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MEXICO FUND INC
Form SC 13D
March 24, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)
(Amendment No.)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

The Mexico Fund, Inc.

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

592835102

(CUSIP Number)

Barry M. Olliff
c/o City of London Investment Management Company Limited
77 Gracechurch Street, London, UK EC3V 0AS
+44 207 711 0771

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

March 24, 2009

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), (f) or (g), check the following box [].

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but

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shall be subject to all other provisions of the Act.

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 1 NAME OF REPORTING PERSONS
 S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

City of London Investment Group PLC, (CLIG) a company incorporated
 under the laws of England and Wales.

 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (A)
 (B)

 3 SEC USE ONLY

 4 SOURCE OF FUNDS*
 OO

 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
 TO ITEM 2(d) OR 2(e)

 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 England and Wales

 NUMBER OF 7 SOLE VOTING POWER
 SHARES 3,076,863

 BENEFICIALLY 8 SHARED VOTING POWER
 OWNED BY 0

 EACH 9 SOLE DISPOSITIVE POWER
 REPORTING 3,076,863

 PERSON 10 SHARED DISPOSITIVE POWER
 WITH 0

 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 3,076,863

 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
 SHARES

 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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17.00%

 14 TYPE OF REPORTING PERSON*
 HC
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1 NAME OF REPORTING PERSONS
 S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

City of London Investment Management Company Limited (CLIM), a
 company incorporated under the laws of England and Wales.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (A)
 (B)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
 WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
 TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 England and Wales

NUMBER OF	7	SOLE VOTING POWER
SHARES		3,076,863

BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		0

EACH	9	SOLE DISPOSITIVE POWER
REPORTING		3,076,863

PERSON	10	SHARED DISPOSITIVE POWER
WITH		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 3,076,863

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
 SHARES

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

17.00%

14 TYPE OF REPORTING PERSON*

IA
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ITEM 1. SECURITY AND ISSUER.

This statement relates to the shares of common stock, par value \$.01 per share (the "Shares"), of The Mexico Fund, Inc.. (the "Fund"). The principal executive offices of the Fund are located at c/o Decher LLP, attn. Sander M Bieber Esquire, Asst. Sec., 1775 I Street, Suite 1100, NW, Washington, DC 20006-2401 (202-261-7941).

ITEM 2. IDENTITY AND BACKGROUND.

(a). This statement is being filed by City of London Investment Group PLC ("CLIG") and City of London Investment Management Company Limited ("CLIM," and together with CLIG, the "Reporting Persons").

(b). The business address and principal executive offices of CLIG are 77 Gracechurch Street London, EC3V 0AS England. The directors and executive officers of CLIG, their business addresses and present principal occupation or employment are set forth on Annex A attached to this Schedule 13D. The business address and principal executive offices of CLIM are 77 Gracechurch Street London, EC3V 0AS England. The directors and executive officers of CLIM, their business addresses and present principal occupation or employment are set forth on Annex A attached

(c). The principal business of CLIG is serving as the parent holding company for the City of London group of companies, including CLIM. CLIM is an emerging markets fund manager which specializes in investing in closed-end investment companies and is a registered investment adviser under Section 203 of the Investment Advisers Act of 1940. CLIM is controlled by CLIG. CLIM is principally engaged in the business of providing investment advisory services to various public and private investment funds, including The Emerging World Fund ("EWF"), a Dublin, Ireland-listed open-ended investment company, Emerging Markets Country Fund ("GEM"), a private investment fund organized as a Delaware business trust, Investable Emerging Markets Country Fund ("IEM"), a private investment fund organized as a Delaware business trust, Emerging Free Markets Country Fund ("FREE"), a private investment fund organized as a Delaware business trust, The EM Plus CEF Fund ("PLUS"), a private investment fund organized as a Delaware business trust, GFM (Institutional) Emerging Markets Country Fund ("GFM"), an open-ended fund organized under the laws of the Province of Ontario, Global Emerging Markets Country Fund Cayman ("CEM"), an open-ended fund organized under the laws of Cayman Monetary Authority and fifteen unaffiliated third-party segregated accounts over which CLIM exercises discretionary voting and investment authority (the "Segregated Accounts"). EWF, GEM, IEM, FREE, PLUS, GFM and, CEM, are collectively referred to herein as the "City of London Funds."

