

Mutual Fund
Annual Report

31 January, 2003

CABEI Central American Fund, plc

CABEI Central American Portfolio

A Member of the

Deutsche Bank Group



Table of Contents

CABEI Central American Fund plc	
Fund Report	3
Description of the Fund	4
Directors' Report	5
Statement of the Directors' Responsibilities	6
Independent Auditor's Report	7
Custodian's Report	8
Investment Advisor's Report	9
Schedule of Portfolio Investments	12
Significant Changes in Portfolio Composition	13
Statement of Total Return	15
Statement of Movements in Shareholders' Funds	15
Balance Sheet	16
Notes to the Financial Statements	17
Information for Shareholders	23
Management and Administration	25

Fund Report

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 agent 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, deposits, credit linked deposits, certificates of deposit 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. Countries for investment will include Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Mexico, Colombia, Argentina, Panama, the Dominican Republic, Belize 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.
- Effective from 1 February 2003, the Company is administered by Bank of Ireland Securities Services Limited. The administration agreement between the Fund and Investors Fund Services (Ireland) Limited was terminated on 31 January 2003. Investment Company Capital Corp., Baltimore serves as Investment Manager of the Company pursuant to an investment management agreement dated 1 January, 2002, and DWS Finanz-Service GmbH, Frankfurt serves as Investment Advisor pursuant to an investment advisory agreement dated 1 January, 2002 between the Investment Manager and the Investment Advisor. The Investment Manager is a wholly-owned indirect subsidiary of Deutsche Bank AG; the Investment Advisor is an indirect subsidiary 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 Ireland. 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: Bank of Ireland Securities Services
Limited
New Century House
Mayor Street Lower
International Financial Services Centre
Dublin 1, Ireland
Tel: 353 1 670 0300
Fax: 353 1 829 0144

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 Period Ended 31 January, 2003)

In December 2002, the financial year end of the Company was extended from 31 December, 2002 to 31 January, 2003, to coincide with the effective date of the appointment of the Company's new Administrator and Custodian. Accordingly, the Directors herewith present their Annual Report together with the Audited Financial Statements for the thirteen month period ended 31 January, 2003.

Activities, Business Review and Future Developments

The results of operations for the period are set out in the Statement of Total Return on page 15. A report on the activities of the Company during the period 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\$63,250,045 at 31 January, 2003 compared with US\$56,114,671 at 31 December, 2001. The Net Asset Value increased by 12.72% for the thirteen month period ended 31 January, 2003.

Dividends

The Directors do not recommend the payment of a dividend.

Directors

The Directors of the Company are as stated on page 25 in accordance with the Articles of Association. Directors William Foley, Ian Morrison and Ross Youngman resigned from the Board effective as of 31 December, 2002.

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 January, 2003 had any interests in the Shares of the Company at that date or at any time during the financial period.

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

Important Post Balance Sheet events

Effective as of 1 February, 2003, the Company appointed Bank of Ireland Securities Services Limited (the "Administrator") as the Administrator of the Company replacing Investors Fund Services (Ireland) Limited, and the Governor and Company of the Bank of Ireland (the 'Custodian') as Custodian of the assets of the Company, replacing Investors Trust Custodial Services (Ireland) Limited. Subsequent to the period ended 31 January, 2003, the Fund paid the Investment Manager a Performance Fee of US\$347,213. This payment represents the Performance Fee earned in the year ended 31 December, 2002.

Independent Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

On Behalf of the Board of Directors

Michael Greene

Director

Per Åke Rydberg

Director

Date: 5 June, 2003

Statement of Directors' Responsibilities

Irish Company law requires the Directors to prepare financial statements for each financial period 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. As of 1 February, 2003 the books of account are kept at New Century House, Mayor Street Lower, International Financial Services Centre, Dublin 1, 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 pages 12 and 15 to 22 which have been prepared under the historical cost convention, as modified by the inclusion of 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 acceptable 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 Practices Board applicable in Ireland. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Irish statute comprising the 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. This other information comprises the directors report and investment advisors report.

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 January, 2003 and of its results for the period 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: 5 June, 2003

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 period ended 31 January, 2003 in our capacity as Custodian of the Company.

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

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

Investors Trust & Custodial Services

(Ireland) Limited

Block D

Iveagh Court

Harcourt Road

Dublin 2

Ireland

Date: 5 June, 2003

Investment Advisor's Report (for the Period Ended 31 January, 2003)

For the thirteen-month fiscal period ended 31 January, 2003, the net asset value of the CABEI Central American Fund was up 7.04%. As of 31 January, 2003, the Fund had net assets of US\$63.25 million and a net asset value of US\$1,201.30 per share.

