

CABEI Central American Fund P.L.C.

Ordinary Minutes Meeting: 20-07

Financial Information: as at June 30, 2007

Risk Rating:

Fund	Previous Rating	Current Rating
CABEI Central American Fund P.L.C.	scrAAAf 3	scrAAAf 3

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1. Rating Summary

The **scr-AAAf** rating is granted to funds whose quality and diversification of assets, strengths and weaknesses of the administration provide the highest security against losses originated from breaches of payment. Excellent Level.

With respect to the market risk, the **3 Category** is assigned to funds with "high sensitivity to changing conditions in the market".

2. Executive Summary

- The assets managed by the Fund increased in a 0,94% during the second quarter of 2007, and in a 15,79% during the last year of analysis.
- The investments portfolio does not show significant variations, concentrating in near 49,00% in securities of BB issues.
- Between May.07 and Jun.07 the increasing trend in the yields breaks down, reaching a YTD value of a 1,93% (not annualized) at the closing of this last date, higher than the 0,08% reached in the same date of 2006.

3. Description of the CABEI Central American Fund p. l. c

The CABEI Central American Fund P.L.C. is an open and non seriated Investment Fund that was approved for public offer by the General Super Intendancy of Securities (SUGEVAL) in Costa Rica since July 31, 2003, by means of the SGV-R-672 Resolution. This Fund was approved since March 1999 as an Investment Company in the Republic of Ireland, under the regulations

established in that country and those of the European Union.

The Fund is oriented to invest mainly in securities issued by organizations and sovereign debt of the regional and extra - regional partner countries of the Central American Bank for Economic Integration (CABEI), besides Panama, Dominican Republic and Belize.

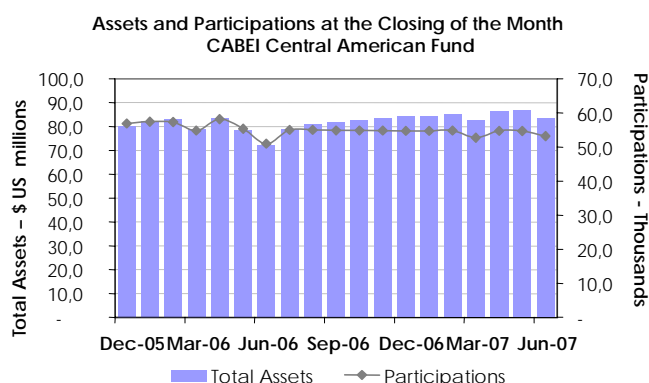
On the matter, the group of regional country members is compound by Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador, as extra regional members are Argentina, Colombia, Mexico, Taiwan (Republic of China) and Spain. Up to date there are other countries that have shown their interest to become part of the member partners of the BCIE.

4. Managed Assets

At the closing of the first semester of 2007 the assets managed by the Fund reached US \$ 83,52 million, which in spite of having descended a 3,69% in Jun.07, at the extensive of the second quarter of 2007 increased in a 0,94%, while they did in a 15,79% during the last year of analysis.

On the other hand, for Jun.07 the decrease in the number of participations remains, which appeared since Jul.06, when it reached 54,986 units, while at the closing of 2006 the number of participations passed to 54.734 and for Jun.07 to 53.169, which represents a decrease of a 2,86% during the first semester of 2007 and a 3,30% between Jul.06 and Jun.07.

The monthly evolution of the assets and the participations of the Fund between Dic.05 and Jun.07 can be observed in the following graph.



As far as the investments portfolio, this remains mainly concentrated in public and private issuers of three countries, as follows: El Salvador, Costa Rica and Guatemala. With regard to the previous quarter, it is possible to emphasize the decrease in the participation of El Salvador, passing from a 31,04% to a 25,03% of the portfolio between Mar.07 and Jun.07, while the securities issued by the Mexican Government and private companies passed from representing a 11,53%, to a 14,03% of the portfolio between same dates.

As far as the Costa Rican securities, they showed a slight decrease in their participation, passing from a 23,75% in Mar.07 to a 22,00% in Jun.07, while the Guatemalan securities increased from an 18,64% to a 20,18%, between the same dates.

It is important to write down, in this sense, that at the closing date of Jun.07, a 12,10% of portfolio was in securities, having private companies of the energetic sector as issuers, while the remaining 87,90% was invested in sovereign debt.

In the following chart the behavior of the distribution of the Fund's investments in securities, according to issuer between Jun.06 and Jun.07 can be appreciated.

