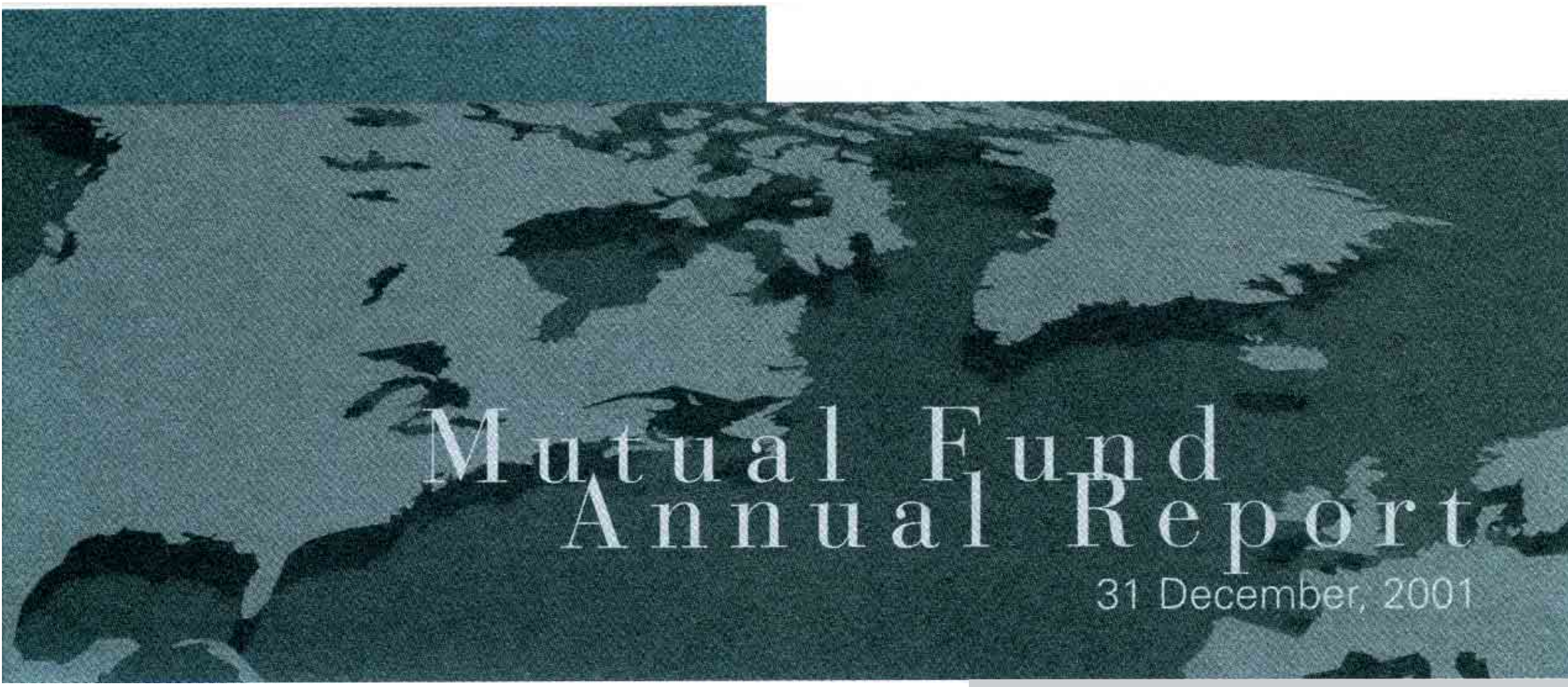
Deutsche Asset Management



CABEI Central American Fund, plc

CABEI Central American Portfolio

A Member of the
Deutsche Bank Group

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CABEI Central American Fund plc

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This report should be read in conjunction with the full text and definitions section of the Offering Circular of the Company.

The CABEI Central American Fund plc ('the Company') is not a recognised collective investment scheme for the purposes of Section 76 of the Financial Services Act 1986 ('the Act') of the United Kingdom and this document has not been approved for the purposes of Section 57 of the Act by a person authorised under the Act (an 'authorised person'). Accordingly, this document may only be issued or passed onto any person in the United Kingdom if that person is of a kind described in Article 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995 ('the Order') or otherwise pursuant to an exemption to Section 57 of the Act. In addition, no person who is an authorised person may issue or pass on this document or otherwise promote the Company, to any person in the United Kingdom unless such person is both:

(i) of a kind described in Article 11 (3) of the Order or within any such exemption; and

(ii) a person to whom such authorised person is permitted to promote the Company

under Section 76 (2) of the Act and by the rules of a self-regulating organisation or the Securities and Investments Board applicable to such authorised person.

No action has been taken to permit an offering of participating shares in the Company ('Shares') or the distribution of this document in any jurisdiction where action would be required for such purposes. Accordingly, this document does not constitute an offer or solicitation in any jurisdiction or in any circumstances in which such offer of solicitation is not authorised. In particular,

(a) the Shares have not been registered under the United States Securities Act of 1933 (as amended) and are not being offered in the United States of America, nor may they be directly or indirectly offered or sold in the United States of America or in its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals, citizens or residents thereof or persons who are normally resident therein (including the estate of any such person and corporations or partnerships created or organised therein) ('United States Persons'), except pursuant to an exemption; and

(b) the Shares may not be offered or sold directly or indirectly in Japan or to residents of Japan except pursuant to applicable Japanese laws.

Copies of the current Offering Circular may, subject to applicable securities laws, be obtained from the placement agents listed at the end of this report.