The net asset value of the CABEI Central American Fund was up 7.21% for the twelve months ended 31 December, 2002. As of 31 December, 2002, the Fund had net assets of US\$63.35 million and a net asset value of US\$1,203.17 per share.

As of 31 December, 2002, the Fund had an average duration of 3.8 years. The Fund's average maturity stood at 7.6 years, and the Fund held a total of 16 securities. The average rating of the securities in the Fund was BBB-, as rated by Standard & Poor's.

Investment Environment

During the annual period ended 31 December, 2002, the US government bond market overall continued its solid returns of recent years. This performance was largely boosted by the fact that the US economic recovery proceeded at a sluggish pace and that the Federal Reserve Board's aggressive easing of monetary policy in 2001 and its shift in March 2002 from an easing to a neutral bias kept US interest rates low. The Federal Reserve Board held interest rates steady through the annual period until early November, when it cut the targeted federal funds rate by 50 basis points to 1.25% in an effort to jumpstart an economy that it thought may be decelerating. Furthermore, US equities declined for the third consecutive year, something that has not occurred for the broad equity market in over sixty years. Lowered earnings forecasts from high-profile companies in multiple industries, corporate scandals, the ongoing threat of war with Iraq, rising oil prices, and concerns about a "double-dip" recession all weighed on consumer confidence, which slumped in October to its lowest level since 1993. For the annual period, ten-year US Treasury yields declined by more than 1% to reach a 40-year low.

The Latin American debt markets were impacted most by three factors during 2002—a global aversion to risk that led to reduced capital inflows to the region, investor anxiety regarding the potential outcome of political elections, and a depreciation of many countries' currencies, almost without regard to the fundamental soundness of their respective economic policies.

Argentina was the first in the region to float its currency. Having been pegged to the US dollar at a rate of 1 to 1 for almost ten years, the peso lost close to 70% of its value against the US dollar by the end of 2002.

Venezuela was forced to accelerate the depreciation of and then float its bolivar in February, as declining oil sales and mounting opposition to the government led to an erosion of domestic investors' confidence. The rise of Brazil's Workers Party presidential candidate Luiz Inácio da Silva ('Lula') in public opinion polls in April caused investors to be nervous, as they doubted the ability and willingness of a left-leaning administration to maintain payments on government debt.

As risk premia on Brazilian government bonds started to rise in June, international banks and investors alike reduced lending to and investing in Brazil. This led to a depreciation of its real by more than 40% by year end. In Colombia, Alvaro Uribe Velez, a market-friendly independent, was elected president in May with a strong mandate. But starting in July, Colombia's currency and bond markets came under heavy pressure, as international banks cut their credit lines to the country. Its peso lost close to 20% of its value against the US dollar during 2002, and the yield spread between Colombian bonds and US Treasuries increased significantly during the same period. Uruguay experienced a depreciation of its currency and a banking crisis, as Argentine and Uruguayan depositors withdrew their funds from its banks. The currencies of Chile and Mexico also came under pressure during the annual period, but due to comparatively solid economies in these nations, they depreciated to a lesser extent.

Capital outflows from the region also led to rising domestic interest rates, lower demand, and higher inflation in many countries, sending the Latin American region into one of its worst recessions since the early 1980s. As private credit to the region evaporated, multilateral lenders were eventually pushed in to prevent an outright debt crisis. For example, in the first half of August, new International Monetary Fund (IMF) support packages were announced for Uruguay, Brazil, and Paraguay. The US\$30 billion credit to Brazil, expected to be disbursed in 2003, was one of the largest IMF programs ever proposed in the context of an emerging markets crisis. Later in the year, Colombia secured funding from the World Bank and the Inter-American Development Bank in excess of US\$2 billion for 2003.

Investment Advisor's Report (for the Period Ended 31 January, 2003)

These multilateral support packages did lead to a recovery in the region's debt markets by the end of 2002. The risk premia on government bonds from Colombia, Mexico, Peru, and Panama nearly returned to levels last seen in April 2002 just before the Brazilian crisis arose. While yield spreads on Brazilian bonds remained high, they started to come down after Lula was elected president on October 27, with his market-friendly statements helping to bolster investor confidence.

The Central American economies, with the exception of Nicaragua, posted positive, albeit low, economic growth rates for the annual period. As the region's bond markets remained generally insulated from South America's financial turmoil, many Central American countries were able to access international markets on relatively favorable terms. Costa Rica issued \$250 million in 10-year eurobonds in February at a spread of 3.05% over US Treasury bonds. El Salvador, with a fully dollarized economy, issued nearly \$1 billion in bonds in 2002, which equals more than 6% of the nation's Gross Domestic Product (GDP). Of this \$1 billion in new issues, El Salvador successfully placed \$500 million of a new 30-year bond at a spread of 2.65% over US Treasuries in April. This marked the entry of the first Central American country into the major industry benchmark, the JP Morgan Emerging Markets Bond Global Index. El Salvador also issued \$451 million in 10-year bonds at a spread of 3.61% over US Treasuries in October. The fact that this bond successfully came to market at the height of Brazil's political crisis demonstrates that certain Central American countries had the ability to distinguish themselves from the rest of Latin America. Indeed, El Salvador's issuance created enhanced demand from institutional investors, including US pension funds, who had not been exposed to the region for some time.

