

MEXICAN NEWS

"Mexico's president signs historic energy reform: "Mexican President Enrique Peña Nieto signed into law a sweeping reform that will allow private companies to drill for oil and gas, and end a seven-decade-long monopoly held by the state oil company(...)"¹

"S&P upgrades 11 Mexican financial institutions, 4 insurers": "Standard & Poor's (S&P) has raised the issuer credit ratings on 11 Mexican financial institutions, including seven private banks and four insurance companies, the ratings agency said in a statement. The rating action follows S&P's upgrade of Mexico's long-term local currency rating to A from A- and long-term foreign currency rating to BBB+ from BBB, both with a stable outlook (...)"²

"Mexico's political left unable to derail Pemex legislation": "Mexico's leftist politicians have watched hopelessly in recent days as a center-right coalition secured passage of a sweeping energy reform bill that will allow foreigners to drill for oil on Mexican territory for the first time in several decades(...)"³

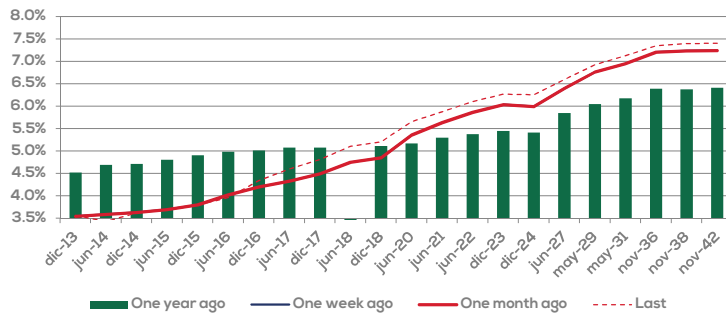
MARKET

	Last	WoW chg	YTD chg
MEXBOL	42508	11%	-2.7%
USDMXN	12.99	0.5%	1.1%
MX 10 y	6.37	-5.1bps	101.1bps
IRS 10 y	6.74	0bps	91.5bps
MX real 10y	2.51	-4bps	100bps
Spd US 10y	344	-10bps	-15.9bps
Spd IRS 10y	375	-6.1bps	-25.5bps
MX Breakeven 10y	3.64	0.0%	-6.5%
CDS 5yr	91.00	1.7%	-7.0%

Source: Bloomberg

MEXICAN FIXED INCOME CURVES

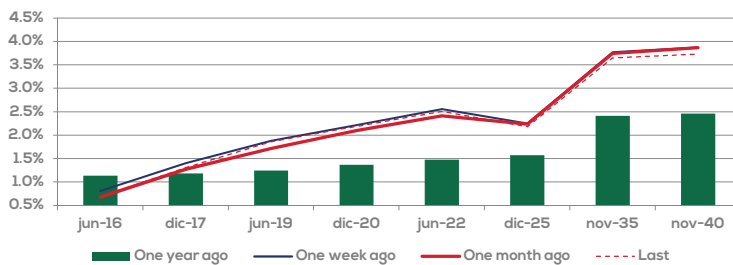
MBONO CURVE



Source: PIP

No information of one year ago available for bond jun-18.

INFLATION LINKED BONDS



Source: PIP

MEXICAN FUNDAMENTALS

Debt rating (Fitch)	BBB+
Surplus/Deficit %GDP	-0.05
Foreign reserves (M)	175661
Real GDP YoY	1.3
BoP	-5457.09
Consumer Prices (monthly)	0.93
Unemployment	4.47
Consumer Confidence	88.7
Central Bank rate	3.5

Source: Bloomberg

CORPORATE AAA(mx) MARKET

Sector	Spread	Maturity
NOMINAL		
Industrial	127	2/2/2023
Retail	113	3/17/2022
Energy	155	9/12/2024
Utilities	115	8/18/2042
INFLATION LINKED		
MBS	201	11/27/2041

Source: PIP

1. Source "bradenton.com".

2. Source "bnamericas.com".

3. Source newspaper "Los Angeles Times".

Disclaimer:

This document is prepared by EPICURUS FUND MANAGEMENT, S.A.P.I. DE C.V. ("EPICURUS") for informational purposes only. Under no circumstances shall this document be considered as or constitute an advice, recommendation or an offer to invest or the solicitation of an offer to invest in any specific fund. None of the information contained in this document shall be considered as legal, tax or other advice. There can be no assurance that countries, markets or styles will perform as expected. Past performance is not a guarantee of future results. Although this material is based upon information that EPICURUS considers reliable, it does not assure that this material is accurate, current or complete, and it should not be relied upon as such. Investments involve certain risks including political and currency risks. ALL INFORMATION contained herein is CONFIDENTIAL. RE-TRANSMISSION or RE-DISTRIBUTION IS STRICTLY PROHIBITED.

Contact Information:

Email: info@epicurusfund.com

Palmas 425 Suite 10-03, Lomas de Chapultepec, México, D.F. 11000
tel +52 (55) 5280 1216, +52 (55) 5280 0116