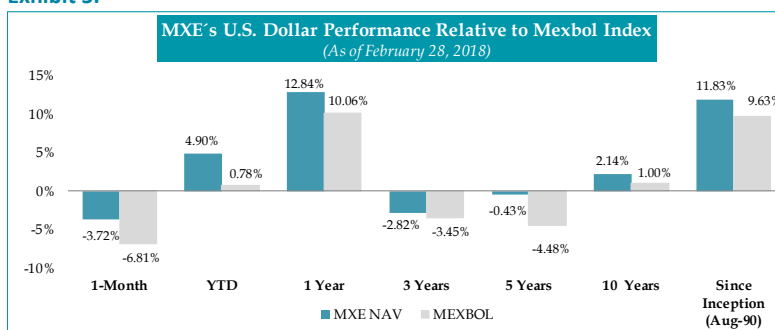
Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted.

Exhibit 4.



Source: Bloomberg; PAM.

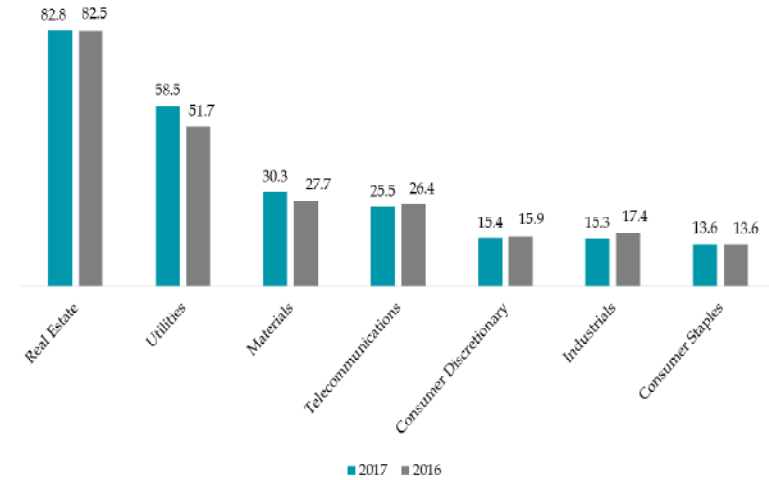
Exhibit 5.



Source: Bloomberg; PAM.

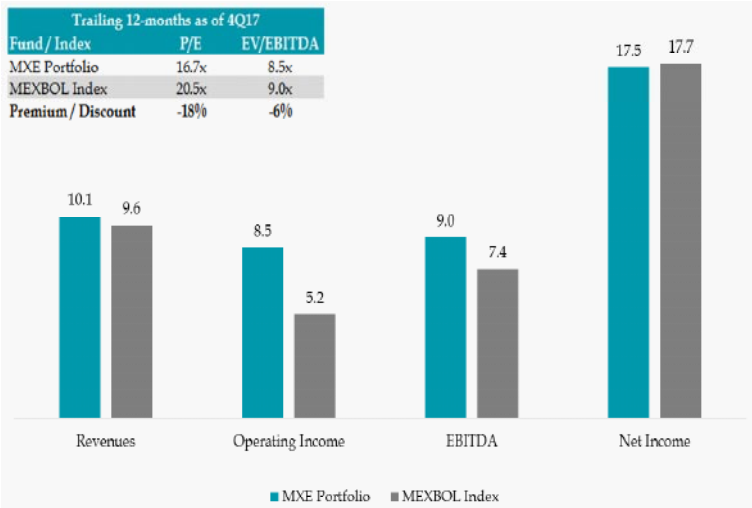
THE MEXICO EQUITY & INCOME FUND, INC. FEBRUARY 2018 FACT SHEET

Exhibit 6. Sector EBITDA Margin Performance Ex-Financials (%)



