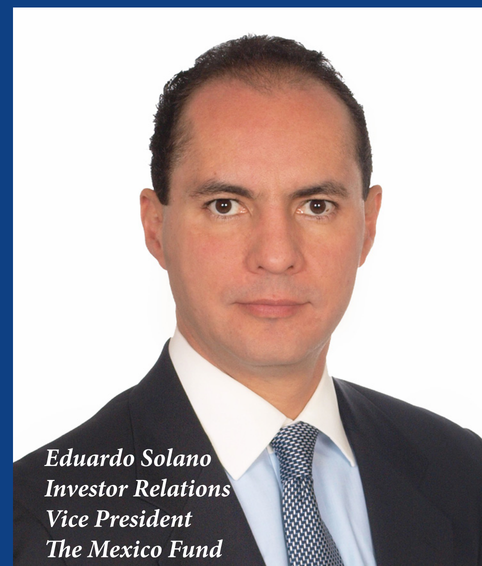
CLOSED-END FUND INTERVIEWS:
FEATURING THE MEXICO FUND, INC.

Eduardo Solano, Investor Relations Vice President of The Mexico Fund (NYSE: MXF) and Director of Economic Research for the investment adviser Impulsora del Fondo México, discusses The Mexico Fund's portfolio and investment strategy, projected trends for the future, and its strategic position in Mexico as the optimal investment destination.

Interviewed by Capital Link Media
Thursday, August 16, 2012


Eduardo Solano
Investor Relations
Vice President
The Mexico Fund

Capital Link: Can you tell us about the background of The Mexico Fund, its portfolio and investment strategy?

Eduardo Solano: Sure, but first let me thank Capital Link for this interview, which provides us with a great opportunity to promote The Mexico Fund (the Fund). Last year, we celebrated the 30th anniversary by ringing the closing bell at the NYSE Euronext. Today, the Fund has around $371 million in assets and it has been managed since inception by Impulsora del Fondo México, a Mexican company registered with SEC.

The Fund uses a bottom-up approach to select portfolio components, based on the fundamental reason that there may be attractive companies within losing sectors and always being selective about their management practices. The Fund's recent investment strategy has been to increase exposure to defensive companies that may benefit from the recovery of the domestic market with low debt levels, such as companies dedicated to food, beverages and consumer products. The resources for these investments came from reduced exposure to companies more closely linked to the external sector and/or with high debt levels, such as cyclical companies, financial firms and infrastructure issuers. Currently, our portfolio is almost fully invested in equity securities of 30 public companies listed on the Mexican Bolsa and it is publicly available on our website on a monthly basis shortly after the end of each month.

C.L.: Why do you think Mexico may be a more lucrative investment destination than other countries or emerging markets? Can you position the fund in terms of the current economic climate in Mexico?

E.S.: Mexico has learned from past painful experiences. You may remember that Mexico suffered recurrent economic crises at the end of each Presidential term. Fortunately, that came to an end with the 1994 Tequila Crisis. Since then, Mexico has engaged in serious efforts to stabilize its economy and we have seen very positive results. In terms of public sector finances, Mexico's public sector deficit represents only 2.5% of GDP compared to levels near 10% in countries like Ireland, Japan and India. The public sector debt currently represents less than 40% of GDP, compared to more than 100% of GDP in Japan and the average of OECD countries. The current account deficit, which was the reason behind the Tequila Crisis, has also been reduced from 7% of GDP in 1994 to less than 1% now. Mexico has consistently registered single-digit inflation rates even during these difficult times, with an annual average of 4.4% for the last five years, and

“The markets have recognized Mexico’s solid economic framework with a country risk level that is one of the lowest among emerging markets. Colombia, Chile and Mexico have the smallest levels in Latin America and Mexico’s risk level is also lower than the average of emerging markets in Europe and Asia.”

is currently at a similar level. As a result, we have seen low levels of domestic interest rates and substantial developments in the public and private debt markets in local currency. The Mexican financial system is in a healthy position as the levels of capitalization of the most important banks are well above the minimum required by the regulator with an average of 15%, twice the minimum required. Non-performing loans in Mexico represent around 3% of total loans compared to more than 8% in Spain.

The markets have recognized Mexico’s solid economic framework with a country risk level that is one of the lowest among emerging markets. Colombia, Chile and Mexico have the smallest levels in Latin America and Mexico’s risk level is also lower than the average of emerging markets in Europe and Asia. Despite global crises, our country has registered sustained positive growth figures since 2010 and GDP is expected to increase at rates between 3% and 4% next year as domestic consumption recovered to pre-crisis levels and investment continues growing. In contrast, Brazil, which outperformed Mexico in the recent past in part due to booming commodity exports to China, is expected to grow 1.9% this year since China is now decelerating. The Mexican economy may benefit from a gradual recovery of the US economy, its most important trade partner. Mexico is also one of the most open economies, with 33 free trade agreements in place, including, of course, NAFTA. In the political arena, Mexico went through federal elections last July. Enrique Peña Nieto from the PRI, who is likely to be officially announced as the next President of Mexico, has committed to continuing the implementation of market-oriented policies, fighting organized crime and to pursuing structural reforms needed in the country to further boost economic growth.

I think all these factors position Mexico as one of the best alternatives currently available for investors seeking international diversification of their equity exposures.

C.L.: What are some of fund’s biggest challenges and advantages?

