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MEXICO FUND INC
Form DEFA14A
February 27, 2002

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ []

Check the appropriate box:

☐ [] Preliminary Proxy Statement

☐ [] CONFIDENTIAL, FOR USE OF THE
COMMISSION ONLY (AS PERMITTED BY
RULE 14A-6(E)(2))

☐ [] Definitive Proxy Statement

☒ [X] Definitive Additional Materials

☐ [] Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 240.14a-12

THE MEXICO FUND, INC.

(Name of Registrant as Specified In Its Charter)

THE MEXICO FUND, INC.

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ [X] No fee required.

☐ [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (set forth the amount on which
the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ [] Fee paid previously with preliminary materials.

☐ [] Check box if any part of the fee is offset as provided by Exchange
Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee
was paid previously. Identify the previous filing by registration statement
number, or the Form or Schedule and the date of its filing.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notes:

Final Fight Letter-Version 4-draft #6 2/27/2002 Prepared by Morrow & Co., Inc.

[MEXICO FUND GRAPHIC APPEARS HERE] The Mexico Fund, Inc.

February 27, 2002

IMPORTANT UPDATE

Dear Fellow Shareholder:

We wanted to take this opportunity to update you with regard to your Fund's proposed share repurchase policy. As you may recall, we are asking shareholders to adopt a share repurchase policy that would require the Fund to periodically offer to repurchase at least 5% of its shares on an annual basis in-kind at no less than 98% of net asset value (NAV) (Proposal 3 on the enclosed proxy card).

Board Announces Intention to Offer to Repurchase 20% of the Fund's Shares

As part of our continuing efforts to increase shareholder value, your Board announced today its intention to offer to repurchase 20% of the Fund's outstanding shares at no less than 98% of net asset value during the first twelve months of operation of its proposed in-kind repurchase policy. An in-kind share repurchase offer for 10% of the Fund's outstanding shares would commence as soon as practicable following the approval by shareholders and the Securities and Exchange Commission (SEC) of the Fund's proposed in-kind repurchase policy. The Fund intends to make a second in-kind repurchase offer for an additional 10% of the Fund's outstanding shares six months following the completion of the first repurchase offer under the Fund's proposed in-kind repurchase policy.

Fund Sees Significant Progress with SEC Review

The Fund also is pleased to announce that it has filed with the SEC amendment number 1 to its exemptive application seeking regulatory authority to conduct the in-kind share repurchases that are the subject of the in-kind repurchase

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policy. This filing reflects the Fund's understanding that it has responded to comments received from the staff of the SEC and indicates significant progress in the SEC's review and consideration of the application. Although the Fund has received and responded to the comments of the staff of the SEC, the Fund can provide no assurance regarding the SEC's final decision and its timing.

Your Board of Directors unanimously recommends you vote the WHITE Proxy Card FOR Proposals 1, 2 & 3 and AGAINST Proposal 4.

Final Fight Letter-Version 4-draft #6 2/27/2002 Prepared by Morrow & Co., Inc.

You may have recently received proxy material from Laxey Partners Ltd. seeking your vote at next week's annual meeting to elect two new directors and terminate the agreement between the Fund and its investment adviser. We urge you not to return any Gold proxies to Laxey. We believe that Laxey does not represent the interests of all shareholders, and that its agenda poses substantial risk to your Fund and the initiatives your Board is putting in place

Your Board is Taking Action!

On February 26th, your Board announced its intention to offer to repurchase 20% of the Fund's outstanding shares at no less than 98% of net asset value during the first twelve months of operation of its proposed in-kind repurchase policy. While Laxey talks about exploring a plan at some point in the future, your Board is already moving forward with your Fund's in-kind repurchase policy.

Your Board has a plan; Laxey wants to "explore methods."

Laxey wants shareholders to elect two new directors and terminate the agreement between the Fund and its investment adviser. Only then, after months of critical delay, Laxey says that their new directors and new adviser can start the process

to "...explore methods to offer Stockholders at least 98% of NAV..."

Don't Put Your Fund in Jeopardy.

We believe Laxey's proposed agenda poses substantial risk to your Fund and the initiatives your Board has already put in place. Please consider the following:

- o The implementation of the in-kind repurchase policy could be hindered.

We believe that implementation of the in-kind repurchase policy (Proposal 3) could be hindered by the replacement of the current adviser as it would require a new adviser to become conversant with the procedural and regulatory matters unique to the in-kind structure.

- o Your Fund could be forced to operate without an adviser for a period of time.