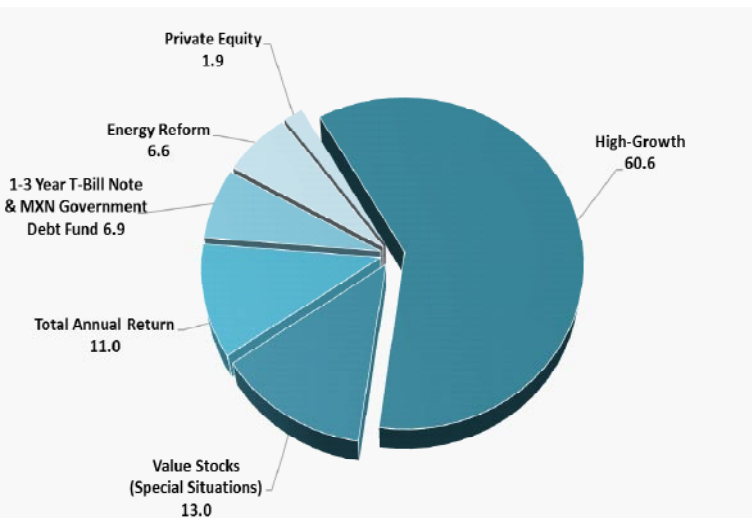
Source: Bloomberg; PAM.

Exhibit 7. 2017 Annual Financial Figures (%)



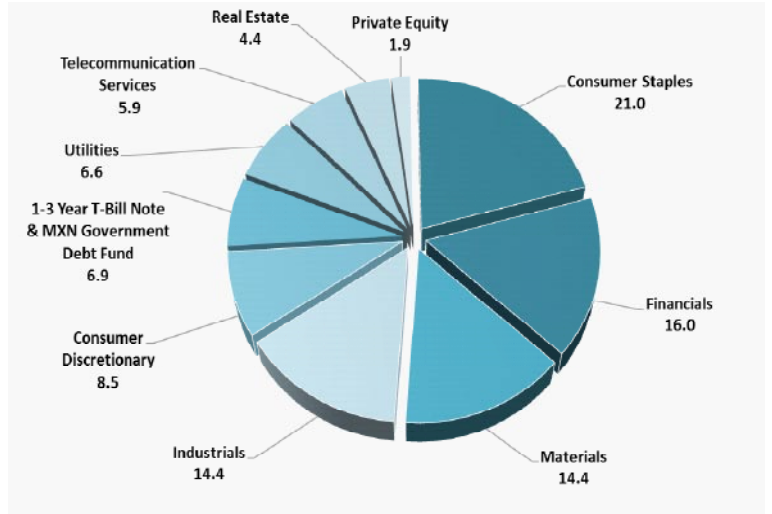
Source: Bloomberg; PAM.

Exhibit 8. Portfolio's Total Asset Value Classified by Investment Themes (%) As of February 28, 2018



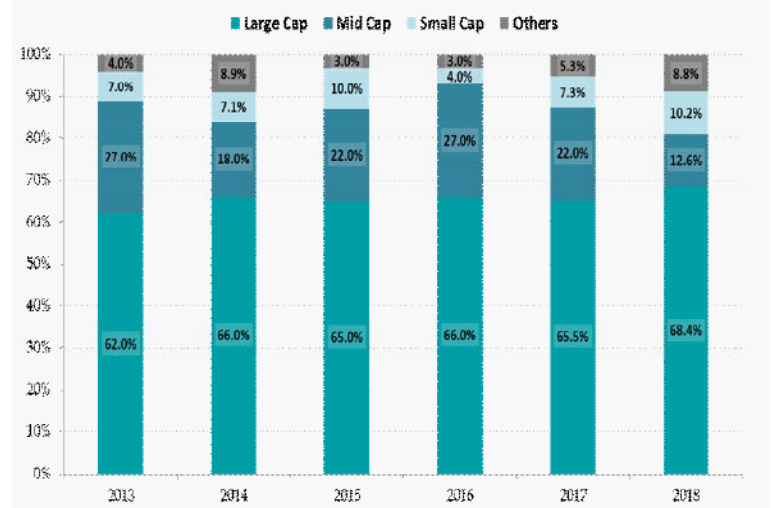
Source: Bloomberg; PAM.