E.S.: Our biggest challenge is at the same time our most important commitment: to continue increasing value for our stockholders. Today, there is a handful of alternatives easily available to invest abroad, and we are convinced that the only way to prevail is by providing them with a unique product with competitive returns, transparency and the best corporate governance practices. Regarding the Fund´s advantages, in 2009 the Board implemented a Managed Distribution Plan (MDP) under which the Fund pays quarterly cash 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. Although these distributions may contain return of capital, this has not been the case until now since the Fund’s performance has resulted with sufficient income and capital gains that have actually exceeded the 10% commitment. The Board may amend or terminate the MDP at any time without prior notice to stockholders; but at this time, there are no reasonably foreseeable circumstances that might cause the termination of the MDP.

The Mexico Fund celebrated its 30th anniversary last year by ringing the closing bell at the New York Stock Exchange.

The Mexico Fund team rings in the closing bell.

C.L.: What are some recent performance trends that have taken you by surprise?

E.S: Certainly, the deepening of the European crisis has been the major difficulty to deal with. Additionally, investing in Mexican equity securities implies taking the risks of market fluctuations and currency depreciation. Despite these difficulties, the Fund has managed to provide returns that exceed those of the Mexican Bolsa. Another important risk that we had to deal with was the complex political environment that prevailed in Mexico the months before the electoral process, which added to the volatility prevailing around global financial markets. Despite some complaints from the opposition political parties, the outcome of the elections was taken positively by international investors and the Mexican Bolsa rallied to new historical maximum levels shortly after the process ended. As a result, during the first seven and a half months of this year, the Fund's market price and NAV per share have increased 21.7% and 21.6% respectively, outperforming the Bolsa index and MSCI Mexico index with returns of 15.9% and 15.4% respectively. For the three-year period that ended last July 31, the Fund's returns are 81.4% 71.2% for market price and NAV respectively, while the Bolsa index and MSCI Mexico index increased 49.0% and 50.4% respectively.

C.L.: What future plans are in store for The Mexico Fund?

E.S.: The Fund has the priority to continue offering investors an attractive and competitive investment vehicle to participate in the Mexican equity market. The Board is committed to maintaining low discount levels between market and NAV per share with actions such as the MDP, open market repurchases of its own shares and a competitive return. Also, the Board closely watches the alignment between the interest of Fund stockholders and the Adviser.

Under an already evident recession in the Eurozone and with a potential recovery of the US economy, Mexico looks appealing from the global perspective. The Board of the Fund remains committed to the MDP and the Adviser will continue with its best efforts to achieve returns in excess of the minimum 10% payment commitment. We are confident that the Mexican economy is well positioned to successfully emerge from the current global crisis and we are not alone on this belief. Just to give you a reliable example, a well-recognized Japanese securities firm recently estimated that Mexico, currently half the GDP size of Brazil, may be bigger than the latter within the next decade.

C.L.: Thank you for taking the time to answer these questions. Do you have any remaining comments or insight to share?

E.S.: I hope I have answered your questions. Before I finish, I would like to invite your readers to visit our website at www.themexicofund.com or to direct any questions to investor-relations@themexicofund.com. Thank you very much.

"Our biggest challenge is at the same time our most important commitment: to continue increasing value for our stockholders...and we are convinced that the only way to prevail is by providing them with a unique product with competitive returns, transparency and the best corporate governance practices."

Capital Link Media is a leading financial content provider, linking investors with portfolio managers, directors, senior executives, and analysts from the closed-end fund space. Visit cef.capitallink.com for more information.

ABOUT EDUARDO SOLANO

Eduardo Solano is Investor Relations Vice President of The Mexico Fund and Director of Economic Research for the investment adviser, Impulsora del Fondo México, which he joined in 1991. Mr. Solano is an Economist from the Autonomous Technological Institute of Mexico (known as ITAM for its Spanish initials), with special courses on NAFTA and a Business Program at the IPADE Business School in Mexico City.

ABOUT THE MEXICO FUND, INC.

The Mexico Fund, Inc. is a non-diversified closed-end fund 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 portfolio as part of their overall investment program. The Fund's investment objective is long-term capital appreciation through investment in securities, primarily equity, listed on the Mexican Stock Exchange.

The Fund has a Managed Distribution Plan (MDP) under which it pays quarterly distributions at an annual rate of 10% of the Fund's net asset value per share recorded on the last business day of the previous calendar year. The Board of Directors of the Fund may amend or terminate the MDP at any time without prior notice to stockholders; however, at this time there are no foreseeable circumstances that might cause the termination of the MDP. For more information about the Fund and the MDP please visit the Fund's website www.themexicofund.com.

ABOUT CAPITAL LINK, INC.

Capital Link is a New York-based investor relations and financial communications firm, which, among other activities, maintains a strategic focus on closed-end funds and ETFs.

Capital Link has developed specific investor outreach programs and IR tools focused on CEFs and ETFs in order to enhance their profiles among analysts, investors, and financial media.

In pursuit of this objective, Capital Link maintains websites dedicated to CEFs (cef.capitallink.com) and ETFs (etf.capitallink.com) that track the news and developments of all U.S. listed CEFs and ETFs, providing investors with a free information resource on these topics. The 12th Annual Closed-End Funds & Global ETFs Forum (www.capitallinkforum.com), considered a premier industry annual event, will take place in New York City on April 24, 2013, bringing together investors, analysts, wealth management professionals, and CEF and ETF industry participants. Capital Link also offers the "Closed-End Funds & Global ETFs Webinar Series (www.capitallinkwebinars.com)," an online interactive platform that is on CEFs, ETFs, and other pertinent industry topics. Open to the public, these virtual events provide an in-depth look into the CEF & ETF industry, and ground issues and timely topics in the context of the global economy, fostering a better understanding among participants.