Description of the Fund

- The Company is a designated limited liability, open ended investment company with variable capital. It is a so-called umbrella company entitled to issue several classes of shares, the proceeds of which are to be invested in several portfolios. CABEI CENTRAL AMERICAN PORTFOLIO Shares are shares in the first portfolio of the Company, called the CABEI CENTRAL AMERICAN PORTFOLIO (the 'Fund'). The Company is domiciled in the Republic of Ireland, and investment will generally be limited to debt and related instruments (including but not limited to bonds, loans, loan participations, notes and debentures) and equity and related instruments (including but not limited to warrants and convertible securities), issued by sovereign issuers, their agents and instrumentalities, state-owned issuers slated for privatization, corporate issuers, supranational issuers, quasi-governmental issuers, and any other issuer deemed fit for investment by the Directors, or a committee thereof, including derivative instruments (including but not limited to options, swaps, futures and forwards). Countries for investment will include Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Mexico, Colombia, Argentina and the Republic of China, and any other countries which become members of the Central American Bank for Economic Integration ('CABEI') and which are deemed fit for investment by the Directors or a committee thereof. There will be no limit to the amount or proportion invested in the issuers of any one country. It is the goal of the Fund to invest the majority of its assets in Central American countries that are members of CABEI (Guatemala, Honduras, Nicaragua, El Salvador and Costa Rica), as market conditions warrant and within the risk/return profile of the Fund. There will be no restriction with respect to the currency of denomination of any of the securities mentioned above.
- Fund objective: to generate a high real rate of return.
- The Company is administered by Investors Fund Services (Ireland) Limited. Investment management powers were delegated to Deutsche Fund Management, Inc., Baltimore ('DFM') who in turn had delegated the discretionary investment management functions to Deutsche Asset Management, Inc., New York ('DeAM, Inc.'). DFM and DeAM, Inc. are indirect wholly owned subsidiaries of Deutsche Bank AG. On 1 January, 2002 the Investment Manager was changed from DFM to Investment Company Capital Corp., Baltimore ('ICCC'), who in turn has delegated the investment advisor functions to DWS Finanz-Service GmbH, Frankfurt ('DWS Finanz'). ICCC and DWS Finanz are indirect wholly owned subsidiaries of Deutsche Bank AG.
- The Fund is denominated in US dollars.
- The Fund's Dealing Day is the first Business Day of each month.
- The Company is domiciled in Dublin. It is authorised in Ireland as an investment company and is a designated investment company pursuant to Section 256 of the Companies Act 1990 of Ireland and is supervised by the Central Bank of Ireland.
- The Fund's Net Asset Value per Share is published five times per week in the Financial Times.

Enquiries to: Investors Fund Services (Ireland) Limited
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2, Ireland

Tel: 353 1 475 2211
Fax: 353 1 475 2240

The above details are in summary form only and must be read in conjunction with the detailed information contained in the Offering Circular of the Fund.

Directors' Report (for the Year Ended 31 December, 2001)

The Directors present herewith their Report together with the Audited Financial Statements for the year ended 31 December, 2001.

Activities, Business Review and Future Developments

The results of Operations for the year are set out in the Statement of Total Return on page 15. A report on the activities of the Company during the year is on pages 9 to 11. Future developments are detailed in the Investment Advisor's Report.

Investments

The total assets less current liabilities amounted to US$56,114,671 at 31 December, 2001 compared with US$52,331,557 at 31 December, 2000. The Net Asset Value increased by 7.23% for the year ended 31 December, 2001.

Dividends

The Directors do not recommend the payment of a dividend.

Directors

The Directors of the Company are as stated on page 24 in accordance with the Articles of Association.

Directors' Interests in Shares and Contracts

Walter Dostmann and Rodrigo Briones hold one subscriber share each.

None of the Directors other than those listed above who held office at 31 December, 2001 had any interests in the Shares of the Company at that date or at any time during the financial year.

None of the Directors has a service contract with the Company.

Important Post Balance Sheet events

On 1 January, 2002 the Investment Manager was changed from DFM to Investment Company Capital Corp. ('ICCC'), who in turn has delegated the investment advisor functions to DWS Finanz-Service GmbH ('DWS Finanz').

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution re-appointing them in accordance with section 160(2) of the Companies Act, 1963 will be proposed at the Annual General Meeting.

On Behalf of the Board of Directors

Ian Morrison — 26 April, 2002
Director

William Foley — 26 April, 2002
Director

Statement of Directors' Responsibilities

Irish Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper books of account which disclose, with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2001. The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2, Ireland. The Directors are also responsible for safeguarding the assets of the Company and in fulfillment of this responsibility, they have entrusted the assets of the Company to the Custodian for safekeeping in accordance with the Memorandum and Articles of Association of the Company. The Directors are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the members of CABEI Central American Fund plc

We have audited the financial statements on page 12 and on pages 15 to 21 which have been prepared under the historical cost convention (as modified to include investments at valuation) and the accounting policies set out on pages 17 and 18.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Irish law and accounting standards generally accepted in Ireland are set out on page 6 in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practice Board applicable in Ireland.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Irish statute comprising Companies Acts, 1963 to 2001. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account; and
- whether the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December, 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2001.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on page 5 is consistent with the financial statements.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
Date: 26 April, 2002

Custodian's Report to the members of CABEI Central American Fund plc

We have enquired into the conduct of CABEI Central American Fund plc for the year ended 31 December, 2001 in our capacity as Custodian of the Company.

In our opinion, CABEI Central American Fund plc has been managed in all material respects:

a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and the Central Bank of Ireland pursuant to Part XIII of the Companies Act, 1990; and

b) otherwise in accordance with the provisions of the Memorandum and Articles of Association and Part XIII of the Companies Act, 1990.