Exhibit 9. Portfolio's Total Asset Value Classified by Sector (%) As of February 28, 2018



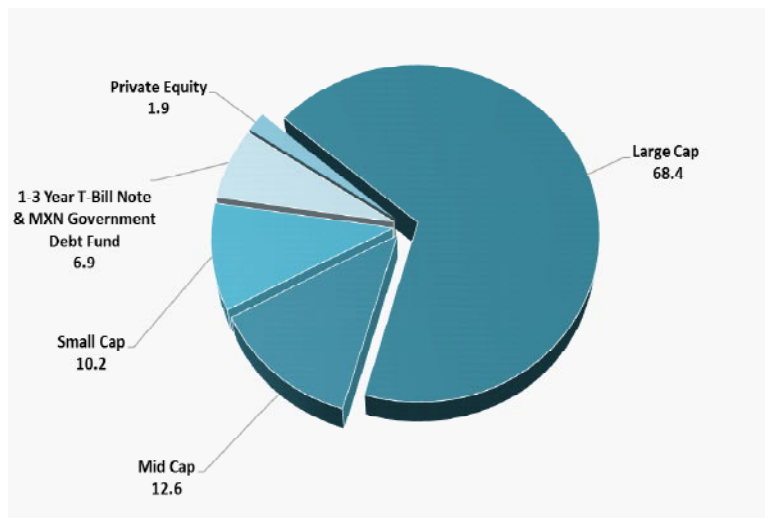
Source: Bloomberg; PAM.

Exhibit 10. Large, Mid, and Small Cap Percentage Portfolio Weights As of February 28, 2018



Source: Bloomberg; PAM.

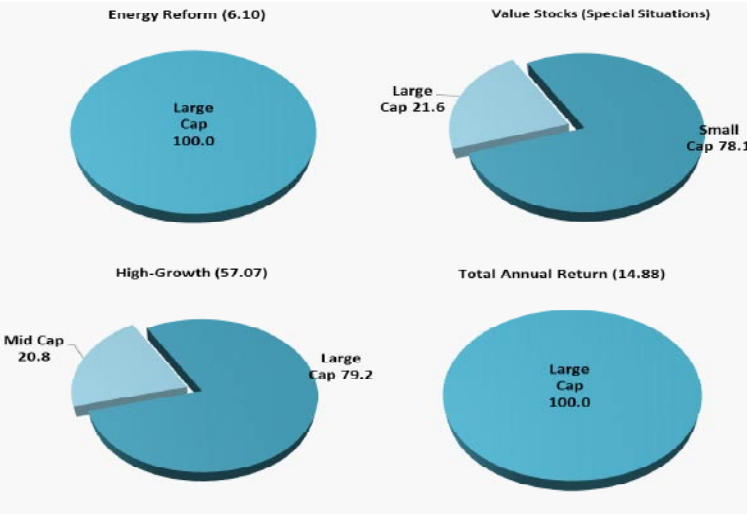
Exhibit 11. Portfolio's Total Asset Value Classified by Market Cap (%) As of February 28, 2018



Source: Bloomberg; PAM.

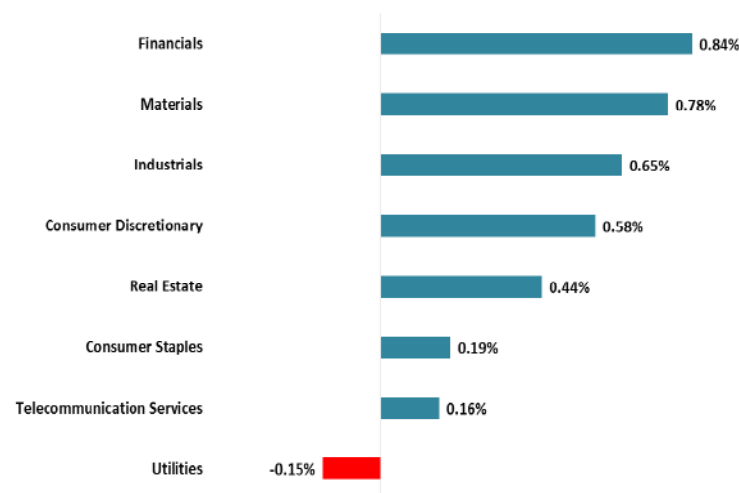
THE MEXICO EQUITY & INCOME FUND, INC. FEBRUARY 2018 FACT SHEET

Exhibit 12. Investment Themes Classified by Market Capitalization (%) As of February 28, 2018.



