



## **The Mexico Fund, Inc.**

### **Monthly Summary Report December 2011**



**Prepared By:  
Impulsora del Fondo México, sc  
Investment Adviser to the Fund**



**[www.themexicofund.com](http://www.themexicofund.com)**

**The information presented in this report has been derived from the sources indicated. Neither The Mexico Fund, Inc. nor its Adviser, Impulsora del Fondo México, S.C., has independently verified or confirmed the information presented herein.**

**I. THE MEXICO FUND DATA**

	<u>End of Month</u>	<u>One Month Earlier</u>	<u>One Year Earlier</u>
Total Net Assets <sup>1</sup> (million US\$)	\$318.53	\$334.98	\$424.44
NAV per share	\$23.84	\$25.07	\$31.68
Closing price NYSE <sup>2</sup>	\$21.85	\$22.79	\$28.27
% Premium (Discount)	(8.35%)	(9.09%)	(10.75%)
Shares traded per month <sup>2</sup> (composite figures)	475,653	306,649	416,384
Outstanding shares <sup>3</sup>	13,362,856	13,362,856	13,399,745
Shares on Short Interest Position <sup>2</sup>	23,998	7,850	7,340

**Note:** Past performance is no guarantee of future results.

**II. PERFORMANCE<sup>4</sup>**

	<u>1 Month</u>	<u>3 Months</u>	<u>6 Months</u>	<u>1 Year</u>
Market price	-0.57%	8.44%	-14.34%	-11.99%
NAV per share	-1.62%	8.50%	-15.85%	-15.22%
Bolsa Index	-1.57%	10.36%	-14.75%	-14.83%
MSCI Mexico Index	-1.53%	9.71%	-12.75%	-13.30%
	<u>2 Years</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Market price	25.65%	94.60%	7.11%	284.00%
NAV per share	15.87%	86.50%	2.09%	279.44%
Bolsa Index	8.44%	64.44%	8.76%	282.85%
MSCI Mexico Index	9.48%	66.93%	2.17%	230.38%

**III. THE MEXICAN STOCK EXCHANGE**

	<u>End of Month</u>	<u>One Month Earlier</u>	<u>One Year Earlier</u>
Bolsa Index <sup>5</sup>	37,077.52	36,829.15	38,550.79
Daily avg. of million shares traded	244.8	383.4	213.4
Valuation Ratios <sup>6</sup> : P/E	19.65	19.28	21.69
P/BV	2.72	2.67	3.05
EV/EBITDA	8.61	8.47	9.70
Market capitalization (billion US\$)	\$457.02	\$454.01	\$514.61

<sup>1</sup> **Source:** Impulsora del Fondo México, S.C. (Impulsora). Impulsora utilizes the spot exchange rate, provided by Bloomberg, to calculate the Fund's Net Asset Value per share (NAV). The NAV is published every business day on the Fund's website [www.themexicofund.com](http://www.themexicofund.com).

<sup>2</sup> **Source:** New York Stock Exchange. Short interest position as of first fortnight of every month.

<sup>3</sup> During December 2011, the Fund did not repurchase any of its own shares in the open market.

<sup>4</sup> **Sources:** Lipper, Inc., Bloomberg and Impulsora del Fondo México, S.C. Periods ended on the last US business day of the date of this report. Figures calculated using the dividend reinvestment criteria.

<sup>5</sup> **Source:** Mexican Stock Exchange

<sup>6</sup> **Source:** Impulsora del Fondo México, S.C. Figures represent the average obtained from a representative sample of companies listed on the Bolsa. P/E refers to Price/Earnings, P/BV refers to Price/Book Value and EV/EBITDA refers to Enterprise Value/Earnings Before Interests, Taxes, Depreciation and Amortization.

#### IV. THE MEXICAN ECONOMY.

	<u>End of Month</u>	<u>One Month Earlier</u>	<u>One Year Earlier</u>
<b>Treasury Bills<sup>7</sup></b>			
One month	4.34%	4.35%	4.30%
Six months	4.52%	4.43%	4.68%
One year	4.57%	4.46%	4.85%
<b>Long-term Bonds</b>			
Three years	5.00%	4.84%	5.44%
Five years	5.30%	4.98%	6.11%
Ten years	6.46%	6.38%	7.16%
20 years	7.60%	N.A.	7.74%
30 years	7.76%	7.56%	7.84%
<b>Currency Market<sup>8</sup></b>			
Exchange Rate (Ps/US\$)	Ps. 13.9357	Ps. 13.6251	Ps. 12.3400
			<u>Last 12</u>
	<u>Month</u>	<u>Year to Date</u>	<u>Months</u>
<b>Inflation Rates on Previous Month</b>			
Consumer Price Index <sup>9</sup> (CPI)	1.08%	2.97%	3.48%

