CABEI Central American Fund Investment Policy for the First Quarter of 2007

January 2007

DWS INVESTMENTS

Deutsche Asset Management

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Relative Value Analysis

DWS INVESTMENTS

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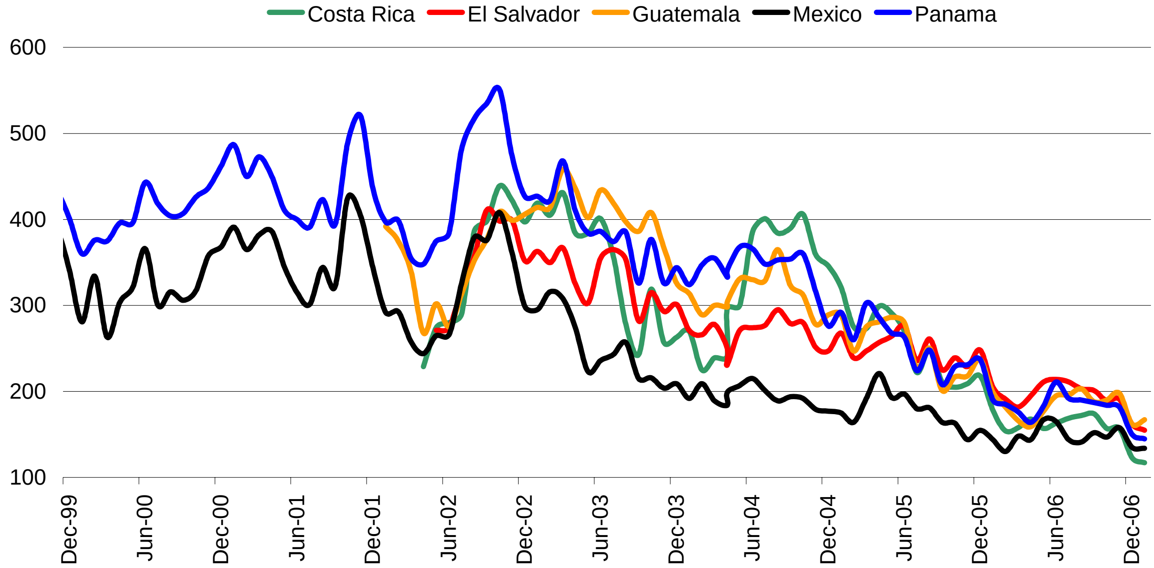

Source: JP Morgan

Note:

Central American countries experienced a successful year with growth performing well and inflation kept in check due to prudent monetary policy. Not only external capital inflows fuelled growth, but also domestic demand contributed to the economies' performance. Concerning 2007, trade flows are expected to strengthen as a result of DR-CAFTA while strong workers' remittances will underpin private consumption. Apart from that, domestic investment will also increase due to regional projects such as the Panama Canal expansion.

Performance of Central American sovereign debt had a high return in Q4 2006. Spreads tightened across the board, as lower commodity prices, strong domestic growth and benign expectations about US interest rate policy delivered support. Spread compression was observed in a range from 15 basis points (Mexico) to above 40 basis points (El Salvador, Panama). El Salvador benefited from improving fundamentals and attractive valuation (they have split investment grade rating), while bonds of Panama held up well amid the resounding approval rate in the referendum on expanding the Panama Canal and very high GDP growth.

Compared to performance of South American Peers, Central American issuers were partially lagging, as foreign investors concentrated on liquid names (Argentina, Venezuela) in an environment of rising appetite. While one could see this as negative, we regard it as an interesting opportunity for being invested in Central American debt. Past market moves have already supported our view that low-beta issuers with attractive risk/reward relation provide value, especially in a period of more volatile markets, hampered by rising uncertainty.

Taking into account positive fundamental development in the region, supportive technicals and benign global environment, we see good chances for another year of stable and high returns. As markets have already become cautious about the potential easing cycle for the Federal Reserve Bank (no rate hike expected until year-end), this also provides a bright outlook for fixed income markets in general.