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(d). None of the Reporting Persons has, during the last five years, been convicted in any criminal proceeding.

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(e). None of the Reporting Persons has, during the last five years, been a party to any civil proceeding commenced before a judicial or administrative body of competent jurisdiction as a result of which it or he was or is now subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f). City of London Investment Group PLC, (CLIG) and City of London Investment Management Company Limited (CLIM) are companies incorporated under the laws of England and Wales.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATIONS.

Beneficial ownership of the Shares to which this statement relates was acquired by the Reporting Persons with invested capital of the City of London Funds and the Segregated Accounts. The aggregate purchase price of the 3,076,863 Shares beneficially owned by the Reporting Persons was \$72,288,469, inclusive of brokerage commissions. The aggregate purchase price of the 222,321 Shares owned directly by EWF was \$4,568,995, inclusive of brokerage commissions. The aggregate purchase price of the 542,378 Shares owned directly by GEM was \$14,266,357, inclusive of brokerage commissions. The aggregate purchase price of the 542,919 Shares owned directly by IEM was \$14,794,646, inclusive of brokerage commissions. The aggregate purchase price of the 35,775 Shares owned directly by GFM was \$775,310, inclusive of brokerage commissions. The aggregate purchase price of the 537,769 Shares owned directly by FREE was \$14,172,914, inclusive of brokerage commissions. The aggregate purchase price of the 30,607 Shares owned directly by PLUS was \$341,939, inclusive of brokerage commissions. The aggregate purchase price of the 1,165,094 Shares owned directly by the Segregated Accounts was \$23,368,308, inclusive of brokerage commissions.

ITEM 4. PURPOSE OF TRANSACTION.

The Reporting Persons believe the Board of Directors of the Fund are not acting in shareholders' best interests by proposing to eliminate the Fund's in-kind repurchase offer and that the Board has failed to take meaningful actions to permanently reduce or eliminate the substantial and persistent discount to net asset value ("NAV") at which the Fund's shares have been trading. The Reporting Persons have no present plans regarding any proposals but have undertaken this filing to be open and to convey our views to a wider audience and fellow shareholders.

On March 23, 2009, CLIM sent a letter to the Chairperson of the Board of Directors of the Mexico Fund, Inc., (the "Fund"). In this letter CLIM communicated its continuing concerns regarding the discount at which the Fund's shares trade to NAV following the rights issue in 2007 and the more recent actions of the Board regarding the Managed Distribution Plan. The foregoing description of the letter is not intended to be complete and it is qualified in its entirety by the complete text of the letter, which is filed as Exhibit A hereto as

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incorporated herein by reference.

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ITEM 5. INTERESTS IN SECURITIES OF THE ISSUER.

(a) and (b). As of the date hereof, CLIG, through its control of CLIM, and CLIM, in its capacity as investment adviser to the City of London Funds and the Segregated Accounts, have voting and dispositive power with respect to all 3,076,863 Shares owned directly by the City of London Funds and the Segregated Accounts, representing approximately 17.00% of the 6.174 million Shares outstanding as of December 30, 2008, as reported by the Fund. As of the date hereof, EWF, GEM, IEM, GFM, FREE, PLUS, and the Segregated Accounts owned directly 222,321, 542,378, 542,919, 35,775, 537,769, 30,607, and 1,165,094 Shares, respectively, representing approximately 1.23%, 3.00%, 3.00%, 0.20%, 2.97%, 0.17% and 6.44%, respectively, of the 18.100 million Shares outstanding as of February 28, 2009, as reported by the Fund.