#### V. ECONOMIC COMMENTS.

According to results of the monthly poll conducted during December 2011 by Mexico's Central Bank (Banxico), economic analysts of the private sector estimate that Mexico's gross domestic product (GDP) will increase 3.90% during 2011 and 3.23% during 2012. The inflation rate is estimated by analysts to be 3.53% for 2011 and 3.69% for 2012. The exchange rate of the peso against the dollar is expected to end 2012 at Ps. 13.15 and at Ps. 13.09 towards the end of 2013, while the interest rate for the 28-day Cetes (Treasury Bills) is estimated to be 4.48% and 5.06% for the same periods. The complete results of this and past polls are available at Banxico's website, located at [www.banxico.org.mx](http://www.banxico.org.mx).

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<sup>7</sup> Monthly average of weekly auctions as published by Banco de México. N.A. means no auction for such instrument was scheduled for this month.

<sup>8</sup> Sources: Bloomberg and Banco de México

<sup>9</sup> Source: Banco de México

**VI. PORTFOLIO OF INVESTMENTS AS OF DECEMBER 31, 2011 (UNAUDITED)**

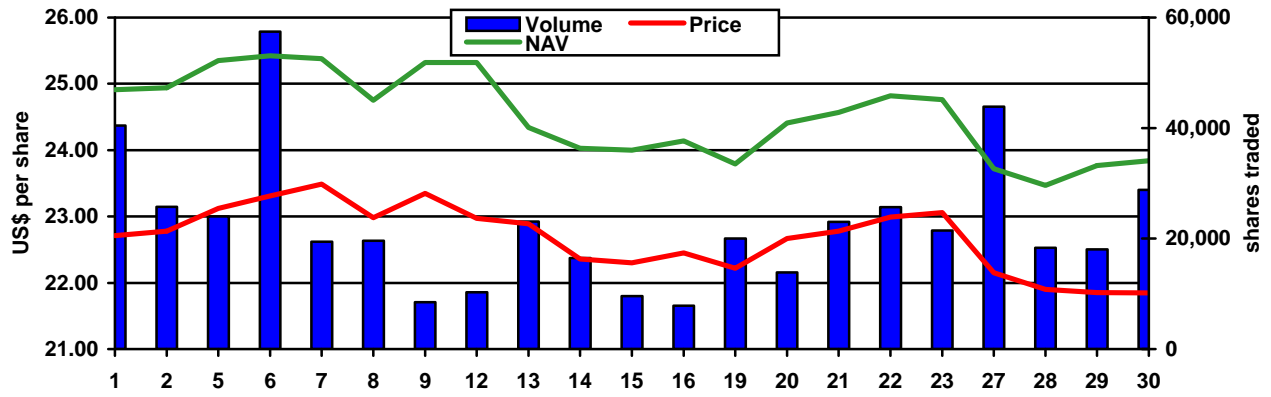
<b>Shares Held</b>	<b>COMMON STOCK - 96.23%</b>	<b>Value</b>	<b>Percent of Net Assets</b>
	<b>Airports</b>		
1,225,000	Grupo Aeroportuario del Sureste, S.A.B. de C.V. Series B	\$6,904,838	2.17%
	<b>Beverages</b>		
1,865,000	Arca Continental, S.A.B. de C.V.	7,952,116	2.50
540,000	Coca-Cola Femsa, S.A.B. de C.V. Series L	5,142,820	1.61
4,800,000	Fomento Económico Mexicano, S.A.B. de C.V. Series UBD	33,417,482	10.49
1,000,000	Grupo Modelo, S.A.B. de C.V. Series C	6,349,878	1.99
		<u>52,862,296</u>	<u>16.59</u>
	<b>Building Materials</b>		
16,590,000	Cemex, S.A.B. de C.V. Series CPO	8,868,984	2.78
	<b>Chemical Products</b>		
3,000,000	Mexichem, S.A.B. de C.V.	9,452,701	2.97
	<b>Construction and Infrastructure</b>		
2,200,000	Empresas ICA, S.A.B. de C.V.	2,674,283	0.84
	<b>Consumer Products</b>		
2,200,000	Kimberly-Clark de México, S.A.B. de C.V. Series A	11,881,140	3.73
	<b>Financial Groups</b>		
1,470,000	Banregio Grupo Financiero, S.A.B. de C.V. Series O	3,164,534	0.99
2,700,000	Grupo Financiero Banorte, S.A.B. de C.V. Series O	8,199,373	2.58
		<u>11,363,907</u>	<u>3.57</u>
	<b>Food</b>		
5,000,000	Grupo Bimbo, S.A.B. de C.V. Series A	10,214,772	3.21
	<b>Health Care</b>		
3,000,000	Genomma Lab Internacional, S.A.B. de C.V. Series B	5,805,952	1.82
	<b>Holding Companies</b>		
1,000,000	Alfa, S.A.B. de C.V. Series A	10,907,238	3.43
1,620,000	Grupo Carso, S.A.B. de C.V. Series A1	3,926,864	1.23
		<u>14,834,102</u>	<u>4.66</u>
	<b>Media</b>		
4,500,000	Grupo Televisa, S.A.B. Series CPO	18,964,602	5.95
	<b>Mining</b>		
4,712,082	Grupo México, S.A.B. de C.V. Series B	12,331,611	3.87
270,000	Industrias Peñoles, S.A.B. de C.V.	11,847,435	3.72
		<u>24,179,046</u>	<u>7.59</u>
	<b>Retail</b>		
104,500	First Cash Financial Services, Inc.	3,666,877	1.15
2,000,000	Grupo Comercial Chedraui, S.A.B. de C.V. Series B	5,034,552	1.58
1,620,000	El Puerto de Liverpool, S.A.B. de C.V. Series C-1	11,636,445	3.65
12,780,000	Wal-Mart de México, S.A.B. de C.V. Series V	35,059,552	11.01
		<u>55,397,426</u>	<u>17.39</u>