Investors Trust & Custodial Services (Ireland) Ltd
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2
Ireland
Date: 26 April, 2002

Investment Advisor's Report (for the Year Ended 31 December, 2001)

The net asset value of the CABEI Central American Fund was up 7.23% for the year ended 31 December, 2001 and up 5.47% on an annualized basis since its inception on October 27, 1999. As of 31 December, 2001, the Fund had net assets of US$56.15 million at a net asset value of US$1,122.29 per share.

Investment Environment

Over the course of the year, the US economy experienced a rapid slowdown, dragging economic growth in Central American nations down with it. In an aggressive effort to revive the economy, the US Federal Reserve Board cut short-term interest rates eleven times by a total of 4.75% over the year. Nonetheless, both the US equity and high-yield bond markets continued to slide, appearing to have reached a bottom in the aftermath of the September 11th terrorist attacks. Nominal yields of 10-year US Treasury bonds ended the year roughly unchanged at close to 5%. However, this masks the fact that US interest rates experienced significant volatility during the last half of the year, especially after the terrorist attacks in September and following the announcement by the US Treasury that it was ending issuance of its 30-year bonds.

During the fourth quarter, US financial markets reflected greater optimism, as investors' concerns of a sharp economic decline did not appear to come to fruition and the Federal Reserve Board continued to reduce short-term interest rates. Also enhancing investor confidence—by increasing consumers' discretionary income and lowering inflationary pressure—was the fact that the price of oil fell to US$20 per barrel in November, down more than 45% from the high it had reached one year earlier. Later in the year, equity markets began to recover, and Treasury yields started to rise again.

Besides the impact of the US economy, Argentina's political and economic crises remained the centre of attention in Latin American debt markets. During the first half of the year, the completion of two debt swaps to alleviate liquidity problems, the appointment of Domingo Cavallo as Minister of the Economy and financial support from the International Monetary Fund ('IMF') were all unsuccessful in strengthening investor confidence in the country. As the situation deteriorated, Minister Cavallo and President De La Rua were forced out of office, capital controls were imposed and the one-to-one currency peg with the US dollar was abolished. Argentine bonds declined more than two-thirds in value from the beginning of the year to the time the new government finally announced, shortly before Christmas, that the country was going to default on its external debt. Unlike earlier crises, however, it appears that this time the damage was largely limited to Argentina itself. There was some pressure on other countries in the region during the first months of the year, mostly on neighboring Brazil. But in November, a remarkable recovery started in the foreign exchange and fixed income market. At the end of the year, the Brazilian real had regained most of its losses against the US dollar, and Brazilian sovereign bonds showed positive year-on-year returns. The yield spreads on bonds of all other governments in the region versus US Treasuries tightened, resulting in substantial price increases, mostly in double digits.

The Mexican currency and fixed income markets remained relatively stable and were supported throughout the year by strong inflows of foreign direct investment into the country and by a decline in the rate of inflation. This allowed local money market rates to reach single-digit yields. In spite of the rapid slowdown of economic growth, which occurred in tandem with that of the US, the fiscal deficit remained under control during 2001. The Fox administration tried to pass a comprehensive tax reform package to reduce the dependence of the Mexican government on oil revenues, but it failed due to lack of support in the Mexican Congress.

An important indicator of the positive investor sentiment towards Latin America in general and Central America in particular was the fact that most countries in the region were able to fulfill their funding needs in the external market during 2001, in spite of the turmoil in Argentina. Most notably Chile, Mexico, El Salvador, Guatemala and the Dominican Republic successfully accessed the market at very favorable terms, and in fact many issues were oversubscribed. Two reasons for the demand, in addition to investor confidence in Central American issuers, were the low interest rate environment and the general lack of attractive investment alternatives in the US and Europe. This led international investors to look for returns elsewhere. There was also a recognition that the Central American region's economic

Investment Advisor's Report (for the Year Ended 31 December, 2001)

fundamentals have been strong over the past five to ten years, a sentiment reflected in the steady growth of the Fund's net asset value over the course of the year. In short, the level of international appetite for Central American issuers rose significantly in 2001.

Despite the drop in economic growth in Central America resulting from the US downturn and its negative impact on the terms of trade relevant to the region, the Central American countries, most notably Guatemala and Honduras, were able to maintain the stability of their currencies versus the US dollar. In fact, remittances from Central Americans working in the US increased substantially, allowing the maintenance of healthy levels of international reserves despite rising trade deficits.

In El Salvador, a major earthquake hit in January of 2001 and caused damage estimated at 20% of that country's GDP. Even so, the dollarization of the economy, which entails adoption of the US dollar as legal tender, a significant achievement for the region, went forward without any major problems.

There were also two major effects on Central America resulting from the September 11th tragic terrorist attacks on the US—the maquila sector of the region (ie those facilities in nations exempted by the US from import duties) was adversely affected by the slowdown of the US economy, and the tourism sector of the region was hit by the heightened hesitation of Americans to travel abroad. Costa Rica, where an estimated 20% of GDP was based on Intel's activities in the country, was especially vulnerable to the US downturn.

Political instability in Guatemala remained relatively constant over the course of the year, but did not spill over into the economic arena, where fundamentals remained positive over the period. Elections in Honduras and Nicaragua during 2001 resulted in confirmations of the mandates to proceed with implementation of market-oriented economic reforms. Both governments were also working with the IMF on ways to improve their economies. However, it was evident that the two countries were still coping with the devastation of 1998's Hurricane Mitch. Despite the outpouring of international relief and aid monies, reconstruction efforts proceeded at a slow pace.

The apparent immunity of the Central American capital markets to Argentina's travails was due above all, in our view, to investors judging the risks in the Central American countries in an informed manner. Also, the Argentine default was widely anticipated and so did not come as a surprise to the markets.