Country Views

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Argentina (B3/B+/D)

Schiweck / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	9.2	8.5	7.0	4.5
Nominal GDP, in USD billions	183	208	237	261
CPI (year-end), in percent	12.3	9.8	10.0	10.1
Fiscal Balance, in percent of GDP	1.8	1.7	1.6	1.4
External Debt, in percent of GDP	62.1	49.2	42.5	38.1
Current Account Balance, in percent of GDP	3.6	3.0	1.9	1.2
Foreign Exchange Reserves, in USD billions	29.2	31.7	39.4	46.3

Economic and political developments

- Next presidential elections are scheduled to be held in October 2007 at the latest. Despite some attempts to postulate the President's wife as official candidate, the final outcome is still likely to be the re-election of Néstor Kirchner. So political stability should persist with the latest polls showing a support of about 65%.
- The country will continue to enjoy strong growth (around 7%), a current account surplus of close to 2% of GDP and a primary fiscal surplus of around 3.3% of GDP (after 3.5% in 2006 and the government target of 3.1% for 2007) in the year 2007.
- Latest December CPI readings confirm high but stable inflation (9.8%). Price agreements seem to be working with the government using this instrument as well ahead of the elections. According to the Central Bank's inflation survey, year-end inflation expectations for 2007 are stable at 10% compared to the 9.9 % in 2006.
- The still fundamentally undervalued peso (by about 20%) gradually appreciates in real terms due to high inflation figures. However, the Central Bank's strategy of aggressive reserve accumulation continues to weigh on the currency, thus slowing the pace of real appreciation.
- Although high inflation is dangerous for Kirchner's popularity, the likelihood that the Central Bank slows the pace of reserve accumulation this year is low as massive real appreciation of the currency is not favorable for the country, either.

Risk factors

- Further massive fiscal expansion and/or inflation spiraling out of control.
- Strong fall in commodity prices, especially in soy and oil.
- Energy shortage due to frozen utilities tariffs.

Spread forecast	01/19/07	A	B	C
EMBI Global Diversified Argentina	192 bps	175 bps	200 bps	300 bps

Colombia (Ba2/BB/BB)

Ebner / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	5.2	5.9	5.0	4.1
Nominal GDP, in USD billions	122.6	131.9	143.3	147.4
CPI (year-end), in percent	4.8	4.4	4.0	3.6
CG Fiscal Balance, in percent of GDP	-4.8	-4.9	-4.6	-4.5
External Debt, in percent of GDP	31.3	31.1	30.2	30.9
Current Account Balance, in percent of GDP	-1.6	-2.0	-3.8	-4.1
Foreign Exchange Reserves, in USD billions	15.0	15.6	16.4	15.1

Economic and political developments

- After winning re-election in May 2006, the administration took office on August 7. President Alvaro Uribe, staying in office until 2010, is expected to maintain prudent fiscal policy and to implement structural reforms. The latter are desperately needed in order to strengthen public finances and reduce the government's structural deficit.
- After accelerating to an estimated 5.9% in 2006, real GDP growth is likely to slow down to 5% yoy in 2007. Domestic demand will be dampened by the effects of monetary tightening, nevertheless remaining the major driver of growth. The FTA signed with the US should come into effect by 2008 and boost exports. However, after the Democrats winning US mid-term elections, risks of derailment in US congress have risen.
- The credibility of the inflation-targeting regime of Banco de la República has increased massively as the central bank managed to bring down inflation to 4.4% in December 2006, thus within the 4-5% target band. After raising its benchmark interest rates by 150 basis points to 7.5% since April 2006, no further rate hikes are expected, but Banrep remains alert for any signs of inflationary pressures.
- The fiscal deficit increased to 4.9% of GDP in 2006, with a bias to some tightening in 2007. However, the high level of non-discretionary spending makes a substantial reduction of the deficit difficult.
- Concerning the external sector, Colombia's current account deficit might have widened to 2% of GDP in 2006, owing to a strong acceleration in imports. This trend is expected to continue in 2007. However, net positive capital inflows should curb massive growth of the current account deficit.

Risk factors

- Structural deterioration in public finances, now over-shadowed by strong cycle.
- Further acceleration of inflation caused by strong domestic demand.