Both Mexico and Panama issued 10-year benchmark bonds in January 2002 and 20-year bonds later in the year. Belize also accessed the market during 2002, issuing \$125 million in bonds at a relatively high yield of 9.65%. This issue marked the country's first public bond offering in the international capital markets.

Relatively weak domestic economic growth led to persistently high fiscal deficits in many Central American countries. These deficits, in turn, were partially funded by regional issuers' access to external financing at relatively low costs. For instance, in Costa Rica, the public sector fiscal deficit is estimated to have widened to about 5% of GDP in 2002 from 3.1% in 2001. Combined with difficult liquidity conditions in the secondary market for government bonds after the introduction of compulsory mark-to-market¹ reporting of local pension funds, this weak fiscal situation led to a temporary widening of risk premia on Costa Rican bonds.

Investment Strategy

At the beginning of the year, DWS Finanz-Service took over as investment advisor to the Fund. With the Board of Director's approval and under the direction of the Fund's Investment Committee, we began to make significant adjustments to the portfolio. Overall, we built the portfolio's exposure to Central America and gradually moved from corporate bonds to sovereign issues. As the prospects for US economic recovery grew dimmer, we decided to reduce the Fund's holdings in Mexican corporate bonds. The issuers of these bonds were very dependent on positive refinancing conditions, which, in our view, were actually poised to deteriorate. Consequently, in April, we sold all of the Fund's holdings in Azteca Holdings, Corporacion Durango, Nuevo Grupo Iusacell, and Grupo Televisa at prices above par. This turned out to be a prudent strategy, as many of these companies came under severe financial stress later on in the year. Indeed, after our sales, Durango and Iusacell defaulted, and their bond prices fell to 42% and 30% of face value, respectively, by year end.

We reinvested the proceeds from these Mexican corporate bond sales into sovereign issues from El Salvador, Colombia, Mexico, Costa Rica, and Guatemala, all of which posted positive total returns in 2002. In Costa Rica, we took advantage of the temporary fall in bond prices due to turbulence in the local pension fund industry to extend duration from 1-year to 10-year bonds. We had no holdings in Argentina throughout the annual period.

¹ Mark-to-market is a common practice in the mutual fund industry whereby the daily net asset value reported to shareholders is the result of marking the fund's current portfolio to current market prices.

Investment Advisor's Report (for the Period Ended 31 January, 2003)

After the Board of Directors of the Fund approved investment in three additional countries, we started investing assets in the Dominican Republic and Panama in October. To date, we have not invested in Belize.

As of 31 December, 2002, approximately 95% of the portfolio's assets were invested, with more than 90% in sovereign issues and government-guaranteed bonds. The remaining 5% of assets were in cash and short-term holdings. The Fund was invested more than 71% in securities from founding members of the Central American Bank for Economic Integration (CABEI), namely in Costa Rica, El Salvador, and Guatemala. At the end of the annual period, nearly 24% of the portfolio's assets were invested in securities from Colombia, the Dominican Republic, Mexico, and Panama.

Investment Outlook

Following a difficult year, we expect the US economic recovery to gradually gather momentum in 2003. Critical to this improvement is our assumption that no major adverse geopolitical shocks occur. We are also expecting US economic policy to remain aggressively stimulative, with the Federal Reserve Board keeping interest rates low well into the new year, and federal tax cuts and spending hikes offsetting cutbacks at the state and local levels. We expect inflation to remain tame.

The economic situation in the Latin American debt markets also seems to be improving. The widespread currency depreciations have actually improved the competitiveness of Latin American exports. In fact, most countries of the region are expected to show comparatively high trade surpluses in 2003, which should, in turn, improve economic activity and sustain debt service capacity. Argentina, Brazil, and Colombia should benefit most from this scenario. We also expect economic growth in Mexico to improve somewhat, as it remains closely tied to the recovery of the US economy. The Brazilian economy remains a concern, due to its heavy external debt burden and an inability to meet its domestic liabilities.

The countries of Central America appear set to profit from decreasing investor risk aversion and a recovery of the US economy. We intend to monitor three themes particularly closely over the coming year: fiscal management, the electoral cycle, and progress on the negotiation of a free trade agreement with the United States.