At this point, there is no logic to Laxey's proposal to terminate the investment advisory agreement. Under Laxey's proposal, the Fund would be required to terminate the investment advisory agreement with the Fund's adviser within 60 days and find a replacement. Given the unique nature of the

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Fund and the short period of time allowed to find a replacement, it is possible that your Fund may not find a qualified replacement. The result is more delay and no benefit. We believe this could put your Fund at risk and shows that Laxey lacks business judgement if it is willing to put your Fund in such a position.

Final Fight Letter-Version 4-draft #6 2/27/2002 Prepared by Morrow & Co., Inc.

Vote the WHITE Proxy to Support Your Fund

Please Discard any Gold Proxy Sent by Laxey

This is a critical time in your Fund's history. We have taken significant steps to reduce the discount, more completely align the interests of our investment adviser with those of our fellow shareholders, and enhance performance through a new non-diversified structure.

We urge you to support your Board and not allow the Laxey Group to disrupt the new initiatives introduced by your Fund's Board and your investment adviser. We urge you to sign and return the enclosed WHITE proxy card today.

Thank You for Your Support,

Your Board of Directors

Important!

1. Regardless of how many shares you own, your vote is very important. Please

sign, date and mail the enclosed WHITE prox card.
2. Please vote each WHITE proxy card you receive since each account must be

voted separately. Only your latest dated proxy counts.
3. We urge you NOT to sign any Gold proxy card sent to you by Laxey.

If you have any questions on how to vote your shares, please call our proxy solicitor:

MORROW & CO., INC at (800) 607-0088.

WHITE PROXY CARD

THE MEXICO FUND, INC.

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Proxy Solicited on Behalf of the Board of Directors for Annual Meeting of Shareholders

The undersigned shareholder of The Mexico Fund, Inc., a Maryland corporation (the "Fund"), hereby appoints Jose Luis Gomez Pimienta and Sander M. Bieber and each of them proxies of the undersigned, with full power of substitution, to vote and act in the name and stead of the undersigned at the Annual Meeting of Shareholders of the Fund, to be held at 30 Rockefeller Plaza, 23rd Floor, New York, NY, 10112, on March 7, 2002 at 2:00 P.M., New York City time, and at any and all adjournments thereof, according to the number of votes the undersigned would be entitled to cast if personally present.

The shares represented by this proxy will be voted in accordance with instructions given by the shareholder, but if no instructions are given, this proxy will be voted in favor of proposals 1, 2 and 3 against proposal 4 as set forth in this proxy.

The undersigned hereby revokes any and all proxies with respect to such shares heretofore given by the undersigned. The undersigned acknowledges receipt of the Proxy Statement dated January 23, 2002.

(Continued on reverse side)

Please date, sign and mail your
proxy card back as soon as possible!

Annual Meeting of Shareholders
THE MEXICO FUND, INC.

March 7, 2002

Please Detach and Mail in the Envelope Provided

A [X] Please mark your
votes as in this
example

This proxy/voting instruction card will be voted FOR proposals 1, 2 and 3 if no choice is marked.
The Board of Directors recommends a vote FOR proposals 1, 2 and 3.

	FOR	WITHHELD	
1. Election of the nominees listed at right to serve as members of the Fund's Board of Directors, as Class III Directors, for a term expiring in 2005 and until their successors are elected and qualified:	☐	☐	Nominees: Juan Gallardo T. Emilio Carrillo Gamboa

For, except as marked to the contrary below:

2. Approval of addition of performance fee component to the Fund's investment advisory fee.

3. Approval of adoption of share repurchase policy requiring the Fund, on periodic basis, to offer to repurchase in-kind shares at no less than of net asset value.

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This proxy/voting instruction card is to be completed by the shareholder and returned to the company. If you do not wish to vote, please return this card with the proposal 4 if no choice is made.

The Board of Directors recommends that you vote "FOR" the proposal.

4. To consider a shareholder proposal that the shareholders of the Fund recommend the Board of Directors expedite the process to convert the company to an open-end investment company.

5. In the discretion of the Board of Directors, to engage in other business as may be deemed appropriate at any adjournment thereof.

SIGNATURE (s) _____ DATED _____

SIGNATURE (s) _____

TITLE: _____

NOTE: Please sign, date and return promptly. Signature(s) should be exactly as name or names appear on proxy. If shares are held jointly, each holder should sign. If signing as attorney, executor, administrator, trustee or guardian, please give full name.