Spread forecast	01/18/07	A	B	C
BSCAX Colombia	135 bps	130 bps	145 bps	250 bps

Costa Rica (Ba1/BB/BB)

Ebner / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	5.9	7.1	5.0	5.1
Nominal GDP, in USD billions	20.0	21.8	24.1	25.0
CPI (year-end), in percent	14.1	9.4	9.1	7.5
CG Fiscal Balance, in percent of GDP	-2.3	-1.8	-2.0	-2.2
External Debt, in percent of GDP	26.1	25.6	24.3	22.6
Current Account Balance, in percent of GDP	-4.8	-5.0	-4.8	-4.5
Foreign Exchange Reserves, in USD billions	2.3	3.1	3.3	3.5

Economic and political developments

- Driven by solid export performance as well as robust domestic demand, economic growth added up to more than 7% yoy in 2006. In 2007, however, a deceleration in export activity is expected to be the major factor behind slower real GDP growth of 5% yoy.
- Central government deficit saw further reduction in 2006, mainly due to a substantial rise in revenues and continued capital spending restraint. However, fiscal reform remains on top of the government's 2007 agenda, intending to raise revenues by roughly 3% of GDP. This should not only allow for an increase in public infrastructure investment, but also support the planned recapitalization of the central bank. The latter is scheduled for 2007 and would enable the central bank to increase efforts in fighting inflation (taking advantage of more flexibility in interest rate policy, too). We think central bank recapitalization will be a medium term issue, thus inflation should come down only slowly.
- External imbalances are likely to remain in place with the trade as well as current account at elevated levels, especially as Costa Rica has neither ratified nor implemented DR-CAFTA so far. However, the government is very optimistic about an early agreement. Reforms required include liberalizing the telecom and insurance sector.
- The Central Bank recently replaced its currency-peg regime (depreciation of the colón by 6.6% in 2006) by a system of crawling exchange-rate bands. The new regime will allow a more effective use of interest rates in conducting monetary policy. While the currency stayed close to the lower band in the first weeks of operation, volatility is expected to increase as the system becomes established. In order to preserve export competitiveness, the Central Bank will keep an eye on the colón in case of too quick an appreciation.
- Declining inflation and less currency depreciation bodes well for the local bond market.

Risk factors

- Delay of financial reform and DR-CAFTA ratification.
- Shocks to global energy prices.

Spread forecast	01/18/07	A	B	C
BSCAX Costa Rica	118 bps	85 bps	100 bps	200 bps

Dominican Republic (B3/B/B)

Ebner / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	9.3	10.1	6.0	5.0
Nominal GDP, in USD billions	35.0	37.4	40.2	43.4
CPI (year-end), in percent	7.4	5.8	6.2	6.0
Fiscal Balance, in percent of GDP	-0.7	-1.3	-0.4	-0.4
External Debt, in percent of GDP	22.5	22.9	22.4	21.4
Current Account Balance, in percent of GDP	-0.4	-2.6	-3.0	-3.5
Foreign Exchange Reserves, in USD billions	1.8	2.1	2.2	2.4

Economic and political developments

- Following the March 2006 parliamentary elections, President Leonel Fernández has entered the second half of his four-year term in a much stronger position after his Partido de la Dominicana (PLD) won a majority in both houses of congress. Ahead of the next presidential elections in May 2008, campaigning for party nominations has already started with primary elections imminent.
- After growth surprised on the upside in 2005/06, it is expected to slow down to about 6% in 2007 mainly due to the country's lack of competitiveness, looming fiscal adjustment and the softening US economy. With workers' remittances underpinning private consumption, domestic demand will remain the major driver of growth.
- Due to fiscal slippage in the first nine months of the year, the government is likely to miss the IMF target of a balanced non-financial public sector budget in 2006. However, it is expected to put the program back on track, thereby maintaining IMF support. Public sector debt is on a firm downward trend, expected to dip below 43% in 2007.
- In 2005/06, the current account balance slipped back into deficit with imports rebounding from depressed levels. A widening trade deficit is projected to induce a current account deficit of 3% of GDP in 2007. Dominican Republic's pending implementation of the regional free-trade accord DR-CAFTA should further enhance the country's attractiveness as investment destination.
- Last September, S&P placed a positive outlook on the country's B rating and Moody's put the country's rating on review for a possible upgrade. Hence, positive rating dynamics coupled with strong fundamentals make the bonds look attractive.