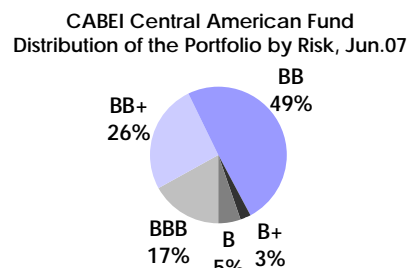
**CABEI Central American Fund
Distribution of the Portfolio**

	Jun.06	Sept. 06	Dec. 06	Mar.07	Jun.07
El Salvador	34,80%	36,00%	35,60%	31,04%	25,03%
Costa Rica	18,40%	18,80%	21,20%	23,75%	22,00%
Guatemala	18,90%	19,10%	16,60%	18,64%	20,18%
Mexico	8,20%	10,80%	9,70%	11,53%	14,03%
Panama	7,20%	8,70%	6,70%	6,33%	6,26%
Dominican Republic	2,70%	1,50%	3,00%	2,84%	4,34%
Nicaragua	5,70%	5,00%	5,10%	3,72%	3,43%
Colombia	1,80%	0,00%	0,00%	0,00%	2,62%
Argentina	2,40%	0,00%	2,20%	2,15%	2,12%

With regard to the structure of the portfolio according to risk rating, most of the rated ¹ portfolio has a BB risk rating (a 49,00%) for Jun.07; it is important to remember that Costa Rica, Guatemala and Panama have this country risk rating.

On the other hand, for the closing date of Jun.07 a 26,00% of rated portfolio is invested in securities of issuers that have BB+ ratings, corresponding to those of El Salvador and Colombia, while the 17,00% of the portfolio invested in Mexican securities has a BBB rating. The remaining 8,00% of the rated portfolio has different levels of B ranking, being securities of Argentina (B+) and Dominican Republic (B).

The distribution of the CABEI Fund Investment Portfolio ranked by risk rating can be observed in the following graph.



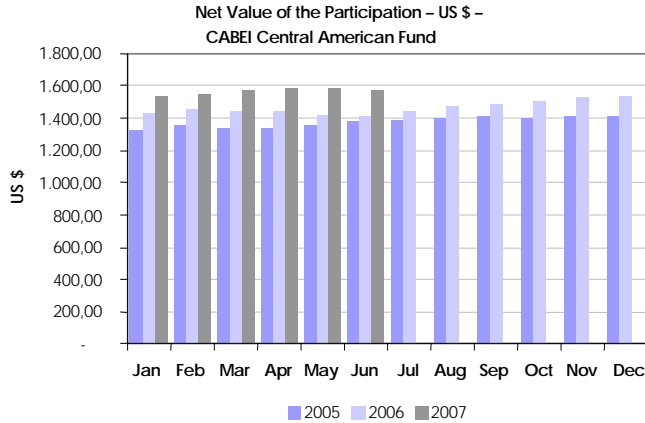
Source: Poor's & Standard's Listing of Ratings by Issuer for Latin America as at June 30, 2007.

5. Performance of the Fund

At the closing of Jun.07 the participations of the Fund reached a value of US \$1.570,84, being the highest result of the 3 last years after the US \$ 1.584,65 obtained in May.07, with which it accumulates a quarterly growth of US \$ 2,86 (0,18%) and US \$156,10 (11,03%) annually.

In the following graph the behavior of the net value of the participation at the closing of the month since Jan.05 to Jun.07 can be appreciated.

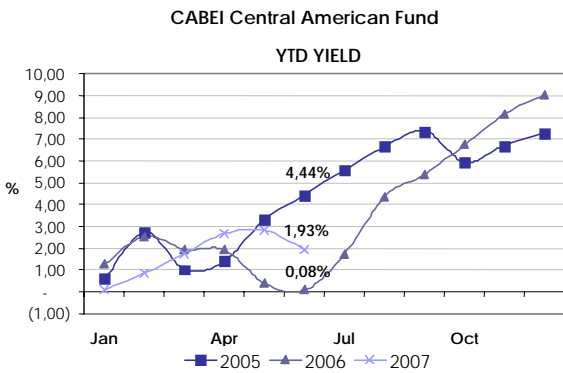
¹ The risk ratings referred have been granted by Standard & Poor's, except for Nicaragua, which is rated as B3 by Moody's. The distribution of ratings makes reference to the risk of the sovereign /corporate issuer of the security and it does not include cash possessions or future contracts.



As far as the return obtained by the Fund, it is appropriate to underline the reduction in YTD value during the month of Jun.07, breaking in this way with the increasing trend displayed by the indicator since Jun.06. While in May.07 the yield during the year had accumulated to a 2,82%, the accumulated for Jun.07 decreased to a 1,93%.