On the fiscal side, Costa Rica's legislative assembly passed a reform in December 2002, designed to reduce the nation's fiscal deficit. With this reform, the authorities are trying to halt the propensity to increase debt at the expense of fiscal solvency as the interest burden grows. Belize is undertaking similar efforts to improve its public debt sustainability.

As for the political theme we are monitoring, municipal and congressional elections will be held in El Salvador during 2003, and the campaign for its presidential election in 2004 has already begun. Belize will hold municipal and congressional elections in March. The main focus in Guatemala is on the presidential elections in the fall of 2003.

The negotiations on the planned free trade agreement between the United States and five Central American nations—Costa Rica, Guatemala, El Salvador, Honduras, and Nicaragua—may be the most important event in the area of trade reform since NAFTA was signed in the early 1990s. The first round of CAFTA (Central American Free Trade Agreement) negotiations started in January 2003, and eight further rounds of discussions are expected to be completed over the year. CAFTA nations are already exporting approximately \$11 billion per year to the United States, mainly in apparel, textile products, and edible fruit. These nations are currently importing about \$9 billion per year, mostly in machinery, equipment, and plastics. Following in the footsteps of the recent Chilean free trade agreement, the signing of CAFTA, expected to take place early in 2004, is anticipated to boost trade flows and support sustained economic growth and modernization in the Central American region.

In addition to the fiscal, political, and trade conditions in Central America, we also intend to continue to closely monitor other factors impacting the credit quality of the Fund's countries and to pursue an investment policy focused on relative value. We are convinced that active management of a diversified Central American debt portfolio offers attractive total return opportunities.

**DWS Finanz-Service GmbH,
Investment Advisor
Date: March 2003**

Schedule of Portfolio Investments as at 31 January, 2003

Nominal	Description	Coupon %	Maturity	Value US\$	Fund%
Bonds—97.79%					
Colombia—6.06%					
4,000,000	Republic of Colombia	8.625%	01-Apr-08	3,830,000	6.06%
Costa Rica—30.30%					
3,000,000	Republic of Costa Rica	8.050%	31-Jan-13	3,020,700	4.78%
4,000,000	Republic of Costa Rica	8.000%	01-May-03	4,054,500	6.41%
12,000,000	Republic of Costa Rica	8.110%	01-Feb-12	12,090,000	19.11%
				<u>19,165,200</u>	<u>30.30%</u>
Dominican Republic—6.54%					
2,000,000	Dominican Republic	9.040%	23-Jan-13	1,997,800	3.16%
2,000,000	Dominican Republic	9.500%	27-Sep-06	2,135,000	3.38%
				<u>4,132,800</u>	<u>6.54%</u>
El Salvador—30.93%					
5,000,000	AES Clesa, Series A	11.580%	28-Jun-10	5,672,965	8.97%
6,500,000	Republic of El Salvador	8.250%	10-Apr-32	6,175,000	9.76%
2,500,000	Republic of El Salvador	8.500%	25-Jul-11	2,657,500	4.20%
4,500,000	Republic of El Salvador	9.500%	15-Aug-06	5,062,500	8.00%
				<u>19,567,965</u>	<u>30.93%</u>
Guatemala—10.41%					
5,046,000	Republic of Guatemala	8.500%	03-Aug-07	5,449,680	8.62%
1,000,000	Republic of Guatemala	10.250%	08-Nov-11	1,135,000	1.79%
				<u>6,584,680</u>	<u>10.41%</u>
Mexico—10.35%					
2,000,000	Petroleos Mexicanos Pemex	6.500%	01-Feb-05	2,116,000	3.35%
1,750,000	United Mexican States	8.300%	15-Aug-31	1,785,000	2.82%
2,335,000	United Mexican States—MTN	8.500%	01-Feb-06	2,643,220	4.18%
				<u>6,544,220</u>	<u>10.35%</u>
Panama 3.20%					
2,000,000	Republic of Panama	9.375%	16-Jan-23	2,030,000	3.20%
Portfolio of Investments				61,854,865	97.79%
	Cash and bank balances			295,745	0.47%
	Debtors			1,722,442	2.72%
	Creditors			(623,007)	(0.98%)
Net Asset Value as at 31 January, 2003				63,250,045	100.00%
		31 January, 2003	31 December, 2001	31 December, 2000	
	Net Asset Value	US\$63,250,045	US\$56,114,671	US\$52,331,557	
	Number of Shares in Issue	52,651.39	50,000.00	50,000.00	
	Net Asset Value per Share	US\$1,201.30	US\$1,122.29	US\$1,046.63	

Notes to the Portfolio of Investments

MTN – Medium Term Note

See Notes to Financial Statements.