Risk factors

- Conflicts with the IMF combined with the fragile external liquidity for the country.
- Energy sector crisis (subsidies are around USD 750 Million).

Spread forecast	01/18/07	A	B	C
BSCAX Dominican Republic	199 bps	150 bps	175 bps	350 bps

El Salvador (Baa3/BB+/BB+)

Ebner / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	2.8	4.2	4.0	3.6
Nominal GDP, in USD billions	17.0	18.2	19.4	20.1
CPI (year-end), in percent	4.3	4.4	4.3	4.0
Fiscal Balance, in percent of GDP	-3.0	-2.9	-0.8	-1.5
Public External Debt, in percent of GDP	44.9	45.0	43.3	41.9
Current Account Balance, in percent of GDP	-4.5	-4.8	-4.5	-4.3
Foreign Exchange Reserves, in USD billions	1.8	2.0	2.0	2.0

Economic and political developments

- President Antonio Saca continues to rely on negotiations and compromise to implement his policy program and reforms, as no party has a simple majority in congress.
- The Salvadoran economy recorded its highest rate of expansion in a decade with economic growth reaching 4.2% yoy in 2006, mainly driven by construction and the financial services sector. Economic expansion is set to continue, led by higher exports (around +20% yoy) due to the implementation of DR-CAFTA. But also consumption, underpinned by strong flows of workers' remittances, and investment activity are gaining momentum.
- Public debt has remained stable at a manageable 40% of GDP for a couple years. The government plans to keep the ratio steady through 2008, starting to reduce debt levels thereafter. Apart from positive impacts of dollarisation such as reduced inflationary pressures and convergence of interest rates towards the US' ones, it simultaneously limits fiscal policy.
- The country's maquila sector faces increased competition from China, with a fall in maquila exports posting a severe drag on the country's total exports.
- According to government officials, El Salvador plans to come back to international financial markets in 2008 only. The issuance of new external bonds is predominantly necessary for financing infrastructure projects.

Risk factors

- The growing crime problem could threaten investments in the medium to long term.
- The dollarisation which is in place since 2001 (fixed exchange rate at c8.75/$) could get under some pressure, if inflation differential accelerates and competitiveness on exports decreases.

Spread forecast	01/18/07	A	B	C
BSCAX El Salvador	144 bps	105 bps	125 bps	220 bps

Guatemala (Ba2/BB/BB+)

Ebner / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	3.2	4.6	4.1	4.3
Nominal GDP, in USD billions	31.9	36.2	38.7	42.6
CPI (year-end), in percent	8.6	5.5	5.4	5.5
Fiscal Balance, in percent of GDP	-1.5	-1.6	-1.9	-1.8
Public External Debt, in percent of GDP	17.2	17.0	15.9	14.6
Current Account Balance, in percent of GDP	-4.4	-4.8	-4.3	-4.0
Foreign Exchange Reserves, in USD billions	3.7	4.0	4.1	4.4

Economic and political developments

- President Berger has so far managed to impose fiscal discipline, but the lack of a working majority in Congress makes it increasingly difficult to go through with his pro-business economic program. Furthermore, campaigns for presidential, congressional and municipal elections in November 2007 raise political tensions and uncertainty. The issue of crime and the government's response to it will be major topics.
- Economic growth turned out higher than projected in 2006 (4.6 %) and the outlook remains bright for 2007/08. Guatemala is likely to profit from rising exports due to DR-CAFTA and preferential access to EU markets. Private consumption will be underpinned by substantial flows of workers' remittances, accounting for about 10% of GDP.
- Reaching 20% of GDP, Guatemala's public debt ratio is the lowest in the Central American region. The 2006 fiscal deficit came in at 1.6% of GDP, thus significantly outperforming the official target of 2.5% of GDP.
- After failing to meet its inflation target (4-6%) for two consecutive years, Banco de Guatemala successfully managed to bring down inflation to 5.5% yoy in 2006. Concerning 2007, the government predicts inflation to stay within the range. Despite further monetary tightening supporting the value of the currency, the quetzal is expected to weaken somewhat in 2007 due to uncertainties associated with the elections. With export performance and FX reserves improving, the current account deficit should narrow.
- The government does not plan to issue in international markets this year. Bonds are still supported by positive rating dynamics.