(c). Information with respect to all transactions in the Shares beneficially owned by the Reporting Persons that were effected during the past 60 days is set forth below:

TRADE DATE	NUMBER OF SHARES	TRANSACTION TYPE	CLIG FUND	TRADE PRICE
1/23/2009	6,367.00	BUY	FREE	13.1371
1/29/2009	8,300.00	BUY	ACCOUNT	13.1333
1/30/2009	7,800.00	BUY	ACCOUNT	12.9804
2/2/2009	195.00	SELL	CEM	12.8600
2/3/2009	86,400.00	BUY	ACCOUNT	13.2726
2/3/2009	51,410.00	BUY	FREE	13.2726
2/4/2009	25,000.00	BUY	ACCOUNT	13.7500
2/10/2009	11,177.00	BUY	ACCOUNT	13.7324
2/10/2009	4,300.00	BUY	GFM I	13.7324
2/11/2009	8,300.00	BUY	ACCOUNT	13.7000
2/18/2009	2,600.00	BUY	ACCOUNT	12.3000
2/26/2009	1,800.00	BUY	ACCOUNT	11.2000
2/27/2009	5,300.00	BUY	ACCOUNT	11.0291
3/2/2009	36,226.00	BUY	ACCOUNT	10.3720
3/2/2009	19,507.00	BUY	PLUS	10.3720
3/3/2009	11,200.00	BUY	ACCOUNT	10.3819

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ANNEX A

DIRECTORS AND EXECUTIVE OFFICERS

The names of the directors and executive officers of CLIG and their business addresses and present principal occupation or employment are set forth below. If no business address is given, the business address of such director or executive officer is c/o City of London Investment Group PLC, 77 Gracechurch Street, London EC3V 0AS, England.

Andrew Davison	Chairman
Barry Olliff	Chief Executive Officer
Douglas Allison	Finance Director
Omar Ashur	Non-Executive Director
Allen Bufferd	Non-Executive Director
David Cardale	Non-Executive Director
Thomas Griffith	Chief Operating Officer
George Robb	Non-Executive Director
Carlos Yuste	Business Development Director

The names of the directors and executive officers of CLIM and their business addresses and present principal occupation or employment are set forth below. If no business address is given, the business address of such director or executive officer is c/o City of London Investment Management Company Limited, 77 Gracechurch Street, London EC3V 0AS, England.

Barry Olliff	Chief Investment Officer
Douglas Allison	Finance Director
Jeremy Banister	Director
Martin Garzaron	Director
Clayton Gillece	Director
Thomas Griffith	Director
Michael Russell	Director
Valerie Tannahill	Director
Christopher Weaver	Director
Carlos Yuste	Director

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EXHIBIT A

Mr. Emilio Carrillo Gamboa

March 23, 2009

THE MEXICO FUND, INC. - REGISTERED OFFICE
1775 I Street, N.W.
Suite 1100
Washington, D.C., 20006-2401
USA

PRIMARY RESIDENCE
Blvd. Manuel Avila Camacho No. 1, Ste. 609
Polanco 011009, Mexico, D.F.
Mexico

Dear Mr. Gamboa,

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too large.

With the discount to net asset value persistently close to its widest range in over seven years, the Board's decision to withdraw the in-kind repurchase offer is detrimental to shareholders. The recent press release states the Board believes that eliminating the in-kind repurchase program will allow the Board greater latitude to evaluate and pursue actions that will more effectively reduce the discount like the Managed Distribution Plan. The Board has failed to explain how a 0.75% quarterly distribution will narrow the discount from 18%.

City of London continues to hold the belief that the Board needs to immediately address the problem of excess supply in order to significantly and permanently reduce the discount at which the Fund's shares trade to net asset value back much closer to parity. If the Board's objective in proposing to eliminate the in-kind repurchase is to more effectively reduce the Fund's trading discount, then City of London suggests the Board inform shareholders openly and publicly of their intentions. While we have no present plans or proposals on the issue, we may look to act in the future if the Board does not demonstrate the necessary commitment to managing this Fund.

Yours sincerely,

Michael Sugrue
Portfolio Manager, City of London Investment Management Company Limited