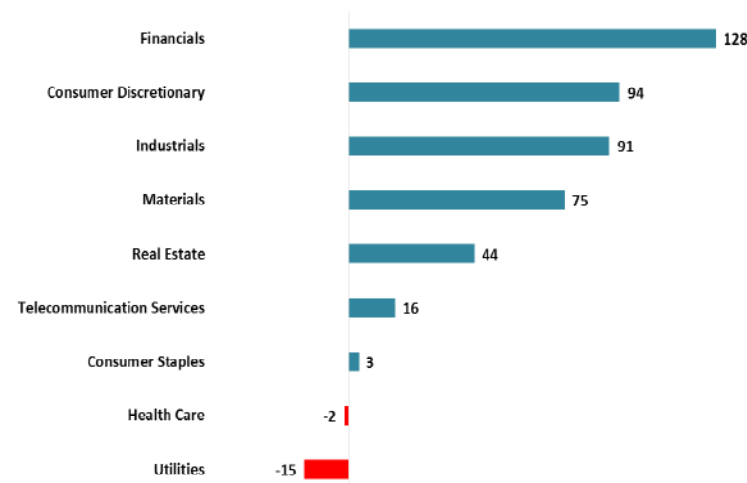
Source: Bloomberg; PAM.

Exhibit 13. MXE's U.S. Dollar Relative Contribution by Sector (Year to Date as of February 28, 2018)



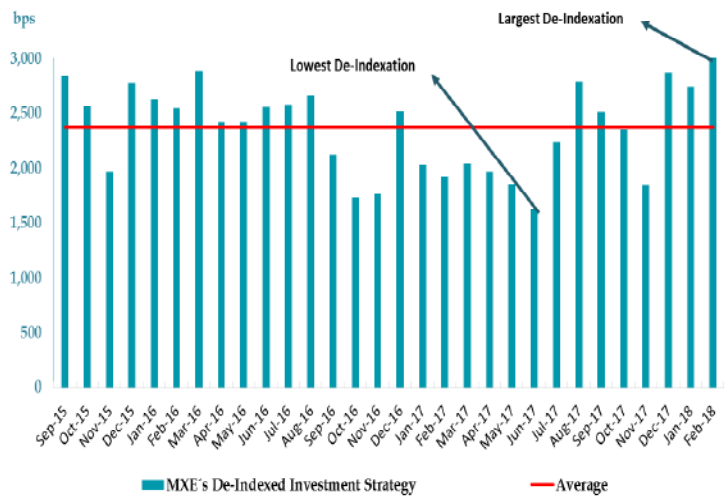
Source: Bloomberg; PAM.

Exhibit 14. MXE's Attribution by Sector vs. MEXBOL Index (Basis Points) (Year to Date as of February 28, 2018)



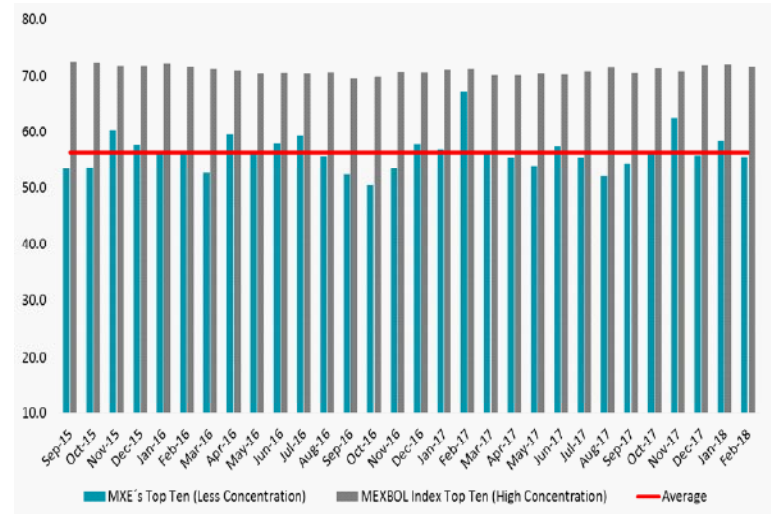
Source: Bloomberg; PAM.

Exhibit 15. Active Investment Strategy. As of February 28, 2018.