Risk factors

- The high current account deficit and dollar deposits make the banking system vulnerable.
- Exogenous shocks (hard landing in the US, hurricanes, rising oil prices) weighing on the economy pose a severe risk to the benign outlook.

Spread forecast	01/18/07	A	B	C
BSCAX Guatemala	145 bps	95 bps	120 bps	220 bps

Mexico (Baa1/BBB/BBB)

Schiweck / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	3.0	4.6	3.1	3.3
Nominal GDP, in USD billions	716	778	820	847
CPI (year-end), in percent	3.3	4.05	3.5	3.4
Fiscal Balance, in percent of GDP	-1.4	-0.8	-1.6	-2.0
External Debt, in percent of GDP	21.4	22.6	21.5	22.7
Current Account Balance, in percent of GDP	-0.7	-0.5	-1.2	-2.1
Foreign Exchange Reserves, in USD billions	68.7	69.1	70.5	72.2

Economic and political developments

- The new government starts discussing reforms in order to increase productivity and potential output over the medium term. Especially energy, labor and tax reform is urgently needed, as these steps were postponed for several years now and increasingly prove to be an impediment for further upgrades.
- Growth will probably slow somewhat this year, partly due to the weakening of the US economy. However, this will partly be offset by strong private consumption, well-supported by substantial inflows of workers' remittances. Apart from that, basically the strong relationship between US and Mexican business cycles should have softened. We expect real GDP growth to be around 4.6% in 2006 and 3% in 2007.
- In the 4th quarter 2006 headline and core inflation stabilized with headline inflation reported 4.05% (just 4 bps above the central bank ceiling) and core inflation 3.61% in December. As the inflation hump likely peaked in October, the central bank might stay on hold, leaving the overnight rate at 7% in the coming months. However, it might lower rates further if the FED starts cutting rates.
- The Mexican peso has stabilized massively after the election and was trading in range 10.68 to 11.13 against the USD. A sharp slowdown in the US could cause some more volatility and the risk of weakness in the Mexican peso is growing with oil prices dropping sharply or Foreign Direct Investments (FDI) decreasing massively.

Risk factors

- Recession in the United States and/or rapid fall of oil prices.
- A more aggressive opposition could challenge the government.

Spread forecast	01/18/07	A	B	C
BSCAX Mexico	82 bps	65 bps	75 bps	120 bps

Nicaragua (B3/NR/NR)

Ebner / Schlotthauer

Economic indicators	2005	2006e	2007f	2008f
Real change in GDP, in percent	4.0	3.5	3.0	3.3
Nominal GDP, in billions of USD	4.9	5.3	5.5	5.7
Inflation rate (year-end), in percent	9.6	8.0	7.5	7.0
Fiscal Balance, in percent of GDP	-5.8	-6.0	-6.3	-6.4
Foreign debt, in percent of GDP	102.0	71.4	64.2	57.3
Current Account balance, in percent of GDP	-16.3	-16.8	-15.1	-14.1
Foreign exchange reserves, in USD millions	728	723	753	783