Significant Changes in Portfolio Composition

For the Period Ended 31 January, 2003		
Purchases	Nominal	Cost US\$
Republic of El Salvador, 8.250% due 10-Apr-32	8,500,000	8,384,910
Republic of Costa Rica, 8.110% due 1-Feb-12	4,500,000	4,500,000
Republic of Colombia, 10.000% due 23-Jan-12	4,000,000	3,880,000
Republic of Colombia, 8.625% due 1-Apr-08	4,000,000	3,320,000
Republic of Costa Rica, 8.050% due 31-Jan-13	3,000,000	3,000,000
Republic of Costa Rica, 8.110% due 1-Feb-12	2,500,000	2,537,500
Dominican Republic, 9.500% due 27-Sep-06	2,000,000	2,135,000
Republic of Costa Rica, 8.110% due 1-Feb-12	2,000,000	2,060,000
Dominican Republic, 9.04% due 23-Feb-03	2,000,000	2,000,000
Republic of Costa Rica, 8.110% due 1-Feb-12	2,000,000	2,000,000
Republic of Panama, 9.375% due 16-Jan-23	2,000,000	1,977,140
United Mexican States, 10.375% due 17-Feb-09	1,500,000	1,750,500
United Mexican States, 8.300% due 15-Aug-31	1,750,000	1,734,688
Mexico Par Bond Series A, 6.250% due 31- Dec-19	1,750,000	1,661,625
Republic of Uruguay, 7.625% due 20-Jan-12	2,000,000	1,610,000
Republic of Guatemala, 10.250% due 8-Nov-11	1,000,000	1,160,000
Republic of Costa Rica, 8.110% due 1-Feb-12	1,000,000	1,005,000
Republic of El Salvador, 8.50% due 25-Jul-11	500,000	545,000
Deutsche Managed Dollar Fund	6,513	6,513
Deutsche Managed Dollar Fund	3,390	3,390

Significant Changes in Portfolio Composition

For the Period Ended 31 January, 2003

Sales	Nominal	Proceeds US\$
Republic of Colombia, 10.000% due 23-Jan-12	4,000,000	3,350,000
Republic of Costa Rica, 8.000%, due 01-May-03	3,000,000	3,030,000
Grupo Insacell SA, 10.000% due 15-Jul-04	2,750,000	2,792,625
Occidente Y Caribe Celular, 14.000% due 15-Mar-04	2,150,000	2,225,250
Republic of Costa Rica, 8.000%, due 01-May-03	2,000,000	2,070,000
Republic of Costa Rica, 8.000%, due 01-May-03	2,000,000	2,040,000
Deutsche Managed Dollar Fund	1,955,099	1,955,099
Republic of El Salvador, 8.250% due 10-Apr-32	2,000,000	1,895,000
United Mexican States, 10.375% due 17-Feb-09	1,500,000	1,850,625
Mexico Par Bond Series A, 6.25% due 31-Dec-19	1,750,000	1,712,813
Corp Durango, 13.125% due 01-Aug-06	1,575,000	1,582,875
Cemex SA De CV, 8.625% due 18-Jul-03	1,500,000	1,578,750
Republic of Uruguay, 7.625% due 20-Jan-12	2,000,000	1,470,000
Coffe Emergcy Fd El Sal, 0.000% due 15-Jun-03	1,235,190	1,142,551
Grupo Televisa SA, 8.625% due 08-Aug-05	1,000,000	1,078,750
Bepensa SA 9.750% due 30-Sep-04	1,000,000	1,048,750
Republic of El Salvador, 8.50% due 25-Jul-11	500,000	526,250
Azteca Holdings SA, 12.500% due 15-Jun-02	325,000	330,688
Deutsche Managed Dollar Fund	3,390	3,390

The above significant Changes in portfolio composition include all purchases and sales over 1% of total purchases and sales.

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

Statement of Total Return (for the Period Ended 31 January, 2003)

	Note	Period ended 31 January, 2003 US\$	Year ended 31 December, 2001 US\$
Net gains on investments			
during the period	7	792,441	64,996
Gross income	8	5,146,074	4,961,610
Expenses	9	(1,904,308)	(1,243,492)
Net income for the period		<u>3,241,766</u>	<u>3,718,118</u>
Total Return for the period		<u>4,034,207</u>	<u>3,783,114</u>
Net increase in Shareholders'			
Funds from investment activities		<u>4,034,207</u>	<u>3,783,114</u>

Statement of Movements in Shareholders' Funds

(for the Period Ended 31 January, 2003)

	Note	Period ended 31 January, 2003 US\$	Year ended 31 December, 2001 US\$
Net assets at the start of the period		56,114,671	52,331,557
Movement due to sale and repurchase of Shares			
Amounts received on sale of Shares	5	<u>3,101,167</u>	—
		3,101,167	—
Net increase in Shareholders' Funds from Investment activities		<u>4,034,207</u>	<u>3,783,114</u>
Net assets at the end of the period		<u>63,250,045</u>	<u>56,114,671</u>

