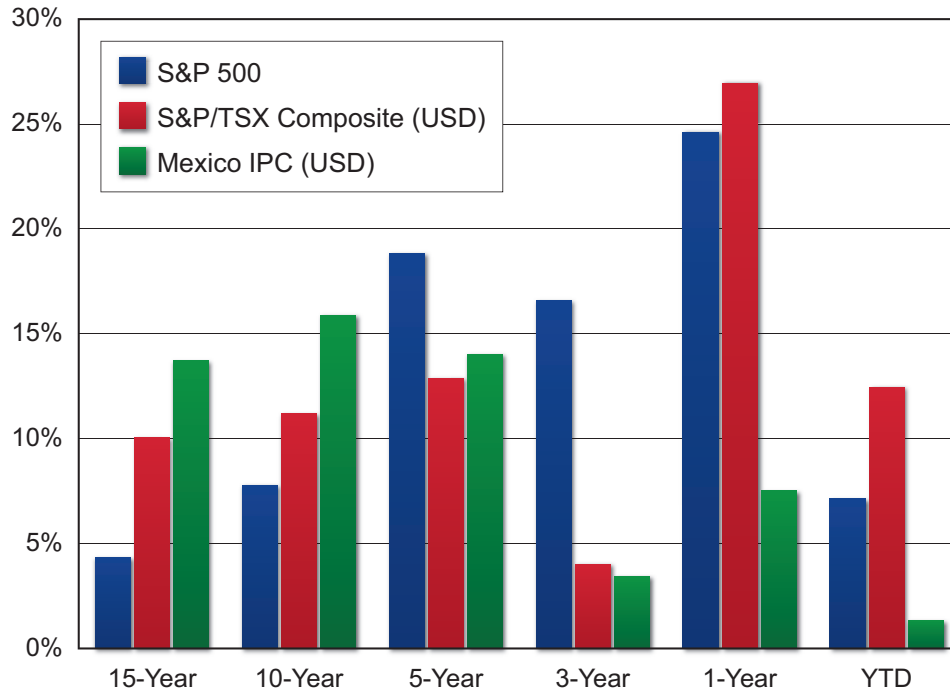


Mexico's Stock Market Has Lagged The Past Three Years But...

Total Returns for NAFTA Stock Indices: U.S., Canada & Mexico
(YTD, 1-Year and average annualized total returns thru 6/30/14)



Source: Bloomberg.
Past performance is no
guarantee of future results.

View from the Observation Deck

1. The North American Free Trade Agreement (NAFTA) was signed into law in December 1993. NAFTA eliminated virtually all tariffs and trade restrictions between the three nations.
2. From 1993 through 2012, Canada's gross domestic product (GDP) grew by 216% to \$1.82 trillion (USD), the biggest percentage gain of the three nations, according to data from the World Bank.
3. U.S. GDP grew by 136% to \$16.24 trillion in the same period, slightly outpacing Mexico's 135% expansion to \$1.19 trillion (USD).
4. The chart indicates that both the S&P/TSX Composite Index and the Mexico IPC Index significantly lagged the S&P 500 over the past three years, which could be linked to some weakness in commodity prices, in our opinion.
5. Mexico and Canada are relatively rich in natural resources. From 6/11-6/14, commodity prices declined 8.8%, as measured by the Thomson Reuters/CoreCommodity CRB Index. The index was up 10%, however, in the first half of 2014.
6. While Canadian and U.S. equities have been in rally mode year-to-date and over the past 12 months, Mexican stocks were up modestly. The outlook for Mexico, however, is encouraging relative to the other two nations.
7. Bloomberg's 2014 and 2015 earnings growth estimates for the Mexico IPC Index were 23.18% and 19.21%, respectively, as of 7/17/14. Its 2014 estimated price-to-earnings (P/E) ratio stood at 21.11, below its 3-year average of 21.90.
8. Bloomberg's 2014 and 2015 earnings growth estimates for the S&P/TSX Composite Index were 25.09% and 12.70%, respectively. Its 2014 estimated P/E ratio stood at 16.49, above its 3-year average of 16.19.
9. Bloomberg's 2014 and 2015 earnings growth estimates for the S&P 500 were 10.45% and 11.28%, respectively. Its 2014 estimated P/E ratio stood at 16.56, above its 3-year average of 15.15.

The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance. The S&P/Toronto Stock Exchange Composite Index is a capitalization-weighted index designed to measure the market activity of the stocks listed on the TSX. The Mexican IPC Index is a capitalization-weighted of the leading stocks traded on the Mexican Stock Exchange.