Markets, economy, politics

- Seventeen years after having been voted out of his office, Daniel Ortega returned to Nicaragua's presidency on January 10, 2007. Albeit claiming not to be the fervent revolutionary anymore that ruled the country in the 1980s, politics are expected to remain turbulent. As the Frente Sandinista de Liberación Nacional does not control a legislative majority, Ortega will need to work with the right-wing Partido Liberal Constitucionalista (PLC). Disputes between the two parties might occasionally lead to political impasse.
- After a slowdown to 3.5% yoy in 2006, economic growth is expected to weaken further in 2007. Political uncertainty remains a drag, mainly dampening investment spending. In contrast, private consumption is likely to start recovering with consumer confidence improving and workers' remittances rising. Growth will also be supported by greater contribution from the external sector, given that Nicaragua is a member of DR-CAFTA.
- The consolidation of public finances was deferred in the run-up to the November elections. Hence, the 2007 budget has not been passed yet. In any case, a fiscal deficit of about 6% of GDP in 2006 will force the government to tighten spending significantly.
- Over recent years, external debt dropped markedly due to substantial debt relief from IMF, World Bank, Paris Club, IADB and CABEI provided under the Highly Indebted Poor Country (HIPC) Initiative. However, given the massive current account deficit of roughly 17% of GDP that is not fully covered by transfers, Nicaragua remains heavily dependent on official donor grants.
- The large trade deficit remains a drag on the current account balance. Additionally, the narrow commodity-dependent export base makes the country vulnerable to external shocks. However, the central bank has managed to steadily accumulate foreign exchange reserves, currently standing at USD 720 million.

Risk factors

- Conflicts with the IMF and political instability.

Market forecasts	01/18/07	A	B	C
Sovereign debt	n/a	no market levels available		

Panama (Ba1/BB/BB+)

Ebner / Schlotthauer

Economic Indicators	2005	2006e	2007f	2008f
Real GDP, year-on-year change in percent	6.4	8.1	7.5	7.0
Nominal GDP, in USD billions	15.5	17.2	18.7	20.0
CPI (year-end), in percent	3.4	1.7	1.6	1.4
Fiscal Balance, in percent of GDP (ex Canal)	-3.2	-1.9	-1.5	-1.1
External Debt, in percent of GDP	63.0	58.0	55.0	51.7
Current Account Balance, in percent of GDP	-5.0	-2.4	-5.1	-7.0
Foreign Exchange Reserves, in USD billions	1.2	1.3	1.4	1.4

Economic and political developments

- The resounding approval rate in the referendum on expanding the Panama Canal has strengthened the government's standing, thus enhancing its prospects for implementing a number of reforms in 2007/08. After successful fiscal and social security reform in 2005/06, reforms in the judicial system and the fiscal responsibility law are pending.
- Real GDP expanded by 8% in 2006, heavily benefiting from buoyant global trade. Progress has already been made in negotiating a free-trade agreement with the United States, its most important trading partner. Concerning 2007, economic activity is expected to experience only a slight deceleration, as a slowdown in global growth is counteracted by strong construction activity and investment related to the canal upgrade.
- Strong fiscal performance led to a decrease in Panama's budget deficit to roughly 2% of GDP in 2006. This positive trend is likely to continue in 2007. Amounting to about 64%, the country's public debt-to-GDP ratio is high compared to other BB rated countries. This will not change soon, debt is expected to remain at elevated levels for some time due to financing needs linked to the canal expansion.
- With the US dollar undergoing a gradual nominal depreciation and Panamanian inflation remaining below US figures, Panama will continue to gain in international competitiveness. However, after narrowing in 2006, Panama's structural current account deficit is likely to face a substantial widening in 2007. Especially due to rising imports related to the canal upgrade leading to a substantial increase in the trade deficit.
- Another strategy of the government is to bolster the energy security by constructing a gas pipeline to Colombia and establishing closer energy integration with Venezuela.

Risk factors

- Fiscal slippage.
- Fluctuations in world trade.