Investment Strategy

Early in 2001, the Fund's Investment Committee set out to build substantial exposure to Central America in the portfolio. By the middle of the year, the Fund had more than 50% of its assets invested in the region. The Fund also made a gradual transition from corporate bonds into sovereign issues over the course of the year. By the end of the year, just over half of the portfolio's assets were invested in securities of sovereign issuers.

The Fund was still invested in selected corporate bonds, which were inexpensive relative to sovereign debt during the annual period. The Fund's position in Mexican corporate bonds performed well, primarily because Mexico's foreign currency debt was awarded a credit upgrade by Standard & Poor's during the year. In addition to Mexico, the Fund was invested in corporate bonds of Argentina, Colombia and El Salvador. We closely watched the deteriorating situation in Argentina and, as a result, liquidated the Fund's remaining Argentine securities in December. Within the corporate debt sector, the portfolio was most heavily weighted in the wireless communications and utilities industries. Other industries represented in the Fund's portfolio included broadcasting, building materials, paper, beverages & bottling and energy.

As of 31 December, 2001, approximately 82.5% of the portfolio's assets were invested, with the remaining 17.5% in cash and short-term fixed income securities. The Fund was invested more than 54% in securities from Central American issuers, mostly in sovereign debt securities from El Salvador, Costa Rica and Guatemala, and approximately 46% in other Latin American securities consistent with the Fund's investment objectives.

Investment Advisor's Report (for the Year Ended 31 December, 2001)

Investment Outlook

It appears that US economic growth is likely to pick up in the first half of 2002. Looking forward, we anticipate that fiscal spending in the defense sector, coupled with the strong monetary stimulus already in the pipeline, should set the stage for recovery. We believe that real Gross Domestic Product growth in the US for 2002 will be at about 2%. As the economy shows signs of growth, the current easing cycle of the Federal Reserve Board will likely come to an end. Over the next months, we expect to see the US Treasury yield curve flatten, as short-term rates rise. If the US economy shows ongoing signs of strength as anticipated, this should have a positive impact on all of the countries in the Fund's portfolio.

We expect a moderate turnaround leading to economic growth in Central America, based primarily on the improvement in the US economy, which seems poised to recover faster than expected. We believe that remittances from Central Americans living in the US will remain at or close to current high levels. This should continue to bolster the international reserves of countries in the region, especially Honduras and El Salvador.

Increases in oil prices might be a risk for the Central American region, as the countries there are almost entirely dependent on imports for their energy needs. Any change in the price of oil has an immediate impact on the terms of trade for exports from the region. We expect the political situation to remain stable in the region, although we intend to monitor the political temperature of Guatemala for any changes. For Costa Rica and El Salvador, we believe 2002 represents an opportunity for continued funding of fiscal deficits through long-term bonds at relatively attractive terms, potentially providing a greater pool of investment opportunities for the Fund.

Given this outlook, we intend to continue to pursue an investment policy focused on relative value and consistent with the Fund's objective of generating attractive total returns for our shareholders.

Deutsche Asset Management, Inc. and
DWS Finanz-Service GmbH,
Investment Advisor
Date: 18 April, 2002

Schedule of Portfolio Investments as at 31 December, 2001

Nominal	Description	Coupon %	Maturity	Value US$	Fund%
	Bonds—81.13%				
	Colombia—3.75%				
2,150,000	Occidente Y Caribe Celular[1]	14.000	15-Mar-04	$ 2,107,000	3.75
	Costa Rica—19.97%				
11,000,000	Republic of Costa Rica	8.000	01-May-03	11,207,911	19.97
	El Salvador—25.10%				
5,000,000	AES Clesa, Series A	11.580	28-Jun-10	5,329,380	9.50
1,235,190	Coffee Emergency Fund El Salvador[2]	0.000	15-Jun-03	1,121,800	2.00
2,500,000	Republic of El Salvador	8.500	25-Jul-11	2,706,250	4.82
4,500,000	Republic of El Salvador	9.500	15-Aug-06	4,927,500	8.78
				14,084,930	25.10
	Guatemala—9.34%				
5,046,000	Republic of Guatemala	8.500	03-Aug-07	5,242,037	9.34
	Mexico—22.97%				
325,000	Azteca Holdings SA	12.500	15-Jun-05	322,563	0.57
1,000,000	Bepensa SA	9.750	30-Sep-04	1,049,917	1.87
1,500,000	Cemex SA De CV	8.625	18-Jul-03	1,582,500	2.82
1,575,000	Corp Durango	13.125	01-Aug-06	1,480,500	2.64
2,750,000	Grupo Iusacell SA	10.000	15-Jul-04	2,832,500	5.05
1,000,000	Grupo Televisa SA	8.625	08-Aug-05	1,067,500	1.90
2,335,000	United Mexican States—MTN	8.500	01-Feb-06	2,504,288	4.47
2,000,000	Petroleos Mexicanos Pemex	6.500	01-Feb-05	2,039,999	3.65
				12,879,767	22.97
	Collective Investments Schemes—3.46%				
	United States—3.46%				
1,942,906	Deutsche Managed Dollar Fund			1,942,906	3.46
Portfolio of Investments				47,464,551	84.59
	Cash and bank balances			7,402,218	13.19
	Debtors			1,497,911	2.67
	Creditors			(250,009)	(0.45)
Net Asset Value as at 31 December, 2001				56,114,671	100.00

	31 December, 2001	31 December, 2000	31 December, 1999
Net Asset Value	US$56,114,671	US$52,331,557	US$50,272,365
Number of Shares in Issue	50,000.00	50,000.00	50,000.00
Net Asset Value per Share	US$1,122.29	US$1,046.63	US$1,005.45

Notes to the Portfolio of Investments
[1] Step-up Coupon Bond.
[2] Zero Coupon Bond.
MTN—Medium Term Note

See Notes to Financial Statements.