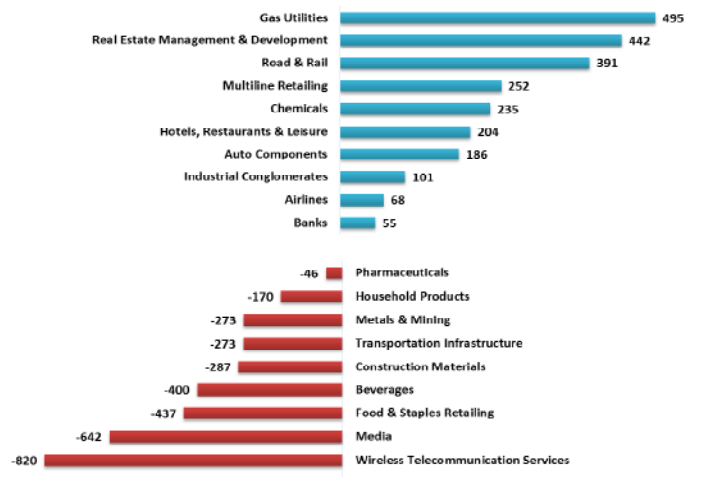
Source: Bloomberg; PAM.

Exhibit 16. Disciplined Active Investment Strategy. (%) Top Ten Holdings. (September 2015 to February 28, 2018)



Source: Bloomberg; PAM.

Exhibit 17. Industry Overweight / Underweight vs. the Mexbol Index in basis points. As of February 28, 2018.



Source: Bloomberg; PAM.

Definitions

- **Basis point (BPS):** Refers to a common unit of measure for interest rates and other percentages in finance.
- **Excess Return:** The return of the Fund in excess of the benchmark/ index return (annualized).
- **GDP:** Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. Though GDP is usually calculated on an annual basis, it can be calculated on a quarterly basis as well (in the United States, for example, the government releases an annualized GDP estimate for each quarter and also for an entire year).
- **Trade Balance:** The balance of trade (BOT) is the difference between the value of a country's imports and its exports for a given period. The balance of trade is the largest component of a country's balance of payments (BOP). Economists use the BOT as a measure of the relative strength of a country's economy. The balance of trade is also referred to as the trade balance or the international trade balance.
- **Current Account:** The current account records a nation's transactions with the rest of the world – specifically its net trade in goods and services, its net earnings on cross-border investments, and its net transfer payments – over a defined period of time, such as a year or a quarter.
- **Remittances:** A remittance is the funds an expatriate sends to his/her country of origin via wire, mail, or online transfer. These peer-to-peer transfers of funds across borders are economically significant for many of the countries that receive them.
- **Foreign Direct Investment:** Foreign direct investment (FDI) is an investment made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in the other country, such as ownership or controlling interest in a foreign company. Foreign direct investments are distinguished from portfolio investments in which an investor merely purchases equities of foreign-based companies.
- **Inflation (CPI):** The consumer price index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.
- **PE/E:** The price-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The price-earnings ratio is also sometimes known as the price multiple or the earnings multiple. The P/E ratio can be calculated as: Market Value per Share / Earnings per Share
- **EV/EBITDA:** Enterprise value/EBITDA is a popular valuation multiple used in the finance industry to measure the value of a company. It is the most widely used valuation multiple based on enterprise value and is often used in conjunction with, or as an alternative to, the P/E ratio (Price/Earnings ratio) to determine the fair market value of a company.
- **EBITDA:** EBITDA stands for earnings before interest, taxes, depreciation and amortization. EBITDA is one indicator of a company's financial performance and is used as a proxy for the earning potential of a business, although doing so can have drawbacks. EBITDA strips out the cost of debt capital and its tax effects by adding back interest and taxes to earnings.
- **Relative Contribution.** Relative contribution or return, is the return an asset achieves over a period of time compared to a benchmark. The relative return is the difference between the asset's return and the return of the benchmark. Relative return can also be known as alpha.
- **Attribution.** Attribution analysis is performance-evaluation tool used to analyze the ability of portfolio and fund managers. Attribution analysis uncovers the impact of the manager's investment decisions with regard to overall investment policy, asset allocation, security selection and activity.