Spread forecast	01/18/07	A	B	C
BSCAX Panama	129 bps	110 bps	135 bps	200 bps

Scenario Analysis

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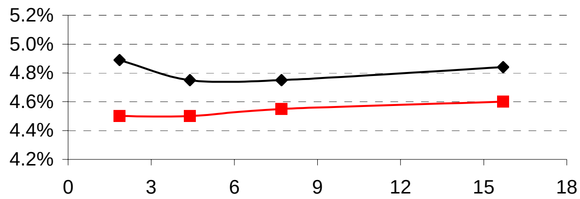
Time of Analysis		Risk-free	Probabilities		
Start	Horizon	Rate	A	B	C
18/01/2007	18/01/2008	5.25%	15%	70%	15%

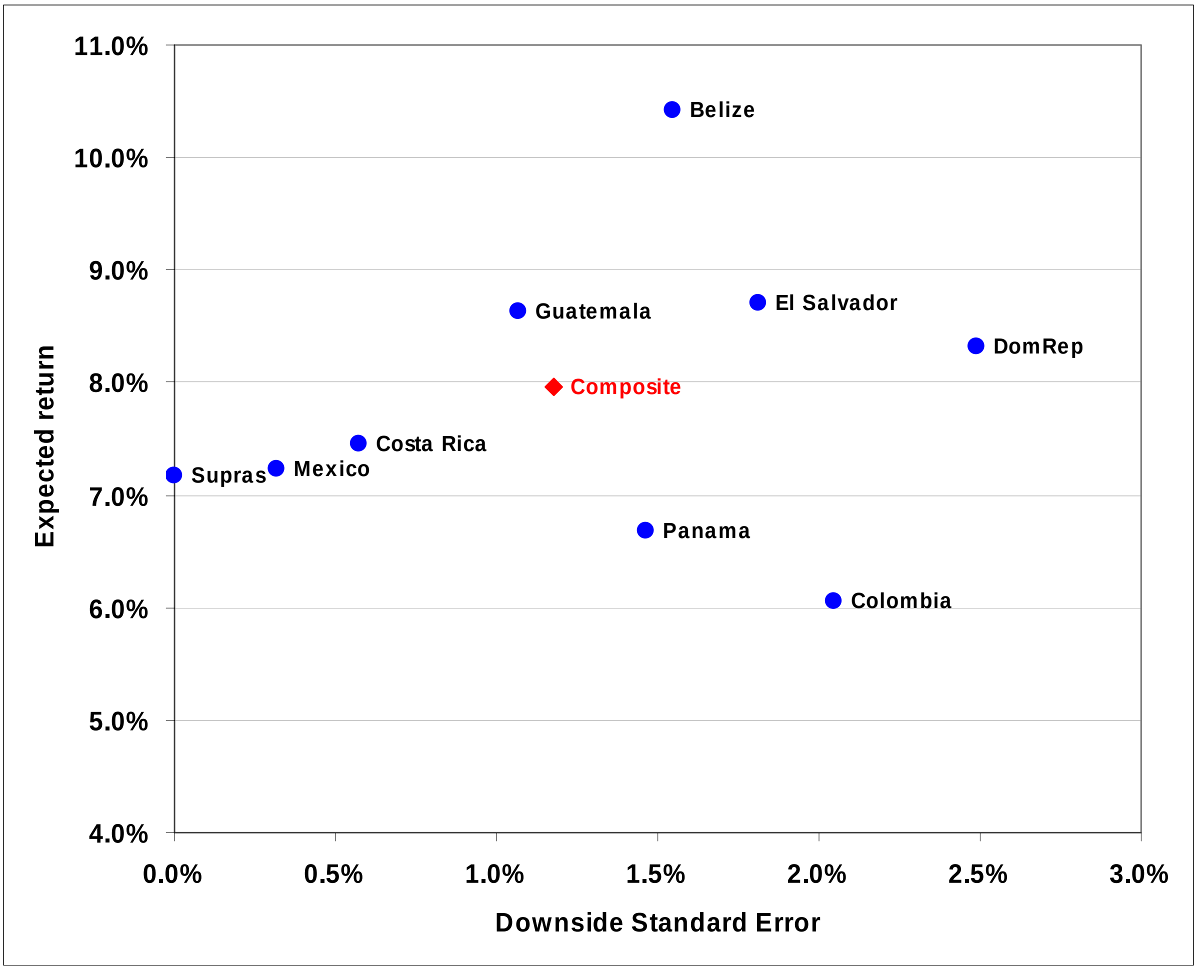
Country	BSCAX Weight	Stripped Spread	Spread Forecast A	Spread Forecast B	Spread Forecast C	Expected Total Return A	Expected Total Return B	Expected Total Return C	DSSE
Belize	0.1%	1114 bps	1000 bps	1300 bps	1500 bps	22.6%	9.8%	1.3%	1.5%
Colombia	5.2%	135 bps	130 bps	145 bps	250 bps	7.9%	7.0%	0.0%	2.0%
Costa_Rica	20.9%	118 bps	85 bps	100 bps	200 bps	8.6%	8.0%	3.8%	0.6%
Dominican_F	0.9%	199 bps	150 bps	175 bps	350 bps	11.3%	9.7%	-1.2%	2.5%
El Salvador	39.9%	144 bps	105 bps	125 bps	220 bps	11.7%	9.8%	0.6%	1.8%
Guatemala	12.1%	145 bps	95 bps	120 bps	220 bps	11.1%	9.4%	2.5%	1.1%
Mexico	13.6%	82 bps	65 bps	75 bps	120 bps	8.3%	7.6%	4.4%	0.3%
Panama	3.1%	129 bps	110 bps	135 bps	200 bps	9.4%	7.2%	1.5%	1.5%
Supranation	4.3%	97 bps	80 bps	90 bps	120 bps	7.8%	7.3%	5.9%	0.0%
Composite	**100.0%**	**128 bps**	**96 bps**	**114 bps**	**200 bps**	**10.1%**	**8.7%**	**2.2%**	**1.2%**