Significant Changes in Portfolio Composition

For the Year Ended 31 December, 2001 Purchases	Cost US$
Deutsche Managed Dollar Fund	$12,652,906
Republic of Costa Rica, 8.000% due 01-May-03	7,641,340
Republic of El Salvador, 9.500% due 15-Aug-06	4,836,250
Republic of Guatemala, 8.500% due 03-Aug-07	4,813,060
Corp Durango, 13.125% due 01-Aug-06	3,511,875
Republic of El Salvador, 8.500% due 25-Jul-11	2,484,275
Petroleos Mexicanos Pemex, 6.500% due 01-Feb-05	2,003,525
United Mexican States—MTN, 8.500% due 01-Feb-06	1,072,000
Cemex SA De CV, 8.625% due 18-Jul-03	1,035,000
Coffe Emergency Fund El Salvador, 0.000% due 15-Jun-03	1,034,472
Grupo Iusacell SA, 10.000% due 15-Jul-04	1,027,500
Grupo Industrial Durango, 12.625% due 01-Aug-03	1,027,500
Grupo Televisa SA 8.625% due 08-Aug-05	996,260
Copamex—Commercial Paper, 01-Aug-01	979,758
Cablevision SA, 13.750% due 30-Apr-07	700,000
Celcaribe SA, 14.500%, due 15-Mar-04	524,275
Azteca Holdings SA, 12.500% due 15-Jun-05	322,745
Comunicacion Cellular SA, 0.000% due 01-Mar-05	175,537
Nuevo Group Iusacell SA, 14.250% due 01-Dec-06	30,112

See Notes to Financial Statements.

Significant Changes in Portfolio Composition

For the Year Ended 31 December, 2001 Sales	Cost US$
DB U.S. Money Market Fund	$12,390,000
Deutsche Managed Dollar Fund	10,710,000
Grupo Industrial Durango, 12.625% due 01-Aug-03	3,651,383
Cemex Euro—Commercial Paper 25-Apr-01	2,500,000
United Mexican States, 9.750% due 06-Feb-01	2,400,000
Corp Durango, 13.125% due 01-Aug-06	1,931,250
Cablevision SA, 12.500% due 02-Mar-03	1,545,000
Multicanal, 9.250% due 01-Feb-02	1,408,430
Copamex Industrias SA, 11.375% due 30-Apr-04	1,337,000
Nuevo Grupo Iusacell SA, 14.250%, due 01-Dec-06	1,175,650
Internacional de Ceramica SA, 9.750% due 01-Aug-02	1,155,000
Grupo Industrial Durango, 12.000% due 15-Jul-01	1,028,006
Copamex Euro—Commercial Paper 01-Aug-01	1,000,000
Grupo Televisa SA 8.625% due 08-Aug-05	996,260
Occidente y Caribe Celular, Series B 14.000% due 15-Mar-04	937,200
Cablevision SA, 13.750% due 30-Apr-07	744,000
Bestel SA, 12.750% due 15-May-05	673,175
Bepensa SA, 9.750% due 30-Sep-04	669,500
Comunicacion Cellular SA,14.125%, due 01-Mar-05	588,700
Celcaribe SA, 14.500% due 15-Mar-04	564,025

Note—Copies of all portfolio changes are available, free of charge, from the Administrator.

See Notes to Financial Statements.

Statement of Total Return (for the Year Ended 31 December, 2001)

	Note		Year Ended 31 December, 2001 US$		Year Ended 31 December, 2000 US$
Net gains/(losses) on investments during the year	7		64,996		(1,136,627)
Gross income	8	4,961,610		4,273,614	
Expenses	9	(1,243,492)		(1,077,795)	
Net income for the year			3,718,118		3,195,819
Total Return for the Year			3,783,114		2,059,192
Net Increase in Shareholders' Funds from Investment Activities			3,783,114		2,059,192

Statement of Movements in Shareholders' Funds

(for the Year Ended 31 December, 2001)

	Note	Year Ended 31 December, 2001 US$	Year Ended 31 December, 2000 US$
Net Assets at the Start of the Year		52,331,557	50,272,365
Movement Due to Sale and Repurchase of Shares			
Amounts received on sale of Shares	5	—	—
Less: amounts paid on repurchase of Shares	5	—	—
		—	—
Net increase in Shareholders' Funds from Investment activities		3,783,114	2,059,192
Net Assets at the End of the Year		56,114,671	52,331,557

On Behalf of the Board of Directors

Ian Morrison 26 April, 2002
Director

William Foley 26 April, 2002
Director

See Notes to Financial Statements.

Balance Sheet (as at 31 December, 2001)

	Note	31 December, 2001 US$	31 December, 2000 US$
Portfolio of Investments			
(Cost: US$ 44,879,923)	1(e)	47,464,551	48,530,646
Net Current Assets			
Debtors	10	1,497,911	1,418,112
Cash and bank balances	11	7,402,218	2,614,874
		8,900,129	4,032,986
Less			
Creditors—amounts falling due within 1 year	12	(250,009)	(232,075)
Net Current Assets		8,650,120	3,800,911
Net Assets		56,114,671	52,331,557
Shareholders' Funds		56,114,671	52,331,557

On Behalf of the Board of Directors

Ian Morrison 26 April, 2002
Director

William Foley 26 April, 2002
Director

See Notes to Financial Statements.