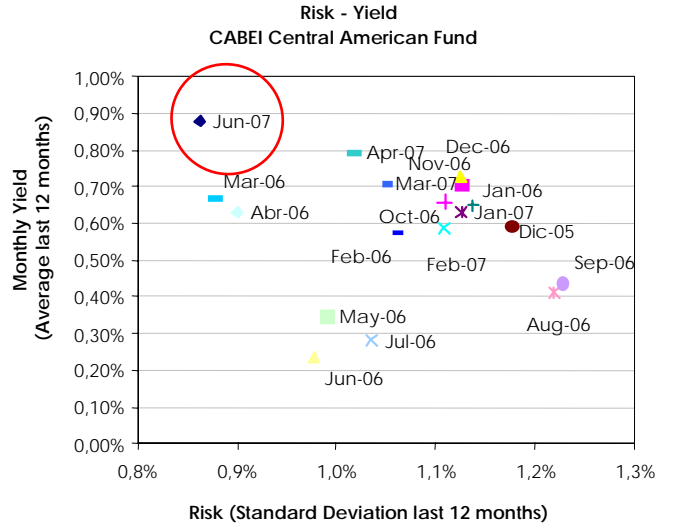
In this manner, the YTD return reached up to Jun.07 manages to surpass the accumulated in the same period of 2006, of a 0,08%, although not the one of Jun.05, of a 4,44%.

In the following graph it is possible to appreciate the monthly behavior of the accumulated return that the Fund has shown for years 2005, 2006 and the first half of 2007.



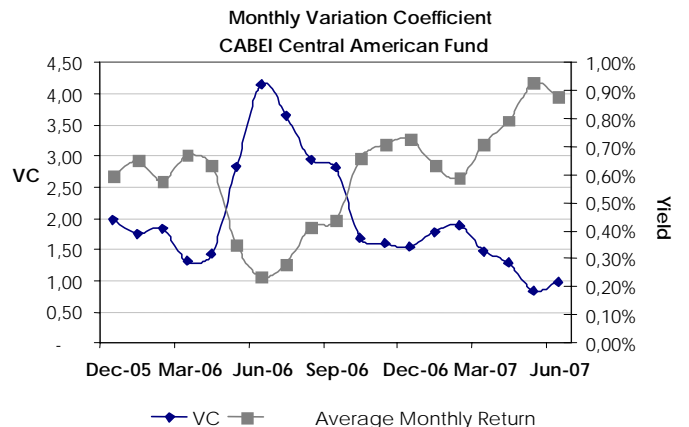
As far as the ratio offered by the CABEL Fund between its average return of the last 12 months and the standard deviation of this one, it is remarkable that during the last quarter, while the average return increased from a 0,71% to an 0,88%, the standard deviation of this one was reduced from 1,05 to 0,86 percentage points, with which it reaches the greater average monthly yield, and the smaller volatility of the last 18 months.

The monthly risk-yield ratio of the Fund for different periods between Dec.05 and Jun.07 is exposed in the following graph.



In this sense it is important to notice the decreasing trend that exhibits the Variation Coefficient (VC), measured by the quotient of the Standard Deviation of the last 12 monthly returns over the monthly average yield, since Jun.06, when it reached 4,15 risk units by return unit. This indicator closed Jun.07 in 0,98 units, versus 1,55 units obtained in Dec.06. The above-mentioned indicates that the investor is assuming smaller risk levels in spite of the increase that the yield has displayed in the recent months, which in addition is evidenced when comparing this indicator of dispersion with the evolution of the average return.

In the following graph it is possible to appreciate the behavior of the Variation Coefficient and the average monthly Yield of the Fund for the last 12 months.



6. Rating Scales

6.1. Ranking Categories of Investment Funds

6.1.1. LEVEL OF INVESTMENT DEGREE

Scr-AAAf: The quality and diversification of the Fund's assets, as well as strengths and weaknesses of the administration provide the highest security against losses originated from breaches of payment. Excellent Level.

Scr-AAf: The quality and diversification of the Fund's assets, as well as strengths and weaknesses of the administration provide a very high security against losses originated from breaches of payment. Very Good Level.

Scr-Af: The quality and diversification of the Fund's assets, as well as strengths and weaknesses of the administration provide a good security against losses originated from breaches of payment. Good Level.

Scr-BBBf: The quality and diversification of the Fund's assets, as well as strengths and weaknesses of the administration provide enough security against losses originated from breaches of payment. Satisfactory Level.

6.1.2. LEVEL UNDER THE DEGREE OF INVESTMENT

Scr-BBf: The quality and diversification of the Fund's assets, as well as strengths and weaknesses of the administration provide an uncertain security against losses originated from breaches of payment.

Scr-Bf: The quality and diversification of the Fund's assets, as well as strengths and weaknesses of the administration show vulnerability against losses originated from breaches of payment.

Scr-Cf: Investment Funds having the payment of capital suspended under conditions and terms agreed.

Scr-Df: Investment Funds that do not provide valid and representative information to carry out the rating process before or during the term of the Fund.

(+) or (-): Ratings from " scr-AAf " to " scr-Cf " can be modified by the addition of the positive (+) or negative (-) symbol to indicate the relative position within the different categories.

6.2. Market Risk Rating Categories.

1st Category: Low sensitivity before changing conditions in the Market.

2nd Category: Moderate sensitivity before changing conditions in the Market.

3rd Category: High sensitivity before changing conditions in the Market.

4th Category: Very high sensitivity before changing conditions in the Market.

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