Treasury Benchmark bonds	Yield at Start	Yield at Horizon	Modified Duration
2yr On-the-run Treasury	4.89%	4.50%	1.9
5yr On-the-run Treasury	4.75%	4.50%	4.4
10yr On-the-run Treasury	4.75%	4.55%	7.7
30yr On-the-run Treasury	4.84%	4.60%	15.7



Note:

This table shows the expected return of CABEI Fund's benchmark over a twelve-month horizon under three different spread scenarios. In the course of 2007, we expect US Treasury yields to decline, which would result in a positive return contribution of 1.4% on average. This positive return will add to the running yield and, in some cases, to return from expected spread tightening.


11.0%
10.0%
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
Expected return
Belize
Guatemala
El Salvador
DomRep
Composite
Costa Rica
Supras
Mexico
Panama
Colombia
0.0%
0.5%
1.0%
1.5%
2.0%
2.5%
3.0%
Downside Standard Error

Currency forecasts (6 months)

Currency	A (15 %)	B (70 %)	C (15 %)
EURUSD	1.40	1.32	1.18
USDJPY	112.00	125.00	130.00
USDMXN	10.60	10.80	12.50
USDARS	3.05	3.13	3.30
USDCOP	2100	2300	2600

Allocation Ranges

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The investment committee has agreed on the following policy ranges for the country allocation of the CABEI Fund for the first quarter of 2007:

Country	Index	01/25/07	Minimum	Maximum
Argentina *	0.0 %	2.1 %	0 %	10 %
Belize	0.1 %	0 %	0 %	5 %
Colombia	5.2 %	0 %	0 %	10 %
Costa Rica	20.9 %	**23.2 %**	15 %	25 %
Dominican Republic *	0.9 %	2.9 %	0 %	5 %
El Salvador	39.9 %	**30.5 %**	30 %	40 %
Guatemala	12.1 %	**22.0 %**	15 %	30 %
Mexico (external)	13.6 %	5.9 %	5 %	15 %
Mexico (domestic)	0 %	2.3 %	0 %	5 %
Nicaragua *	0 %	**3.6 %**	0 %	6 %
Panama	3.1 %	6.2 %	5 %	15 %

* The combined allocation to Argentina, the Dominican Republic, and Nicaragua should not exceed 15 % of the fund's assets.

Duration (after hedge)	7.4 yrs	6.8 yrs	3.0 yrs	9.0 yrs

Comment:
Portfolio positioning data already includes trades which will be executed based on allocation decisions taken in the quarterly investment committee. Furthermore, we also included forthcoming partial amortization paid out of Nicaragua BPI bonds (which shall amount to approximately one fifth of total holdings in this bond).

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