Notes to Financial Statements (for the Year Ended 31 December, 2001)

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2001. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants and issued by the Accounting Standards Board. The financial statements are prepared in US Dollars.

b) Income Recognition

Income from interest bearing securities is accrued for on a basis that reflects the coupon rate on the security. Bank deposit interest is accounted for on an accruals basis. Discount, original issue discount and premiums on bonds are amortised over the remaining life of the bond.

c) Realised Gains and Losses on Investments

Realised gains and losses on sales of investments are calculated based on the average book cost of the investment in local currency.

d) Unrealised Gains and Losses on Investments

Unrealised gains and losses on investments arising during the year are taken to the Statement of Total Return and are available for distribution.

e) Valuation of Investments

Securities are valued at market prices which are determined as follows:

i) All Securities held by the Portfolio for which market quotations are readily available are valued at the closing price on the primary exchange quoted for the securities (but if bid and asked quotations are available, at the last current bid price, rather than the quoted closing price.)

ii) Investments in interest bearing securities, including deep discounts and zero coupon bonds are valued net of accrued interest which is taken to income and accrued income receivable.

iii) All other securities and assets for which market quotations are not readily available are taken at probable realisation value as determined in good faith by the Directors (or by a pricing committee of Directors established for the purpose), with the approval of the Custodian although the actual calculation may be done by other competent and responsible persons. In valuing any such securities and assets the Directors or such committee will consider various factors, including (1) the fundamental analytical data relating to the investment, (2) the nature and duration of restrictions on disposition of the securities and (3) an evaluation of the forces which exist in the market in which these securities are purchased and sold.

There are two securities Aes Clesa and Coffee Emergency Fund El Salvador that are valued by a pricing committee that use broad methodologies in arriving at a valuation for each security. These values are used for the purposes of calculating the Net Asset Value of the fund and for the financial statements purposes also.

f) Foreign Exchange

Foreign currency assets and liabilities, including investments, are translated into US dollars at the exchange rate prevailing at the year end. The foreign exchange gain or loss based on the translation of the original cost of the investments, together with the gain or loss arising on the translation of other assets and liabilities, is included in other gains or losses in the Statement of Total Return. Foreign exchange gains and losses arising between the transaction and settlement dates on purchases or sales of non-dollar investments are included in other gains or losses. Realised gains and losses on foreign exchange and unrealised gains and losses on foreign exchange are taken to the Statement of Total Return and are available for distribution.

g) Distribution Policy

Dividends, where payable, will be paid out of net investment income, at the discretion of the Directors, (being the net revenue from dividends and interest, less expenses) together with the realised and unrealised capital gains less realised and unrealised capital losses after charging expenses.

Notes to Financial Statements (for the Year Ended 31 December, 2001)

h) Organisational expenses
The organisational expenses comprise the initial expenses of launching and marketing the Fund and are been amortised on a straight line basis over the first five years.

2. Basis of Presentation of Financial Statements

The format of the financial statements is based upon the Statement of Recommended Practice -Financial Statements of Authorised Unit Trust Schemes, issued by IMRO in January 1997 as, in the opinion of the Directors, this represents best accounting practice and reflects the nature of the Company's investment business.

The format and certain wordings of the financial statements have been adapted from those contained in the Companies (Amendment) Act, 1986 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's investment business.

A Statement of Total Return has been presented in place of a Profit and Loss Account.

Unrealised gains are shown in the Statement of Total Return. This represents a departure from the Companies (Amendment) Act, 1986. In the opinion of the Directors, this treatment is necessary to fairly present the results of operations.

The company is exempt from the requirements of Financial Reporting Standard No.1 to include a Cash Flow Statement as part of the financial statements because it is an open ended investment fund investing in liquid investments.

The information required by Financial Reporting Standard No. 3, 'Reporting Financial Performance', to be included in a Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the Directors, contained in the Statement of Total Return and the Statement of Movements in Shareholders' Funds on page 15.

In arriving at the results for the year, all amounts in the Statement of Total Return on page 15 relate to continuing activities. In the opinion of the Directors, the financial statements give, in all other respects, the information required by the Companies Acts, 1963 to 2001.

3. Significant Agreements

Investment Manager
Deutsche Fund Management, Inc. was appointed Investment Manager to the Company pursuant to the Investment Management Agreement dated 26 April, 1999. The Investment Manager has delegated to the Investment Advisor all of its powers and discretions under the Agreement in relation to the discretionary investment in the assets of the Company. The Company pays the Investment Manager a fee of 1.80% per annum of the average daily Net Asset Value of the Portfolio.

The Investment Manager may also collect a Performance Fee of 20% of the Net Asset Value's percentage out-performance of the Hurdle Rate during the Relevant Period. The 'Hurdle Rate' is a 12 month Libor plus 200 basis points per annum return of the net asset value at the beginning of the Relevant Period, adjusted for subscriptions and redemptions on a time apportioned basis. The Fund did not pay a Performance Fee to the Investment Manager for the year ended 31 December, 2001.

The fees of the Administrator, Investment Advisor and Custodian are paid by the Investment Manager out of its own fee.

On 1 January, 2002 the Investment Manager was changed from DFM to Investment Company Capital Corp., ('ICCC'), who in turn has delegated the investment advisor functions to DWS Finanz-Service GmbH ('DWS Finanz').

Custodian
Investors Trust and Custodial Services (Ireland) Limited has been appointed as Custodian to the Company pursuant to the Custodian Agreement dated 26 April, 1999.

Notes to Financial Statements (for the Year Ended 31 December, 2001)

Administrator
Investors Fund Services (Ireland) Limited acts as the Administrator to the Company pursuant to the Administration Agreement dated 26 April, 1999.

4. Taxation

The Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. It is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a 'chargeable event'. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

1) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended are held by the Company; and

2) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

5. Share Capital

Participating Shares—Equity
The Company has equity share capital of EUR40,000 divided into 40,000 Subscriber Shares of EUR1 each (of which EUR10,005.25 has been paid up and which are beneficially owned by the Investment Manager).

