

NAFINSA OPERADORA DE FONDOS

Overall score 20/100

ISIN CODE: VIGEIRIS0351

Sector: ALAS20 investors

Companies in sector panel: 34

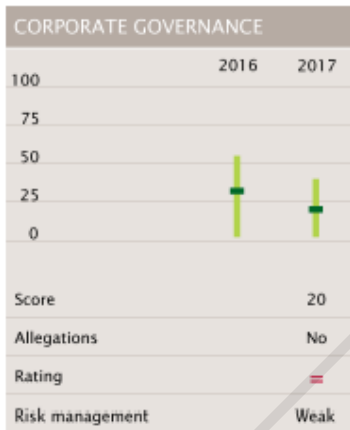
Information rate: 45% (Sector average: 34%)
Company cooperation level: Responsive *

General information

Operadora de Fondos Nafinsa, S.A. de C.V., (OFINSA) is a manager and operator of investment companies, which provides access to the stock market to small and medium investors. The company manages 11 mutual funds, 9 fix income funds and 2 equity mutual funds. OFINSA is a subsidiary of Nacional Financiera and is based in Mexico City, Mexico.

Main Economic Segment**

Turnover



■ Sector performance
■ Company performance
 Rating: min -- / max ++

Key issues

Corporate governance is critical to ensuring that a well-functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors (CGV1.1) is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system (CGV2.1), the protection of Shareholders Rights (CGV3.1) and the establishment of Executive Remunerations (CGV4.1) which align executives' and company's interests.

Company performance

- Ofinsa's performance in the Corporate Governance domain is weak.
 - Despite having a board of directors made of non-executive members and partly independent, the company reports little information on other issues at stake in this domain. There are no committees in place at board level, and risks covered by the audit and internal control system are not disclosed. Furthermore, the Company is totally silent on executive remuneration and does not provide information on whether ESG issues are integrated in its corporate governance structure.

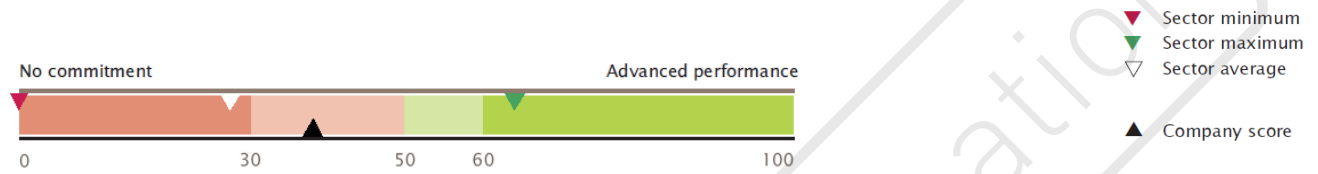
* On a 4-level scale: proactive, responsive, partially responsive, not responsive
 ** See detailed economic indicators in Selected financial data section
 *** Based on the most recent Index at the date of publication

Corporate Governance

Score : 20

CGV1.1 Board of Directors

(score: 38, weight: 3)



[UNLISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

Independence of board Chairman

Information disclosed on the separation of the roles of CEO and Chairman, and on the Chairman's independence, is insufficient or not relevant.
There is clear information about who the chairman of the board is but not on who is the CEO.

Responsibility allocated over CSR issues

No responsibilities are allocated over CSR issues.

[UNLISTED COMPANIES] Corporate governance strategy

Information disclosed on the corporate governance strategy is insufficient or not relevant.

- Interaction between shareholders and board (conflict of interests)
- Organization of the Board and its functioning
- Definition of the company's risk profile (risks mapping and management)
- Executive remuneration policy
- Integration of the stakeholders perspectives/interests into governance framework

Share of independent shareholder-elected Board members

*The majority of Board members are non-executive directors. In addition, at least two directors are independent.
Two members of the nine-member Board are considered independent.*

Diversity of the skills and backgrounds of the Board

*The Board of Directors diversity appears to be partial:
- Board members with demonstrated professional experience in the company's sector of activities*

Training and expertise provided to board members

Training is provided occasionally.

Regular election of Board members

Board members are elected at least every 3 years.
Board members are eligible for re-election following one-year terms.