<b>Shares Held</b>	<b>COMMON STOCK</b>	<b>Value</b>	<b>Percent of Net Assets</b>
315,400	<b>Steel</b> Ternium, S.A.	<u>5,800,262</u>	<u>1.82</u>
	<b>Stock Exchange</b>		
3,200,000	Bolsa Mexicana de Valores, S.A.B. de C.V. Series A	<u>5,155,105</u>	<u>1.62</u>
	<b>Telecommunications Services</b>		
54,768,000	América Móvil, S.A.B. de C.V. Series L	<u>62,173,394</u>	<u>19.52</u>
	<b>Total Common Stock</b>	<u>\$306,532,810</u>	<u>96.23%</u>

<b>Securities Principal Amount</b>	<b>SHORT-TERM SECURITIES – 7.36%</b>		
	<b>Repurchase Agreements</b>		
\$22,999,689	BBVA Bancomer, S.A., 4.48%, dated 12/30/11, due 01/02/12 repurchase price \$23,008,276 collateralized by Bonos del Gobierno Federal.	\$22,999,689	7.22%
	<b>Time Deposits</b>		
	Comerica Bank, 0.01%, dated 12/30/11, due 01/03/12	<u>429,509</u>	<u>0.14</u>
	<b>Total Short-Term Securities</b>	<u>23,429,198</u>	<u>7.36</u>
	<b>Total Investments</b>	<u>329,962,008</u>	<u>103.59</u>
	<b>Liabilities in Excess of Other Assets</b>	<u>(11,430,556)</u>	<u>(3.59)</u>
	<b>Net Assets</b> Equivalent to \$23.84 per share on 13,362,856 shares of capital stock outstanding	<u>\$318,531,452</u>	<u>100.00%</u>