On Behalf of the Board of Directors

Michael Greene

Director

Per Åke Rydberg

Director**Date: 5 June, 2003**

Balance Sheet (as at 31 January, 2003)

	Note	As at 31 January, 2003 US\$	As at 31 December, 2001 US\$
Portfolio of investments			
(Cost: US\$59,455,835)	1(e)	61,854,865	47,464,551
Net current assets			
Debtors	10	1,722,442	1,497,911
Cash and bank balances	11	<u>295,745</u>	<u>7,402,218</u>
		2,018,187	8,900,129
Less			
Creditors – amounts falling due within 1 year	12	<u>(623,007)</u>	<u>(250,009)</u>
Net current assets		<u>1,395,180</u>	<u>8,650,120</u>
Net assets		<u>63,250,045</u>	<u>56,114,671</u>
Shareholders' Funds		<u>63,250,045</u>	<u>56,114,671</u>

On Behalf of the Board of Directors

Michael Greene

Director

Per Åke Rydberg

Director**Date: 5 June, 2003**

Notes to Financial Statements (for the thirteen month period ended 31 January, 2003)

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 period 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.

The security Aes Clesa is valued by a pricing committee that uses broad methodologies in arriving at a valuation for the security. This value is used for the purposes of calculating the Net Asset Value of the fund and for the financial statements purposes also.

Marketable investment securities held as current assets are stated at market value and profits and losses arising from this valuation are taken to the profit and loss account. This is a departure from the provisions of the Companies (Amendment) Act, 1986 which require that such assets be stated at the lower of cost and net realisable value and that only profits realised at the balance sheet date be included in the profit and loss account. The directors consider that these requirements would fail to give a true and fair view of the Company's profit for the year as it would not include a proper measure of the Company's performance in the year by reference to the market value of securities for which there is a liquid and active market. While the effect of this departure can be quantified, it is the view of the directors that this disclosure would be of no value to the readers of the financial statements, taking account of the prevalence of mark-to-market-accounting in the investment funds industry.

f) Foreign exchange

Foreign currency assets and liabilities, including investments, are translated into US dollars at the exchange rate prevailing at the period end. The foreign exchange gain or loss based on the translation of the

Notes to Financial Statements (for the thirteen month period ended 31 January, 2003)

original cost of the investments, together with the gain or loss arising on the translation of assets and liabilities, is included in 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.

h) Organisational expenses

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

2. Basis of presentation of financial statements

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 period, 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

Investment Company Capital Corp. (the 'Investment Manager') serves as Investment Manager of the Company, pursuant to an investment management agreement dated 1 January, 2002. DWS Finanz-Service GmbH (the 'Investment Advisor') provides investment advice and portfolio management services to the Company pursuant to an investment advisory agreement dated 1 January, 2002 between the Investment Manager and the Investment Advisor. The Company pays the Investment Manager a fee of 1.80% per annum of the average daily Net Asset Value of the Portfolio. For the period ended 31 January, 2003, the Fund paid a Management Fee of US\$1,171,195 to the Investment Manager for the Investment Manager's services. The amount payable as at 31 January, 2003 was US\$94,908.

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. For the period ended 31 January, 2003, the Fund incurred a performance fee of US\$352,284. The amount payable as at 31 January, 2003 was US\$352,284.

Notes to Financial Statements (for the thirteen month period ended 31 January, 2003)

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

Custodian

For the period ended 31 January, 2003, Investors Trust and Custodial Services (Ireland) Limited served as Custodian for the Company pursuant to the Custodian Agreement dated 25 February, 1999. Effective 1 February, 2003, The Governor and Company of the Bank of Ireland was appointed to serve as Custodian for the Company, pursuant to a Custodian Agreement dated 31 January, 2003.

Administrator

For the period ended 31 January, 2003. Investors Fund Services (Ireland) Limited served as the Administrator for the Company pursuant to a Administration Agreement dated 26 April, 1999. Effective 1 February, 2003, Bank of Ireland Securities Services Limited was appointed to serve as Administrator for the Company, replacing Investors Fund Services (Ireland) Limited, pursuant to an Administration Agreement dated 31 January, 2003.

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). The Subscriber Shares do not form part of the Net Asset Value of the Company. They are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's investment business.