Evaluation of board functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.

Review of CSR issues at Board meeting

CSR issues do not appear to be reviewed regularly at the board level.

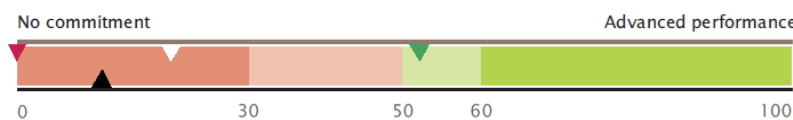
Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are disclosed, but these are below 90%.
8 Board meetings were held during the last fiscal year (2015) and the attendance rate was 80% on average.

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owens or represents >3% company's shares	Other
Pedro Guerra Menendez	Chairman	X					CIO Nacional Financiera /Owner of Nafinsa Operadora de Fondos)
Manuel Guerra Figueroa						X	Works at Nacional Financiera (Owner of Nafinsa Operadora de Fondos)
Jose Sahab Jaik						X	
Joaquin Escamilla Orozco			X				
Hernando Sabau Garcia						X	
Pedro Arguelles Rodriguez			X			X	Current Executive
Gabriel Diaz Leyva							
Jorge Lazalde Psihas							
Alejandro David						X	Business & Legal Corporative Manager of Nacional Financiera. (Owner of Nafinsa Operadora de Fondos)

CGV2.1 Audit & Internal Controls

(score: 11, weight: 3)



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Operational and CSR risks covered by the company's internal controls system

The system covers the standard issues related to financial, operational, and legal risks.
- Corruption and money laundering (Business ethics)
There is an internal control system, however risks covered are not detailed, apart from money laundering.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

[UNLISTED COMPANIES] Existence and independence of Audit Committee

No specific committee is in charge of audit issues, which might raise concerns.

Skills and backgrounds of Audit Committee members

There is no Audit Committee in place.

Governance of risks

Information disclosed on this subject is insufficient or not relevant.

- No executive is part of the Board Risk Committee
- The Board Risk Committee is composed by a majority of independent members
- The Chairman of the Audit Committee is a member of the Risk Committee
- The Chief Risk Officer (CRO) is at par level of Chief Financial Officer (CFO)
- The CRO has direct access to the Board Risk Committee (including attending committee meetings)

Role of the Audit Committee in overseeing internal and external controls

There is no Audit Committee in place.

Management of the CSR risks

Information obtained from company and public sources regarding the management of the CSR risks is insufficient.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

Independence of the firm's external auditors

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

Supervision of risk-taking staff

Information disclosed on this subject is insufficient or not relevant.

Inclusion of CSR issues in company reporting

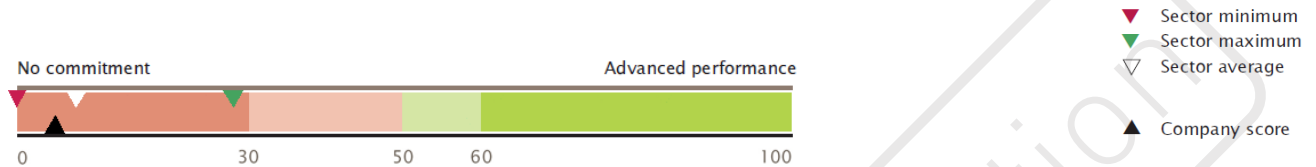
The company does not publish any significant CSR reporting.

CGV3.1 Shareholders

(deactivated)

CGV4.1 Executive Remuneration

(score: 5, weight: 2)



[UNLISTED COMPANIES] Existence and independence of Remuneration Committee

Information disclosed on this subject is insufficient or not relevant.

Disclosure of senior executives' individual remuneration

Disclosure of executive remuneration data for senior executives is insufficient.

[UNLISTED COMPANIES] Link between variable remuneration and the economic and CSR performance of the company

There is no disclosure on what rules guide the company in allocating variable remuneration to senior executives.

Severance pay for senior executives

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

Risk alignment of remuneration of top senior executives

Information on risk adjustments of remuneration is insufficient or not relevant.

Evolution of CEO-to-employee compensation ratio

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.
Neither the CEO remuneration nor the personnel expenses are disclosed.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Contacts

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