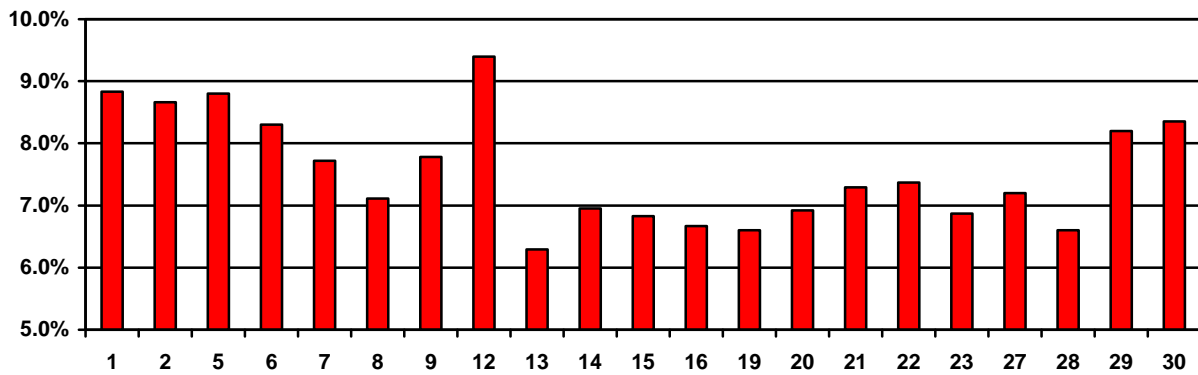
VII. THE MEXICO FUND, INC. CHARTS

Price, NAV and Volume  
December 2011



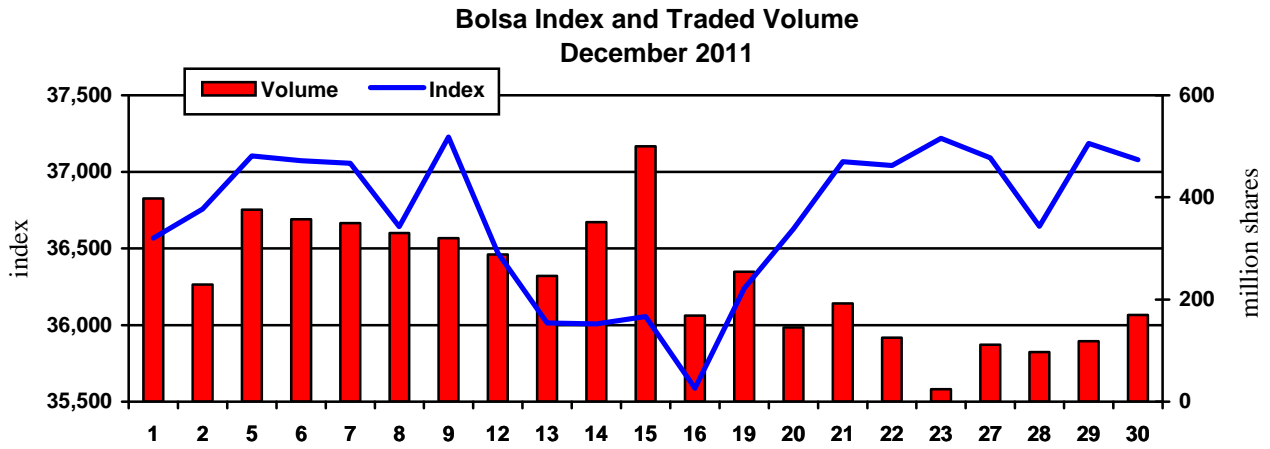
Sources: New York Stock Exchange and Impulsora del Fondo México, S.C. Past performance is no guarantee of future results.

Discount (Market Price/NAV)  
December 2011

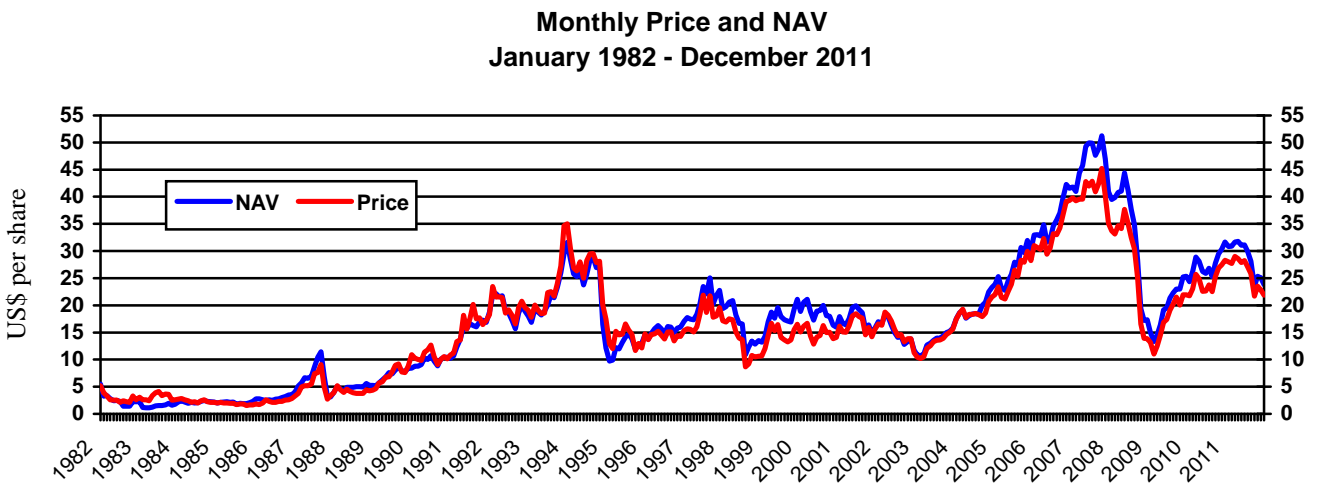


Source: Impulsora del Fondo México, S.C. Past performance is no guarantee of future results.

VII. THE MEXICO FUND, INC. CHARTS (continued)



Source: Mexican Stock Exchange. Past performance is no guarantee of future results.



Price as provided by the NYSE and NAV as provided by Impulsora del Fondo México, S.C. Past performance is no guarantee of future results.