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 period is shown below:

	Period ended 31 January 2003	Year ended 31 December 2001
Number of shares at beginning of period	50,000.00	50,000.00
Number of shares issued	<u>2,651.39</u>	<u>—</u>
Number of shares at end of period	<u><u>52,651.39</u></u>	<u><u>50,000.00</u></u>

Notes to Financial Statements (for the thirteen month period Ended 31 January, 2003)

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 period

	Note	Period ended 31 Jan., 2003 US\$	Year ended 31 Dec., 2001 US\$
Gains/(losses) realised on investments sold during the period	1(c)	836,879	(3,608,945)
Net change in unrealised (depreciation)/appreciation on investments during the period	1(d)	(44,438)	3,673,941
Net gains on investments during the period		<u>792,441</u>	<u>64,996</u>

8. Gross income

	Note	Period ended 31 Jan., 2003 US\$	Year ended 31 Dec., 2001 US\$
Income from investments	1(b)	5,072,923	4,697,354
Accretion of original issue discount		1,208	78,362
Accretion of discount		41,016	113,763
Bank interest	1(b)	30,927	72,131
		<u>5,146,074</u>	<u>4,961,610</u>

9. Expenses

	Note	Period ended 31 Jan., 2003 US\$	Year ended 31 Dec., 2001 US\$
Payable to the Investment Manager			
Investment Management fee	3	(1,171,195)	(989,377)
Performance fee		(352,284)	—
		<u>(1,523,479)</u>	<u>(989,377)</u>
Other expenses			
Audit fee		(29,296)	(26,000)
Amortisation of organisational costs	1(h)	(21,673)	(20,031)
Directors fees		(38,509)	(30,000)
Directors expenses		(18,829)	(35,000)
Legal		(210,090)	(100,500)

Printing/Publishing	(10,850)	(10,000)
Other	(51,582)	(32,584)
	<u>(380,829)</u>	<u>(254,115)</u>
Total expenses	<u>(1,904,308)</u>	<u>(1,243,492)</u>

10. Debtors

	As at 31 Jan., 2003 US\$	As at 31 Dec., 2001 US\$
Deferred organisational expenses	34,817	56,490
Accrued interest	1,668,315	1,424,751
Prepaid insurance	19,310	16,670
	<u>1,722,442</u>	<u>1,497,911</u>

11. Cash and bank balances

	As at 31 Jan., 2003 US\$	As at 31 Dec., 2001 US\$
Cash and bank balances	<u>295,745</u>	<u>7,402,218</u>

All cash and bank balances were held by Investors Trust and Custodial Services (Ireland) Limited at 31 January, 2003.

12. Creditors

	As at 31 Jan., 2003 US\$	As at 31 Dec., 2001 US\$
Accrued organisational expenses	(51,667)	(76,667)
Accrued management fees	(447,192)	(83,302)
Accrued other expenses	(124,148)	(90,040)
	<u>(623,007)</u>	<u>(250,009)</u>

13. Purchases and sales of investments during the period

	Period ended 31 Jan., 2003 US\$	Year ended 31 Dec., 2001 US\$
Total purchases	<u>45,276,946</u>	<u>46,868,390</u>
Total sales	<u>31,683,415</u>	<u>51,765,018</u>

Notes to Financial Statements (for the thirteen month period Ended 31 January, 2003)

14. Financial Instruments

Investments in bonds expose the fund to varying risks including interest rate, market, liquidity, and credit/counterparty risks. A description of the specific risks and policies for managing these risks are included below.

(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.

(b) 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.

(c) 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.

(d) 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 the AES Clesa security, which is held at fair value.

(e) Other risks

Derivative trading

Because of the low margin deposits normally required in derivative trading, a degree of leverage is typical of a trading account. As a result, a relatively small price movement in a contract may result in losses to Shareholders.

(f) Gains and losses on financial assets held or issued for trading

The net gain from trading in financial assets and financial liabilities shown in the Statement of Total Return can be analysed as follows:

	2002 US\$	2001 US\$
Net gain/(loss) on bonds during the period	921,394	(3,608,945)
Net loss on futures contracts during the period	(84,515)	—

(g) Interest Rate Risk

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

Period Ended	Currency	Total US\$	Fixed rate interest US\$	Zero rate interest US\$
31 January, 2003	US dollar	61,854,865	61,854,865	—
31 December, 2001	US dollar	47,464,551	45,521,645	1,942,906

Period Ended	Currency	Fixed rate financial assets Weighted average interest rate %	Fixed rate financial assets Weighted average period for which rate is fixed Years
31 January, 2003	US dollar	8.75%	9.5
31 December, 2001	US dollar	9.11%	4.1

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.

Notes to Financial Statements (for the thirteen month period Ended 31 January, 2003)

15. Related party transactions

The Central American Bank for Economic Integration is the majority shareholder with a 94.96% holding in the Fund at the period end. It is also the Placement Agent. Investment Company Capital Corp, a wholly-owned subsidiary of Deutsche Bank AG was appointed as Investment Manager of the Company on 1 January 2002. For the period ended 31 January, 2003, the Investment Manager received US\$1,171,195. Fees earned by the Investment Manager are detailed in Note 3. At the period end US\$94,908 was due to them in relation to Investment Management services.