Participating Shares—Non Equity
The Company has 500,000,000,000 shares of no par value initially designated as unclassified shares.

The Participating Shares are classified as non-equity in accordance with Financial Reporting Standard No. 4 'Capital Instruments' as they are redeemable at the request of the holders. The Shares are available as either fully paid or partly paid Participating Shares of the Company. They carry voting rights. The Shares issued by the Company are freely transferable and entitled to participate equally in the profits and dividends of the Company and in its net assets upon liquidation. The shares carry no preferential or pre-emptive rights and are entitled to one vote each at all meetings of the relevant class of Shareholders. All Shares rank pari-passu. The holders of Subscriber Shares are entitled to one vote only in respect of all their Subscriber Shares.

Shares in Issue
The movement in shares during the year is shown below:

	2001	2000
Number of shares at beginning of year/period	50,000.00	50,000.00
Number of shares issued	—	—
Number of shares redeemed	—	—
Number of shares at end of year	50,000.00	50,000.00

6. Net Asset Value Per Share

The Net Asset Value per Share of the Fund is determined by dividing the net assets of the Fund by the total number of Shares in Issue.

7. Net Gains/(Losses) on Investments During the Year

	Note	Year ended 31 Dec., 2001 US$	Year ended 31 Dec., 2000 US$
Gains realised on investments sold during the year	1(c)	(3,608,945)	94,076
Net change in unrealised (depreciation)/appreciation on investments during the year	1(d)	3,673,941	(1,230,703)
Net gains/(losses) on investments during the year		64,996	(1,136,627)

Notes to Financial Statements (for the Year Ended 31 December, 2001)

8. Gross Income

	Note	Year ended 31 Dec., 2001 US$	Year ended 31 Dec., 2000 US$
Income from investments	1(b)	4,697,354	3,573,538
Accretion of original issue discount		78,362	338,255
Accretion of discount		113,763	221,596
Bank interest	1(b)	72,131	140,225
		4,961,610	4,273,614

9. Expenses

	Note	Year ended 31 Dec., 2001 US$	Year ended 31 Dec., 2000 US$
Payable to the Investment Manager			
Investment Management fee	3	(989,377)	(909,558)
Other Expenses			
Audit fee		(26,000)	(23,342)
Amortisation of organisational costs	1(h)	(20,031)	(19,703)
Directors remuneration and expenses		(65,000)	(38,972)
Legal		(100,500)	(38,873)
Printing/Publishing		(10,000)	(9,022)
Other		(32,584)	(38,325)
		(254,115)	(168,237)
Total Expenses		(1,243,492)	(1,077,795)

10. Debtors

	As at 31 Dec., 2001 US$	As at 31 Dec., 2000 US$
Deferred organisational expenses	56,490	76,521
Accrued interest	1,424,751	1,327,574
Prepaid insurance	16,670	14,017
	1,497,911	1,418,112

11. Cash and Bank Balances

	As at 31 Dec., 2001 US$	As at 31 Dec., 2000 US$
Cash and bank balances	7,402,218	2,614,874

All cash and bank balances were held by Investors Trust and Custodial Services (Ireland) Limited at 31 December, 2001.

12. Creditors

	As at 31 Dec., 2001 US$	As at 31 Dec., 2000 US$
Accrued organisational expenses	(76,667)	(81,667)
Accrued management fees	(83,302)	(72,312)
Accrued other expenses	(90,040)	(78,096)
	(250,009)	(232,075)

13. Purchases of Investments During the Year

	Year ended 31 Dec., 2001 US$	Year ended 31 Dec., 2000 US$
Total purchases	46,868,390	45,608,627
Total sales	51,765,018	18,367,835

14. Financial Instruments

(a) Market Price Risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Investment Advisor considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Company's investment objective. The Investment Advisor does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Notes to Financial Statements (for the Year Ended 31 December, 2001)

(b) Interest Rate Risk

The Fund invests in securities which have both a fixed and zero rate of interest.

Currency	Total US$	Fixed rate interest US$	Zero rate interest US$
31 December, 2001 US dollar	47,464,551	45,521,645	1,942,906
31 December, 2000 US dollar	46,578,196	30,787,875	15,790,321

Currency	Fixed rate financial assets Weighted average interest rate %	Fixed rate financial assets Weighted average period for which rate is fixed Years
31 December, 2001 US dollar	9.11%	4.1
31 December, 2000 US dollar	10.67%	3.7

The weighted average interest rate and the weighted average years to maturity is calculated by reference to the market value of the fixed rate financial assets.

(c) Credit Risk

The Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. The Fund minimises concentrations of credit risk by undertaking transactions with a number of customers and counterparties on recognised and reputable exchanges.

(d) Liquidity Risk

The emerging stock markets in general are less liquid than the world's leading stock markets. Purchases and sales of investment may take longer than would otherwise be expected on developed stock markets, and transactions may need to be conducted at unfavourable prices.

(e) Fair Values of Financial Assets and Financial Liabilities (see Note 1(e)(iii))

All of the financial assets of the Fund are held at market value apart from two securities which are held at fair value. They are AES Clesa and Coffee Emergency Fund El Salvador.

15. Related Party Transactions

For the year end 31 December, 2001 Deutsche Fund Management, Inc. acted as Investment Manager of the Fund and received US$989,377 (2000: US$909,558). At year end US$83,302 (2000: US$72,312) was due to its affiliate DeAM, Inc.

The Central American Bank for Economic Integration is the sole shareholder in the Fund at the year end. It is also one of the Placement Agents.

16. Supplement to the Offering Circular

On 27 June, 2000 a second supplement to the offering circular was issued. It contained minor changes to the objective of the Fund, the directors, the charges and expenses and the addresses of the registered office and Secretary.

17. Soft Commissions

There are no soft commission arrangements affecting this Fund during the period.