16. Offering Circular

On 31 January, 2003 an updated offering circular was issued. It contains details of the change of Administrator, Placement Agent and Custodian.

17. Soft Commissions

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

18. Important Post Balance Sheet events

Effective as of 1 February, 2003, the Company appointed Bank of Ireland Securities Services Limited (the “Administrator”) as Administrator of the Company replacing Investors Fund Services (Ireland) Limited and The Governor and Company of the Bank of Ireland (the ‘Custodian’) as Custodian of the assets of the Company, replacing Investors Trust and Custodial Services (Ireland) Limited. Subsequent to the period ended 31 January, 2003, the Fund paid the Investment Manager a Performance Fee of US\$347,213. This payment represents the Performance Fee earned in the year ended 31 December, 2002.

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, 2001.

21. Approval of audited financial statements

The Directors approved the audited financial statements on 5 June, 2003.

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, deposits, credit linked deposits, certificates of deposit 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. Countries for investment will include Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Mexico, Colombia, Argentina, Panama, the Dominican Republic, Belize 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

Investment Company Capital Corp. serves as Investment Manager of the Company, pursuant to an investment management agreement dated 1 January, 2002 who in turn have delegated the investor advisor functions to DWS Finanz-Service GmbH who serves as Investment Advisor pursuant to an investment advisory agreement

dated 1 January, 2002 between the Investment Manager and the Investment Advisor.

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 31 January, 2003.

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.

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

Information for Shareholders

and dividend announcements, if any 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 of the Company to 31 December, 2002:

Walter Dostmann Chairman
William Foley
(resigned 31 December, 2002)
Michael Greene
Ian Morrison, Vice-Chairman
(resigned 31 December, 2002)
Per Åke Rydberg

Directors from the Central American Bank for Economic Integration:

Jaime Chavez
Nick Rischbieth Glöe
Alejandro Rodriguez
Director from Deutsche Bank AG:
Hartwig Krieg

Directors from Deutsche Asset Management—Americas:

Rodrigo Briones
Richard T. Hale
Ross Youngman
(resigned 31 December, 2002)

Directors of the Company after 31 December, 2002:

Walter Dostmann, Chairman
Michael Greene
Hartwig Krieg
Per Åke Rydberg

Directors from the Central American Bank for Economic Integration:

Jaime Chavez
Alejandro Rodriguez
Nick Rischbieth Glöe

Directors from Deutsche Asset Management—Americas:

Rodrigo Briones
Richard T. Hale

Investment Manager:

Investment Company Capital Corp.
One South Street
MD 21202
Baltimore
U.S.A.

Tel: (1) (410) 895 3663
Fax: (1) (410) 895 4921

Investment Advisor:

DWS Finanz-Service GmbH
Grueneweg 113-115
60323 Frankfurt am Main
Germany

Tel: (49) (69) 71909 550
Fax: (49) (69) 71906 552

Administrator to 31 January 2003:

Investors Fund Services (Ireland) Limited
Block D
Iveagh Court
Harcourt Road
Dublin 2
Ireland

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

Administrator after 31 January 2003:

Bank of Ireland Securities Services Limited
New Century House
Mayor Street Lower
International Financial Services Centre
Dublin 1, Ireland

Tel: (353) (1) 670 0300
Fax: (353) (1) 829 0144

Custodian to 31 January 2003:

Investors Trust and Custodial Services (Ireland)
Limited
Block D
Iveagh Court
Harcourt Road
Dublin 2
Ireland

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

Custodian after 31 January 2003:

The Governor and Company of the Bank of
Ireland
New Century House
Mayor Street Lower
International Financial Services Centre
Dublin 1, Ireland

Tel: (353) (1) 670 0300
Fax: (353) (1) 829 0144

Registered Office of the Company:

25/28 North Wall Quay
Dublin 1
Ireland

Tel: (353) (1) 649 2000
Fax: (353) (1) 649 2649

Management and Administration

Secretary:
Goodbody Secretarial Limited
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

Tel: (353) (1) 649 2000
Fax: (353) (1) 649 2649

Independent Auditors:
PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2
Ireland

Tel: (353) (1) 678 9999
Fax: (353) (1) 704 8600

Legal Advisors:
A & L Goodbody
International Financial Services Centre
North Wall Quay
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Placement Agents:
Central American Bank for Economic Integration
Edificio Sede
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Tegucigalpa
Honduras

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CABEI Central American Fund plc

ISIN IE0006076388
CABAR (12/02)