18. Important Events Since the Year End

On 1 January, 2002 the Investment Manager was changed from DFM to Investment Company Capital Corp., Baltimore ('ICCC'), who in turn has delegated the investment advisor functions to DWS Finanz-Service GmbH ('DWS Finanz').

19. Contingent Liabilities

There are no contingent liabilities at the balance sheet date.

20. Comparative Figures

The comparative figures are for the year ended 31 December, 2000.

21. Approval of Audited Financial Statements

The Directors approved the audited financial statements on 26 April, 2002.

Information for Shareholders

1. Description

CABEI Central American Fund plc, incorporated on 12 March, 1999 in Dublin, Ireland with registered number 303448 is a designated, limited liability, open-ended investment company with variable capital. It is a so called umbrella company entitled to issue several classes of shares to be invested in several portfolios. The Company has issued shares in the CABEI CENTRAL AMERICAN PORTFOLIO (the 'Fund').

2. Investment Objective and Policy

The Fund's investment objective is to generate a high real rate of return. The Fund seeks to achieve this objective by investing primarily in debt and related instruments (including but not limited to bonds, loans, loan participations, notes and debentures) and equity and related instruments (including but not limited to warrants and convertible securities), issued by sovereign issuers, their agents and instrumentalities, state-owned issuers slated for privatization, corporate issuers, supranational issuers, quasi-government issuers, and any other issuer deemed fit for investment by the Directors, or a committee thereof, including derivative instruments (including but not limited to options, swaps, futures and forwards). Countries for investment will include Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Mexico, Colombia, Argentina and the Republic of China, and any other countries which become members of CABEI and which are deemed fit for investment by the Directors or a committee thereof. There will be no limit to the amount or proportion invested in the issuers of any one country. It is the goal of the Fund to invest the majority of its assets in Central American countries that are members of CABEI (Guatemala, Honduras, Nicaragua, El Salvador and Costa Rica), as market conditions warrant and within the risk/return profile of the Fund. There will be no restriction with respect to the currency of denomination of any of the securities mentioned above.

3. Investment Management

For the year ended 31 December, 2001 the Company was managed by Deutsche Fund Management, Inc., USA, which delegated its discretionary investment management functions to Deutsche Asset Management, Inc., Philadelphia. On 1 January, 2002 the Investment Manager was changed from DFM to Investment Company Capital Corp., Baltimore ('ICCC'), who in turn has delegated the investment advisor functions to DWS Finanz-Service GmbH ('DWS Finanz').

4. Net Asset Value

Net Asset Value of the Fund is calculated weekly. The Net Asset Value of the Fund is calculated by dividing the value of the Fund's net assets (the value of its assets less its liabilities) by the total number of Shares outstanding. All securities held by the Fund for which market quotations are readily available are valued at the closing price on the primary exchange quoted for the securities. All other securities and assets for which market quotations are not readily available are taken at probable realisation value as determined in good faith by the Directors (or by a pricing committee of Directors established for the purpose), with the approval of the Custodian, although the actual calculation may be done by other competent and responsible persons. Any assets or liabilities initially expressed in currencies other than US dollars are translated into US dollars at the closing rate quoted by a recognised pricing service.

5. Issue and Repurchase of Shares

The procedures for the issue and repurchase of shares are described in detail in the offering circular dated 28 April, 1999.

Issue of Shares

Allotment of Shares are normally made with effect from a Dealing Day against applications received in Dublin by the Administrator by 5:00 pm Dublin time on the preceding Business Day.

Information for Shareholders

Repurchase of Shares

Requests for the repurchase of Shares must be received by the Administrator by 5:00 pm Dublin time on a Business Day which is at least ten business days prior to the Relevant Dealing Day and will then normally be dealt with on that Dealing Day. Requests for the repurchase of Shares may be made either by facsimile, telex or in writing to the Administrator.

6. Published Information

Shareholders will receive audited annual and unaudited semi-annual Reports of the Company. Notices of general meetings will be sent to shareholders at least twenty-one days prior to meetings. The Net Asset Value per Share and dividend announcements are published in the Financial Times. The subscription and redemption prices may be obtained from the registered office of the Company.

Past performance is not necessarily a guide to the future. Income from the investment may fluctuate in value and in money terms. Changes in rates of exchange between currencies may cause the value of the shares to diminish or increase.

Management and Administration

Directors: Directors from Central American Bank for Economic Integration (CABEI):

Nick Rischbieth Glöe
Alejandro Rodriguez

Directors from Deutsche Asset Management Americas:
Rodrigo Briones
Ross Youngman
Richard Hale

Non-Executive Directors:
Walter Dostmann (Chairman)
Ian Morrison (Vice-Chairman)
Michael Greene
William Foley
Per Åke Rydberg
Rodolfo San Martin
(resigned 25 June, 2001)

Investment Manager of the Fund to 31 December, 2001:
Deutsche Fund Management, Inc.
One South Street
Baltimore
MD 21202
USA

Tel: (1) (410) 727 1700
Fax: (1) (410) 895 4949

Investment Manager of the Fund from 1 January, 2002:
Investment Company Capital Corp.
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MD 21202
USA

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Fax: (1) (410) 895 4921

Investment Advisor to 31 December, 2001:
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Administrator:
Investors Fund Services (Ireland) Limited
Deloitte & Touche House
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Registered Office:
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Fax: (353) (1) 649 2649

Secretary:
Goodbody Secretarial Limited
International Financial Services Centre
North Wall Quay
Dublin 1
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Tel: (353) (1) 649 2000
Fax: (353) (1) 649 2649

Auditors:
PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2
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Legal Advisors:
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International Financial Services Centre
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Central American Bank for Economic Integration
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