

CABEI Central American Fund P.L.C.

Ordinary Meeting No: 05-08

Non-Audited Financial Information: as at December 31, 2007

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1. Risk Rating

Following is submitted the analysis of the CABEI Central American Fund P.L.C. with non-audited financial information as at December 31, 2007.

Based on this information, the next ratings were granted for the CABEI Central American Fund P.L.C.

Fund	Previous Rating	Current Rating
Costa Rica		
CABEI Central American Fund P.L.C.	scrAAAf 3	scrAAAf 3
Guatemala		
CABEI Central American Fund P.L.C.	scrAAAf 3 (gua)	scrAAAf 3 (gua)
Panama		
CABEI Central American Fund P.L.C.	scrAAAf 3 (pan)	scrAAAf 3 (pan)

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

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

2. Executive Summary

- At the closing date of 2007 the increasing trend in the volume of assets retakes until Nov.07, reaching US\$113, 90 million, to move down to US\$109,80.

- In the fourth quarter of 2007 the assets were increased in a 12%, while during the 2007, 2006 and 2005 they grew 30%, 5% and 14% respectively.
- These variations occurred hand to hand with the number of participations, remaining in 68 thousands up to Dec.07, after a quarterly increase of a 9% and of a 24% in an annually basis.
- The investments portfolio does not show significant variations, concentrating in around a 73.00% in securities of issuers with BB international risk ratings.
- After descending before the first signs of deterioration of the U.S.A. economy, in the third and fourth quarters of this year, CABEI retakes the growing of its yields, accumulating a value of 4.72% to Dec.07, without reaching to the one obtained in 2006 (7,30%) and in 2005 (9,02%).
- The participation reaches a value of US\$1.613 up to Dec.07, a new historical maximum after the US\$1.585 in May.07.

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

The CABEI Central American Fund P.L.C. (CABEI Fund) is an open and non-serial Investment Fund, which was approved for public bid by the General Super Intendance 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 country partners of the Central American Bank of Economic Integration (BCIE), in addition to Panama, Dominican Republic and Belize.

"The risk rating issued represents the opinion of the Financial Risk Advisors Co. based on objective analyses made by professionals. It is not a recommendation to buy, sell or to keep certain instruments, nor is it an endorsement or guarantee of an investment, issue or its issuer. The liquidity that different securities might have in the primary market, as well as in the secondary market, is not considered. It is recommended to analyze the financial information prospect, and the relevant facts of the rated organization, which are available at the issuer's offices, at the General Super Intendance of Securities, stock markets, and representing brokerage houses."

On the matter, the group of regional country members is compound by Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador, while 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 in becoming part of the partner members of the BCIE.

Additionally, the issue of the CABEL Fund's shares was approved by Management Committee of the Guatemalan National Stock Exchange (Bolsa de Valores Nacional, S.A.de Guatemala) in meeting held on February 17, 2006 and registered before the Registry of the Securities and Merchandise Market of that country on December 1st, 2006.

In this sense it must be point out that, as it was indicated, the issue has been created under the effective legislation of the Republic of Ireland; consequently, in case of litigation the courts of that country will be competent.

Additionally, in Guatemala the CABEL Fund has designated the Central American Bank of Economic Integration (CABEL) as Placement Agent and it can assign additional Deputy Placement Agents so that they help in the search of investors for the portfolio. Particularly, the Cuscatlán Securities Company (Cuscatlán Valores, S.A.) has been appointed as Deputy Agent for the placement of the CABEL Fund in Guatemala.

On the other hand, in Panama, since April 11th, 2007 the National Commission of Securities of the Republic of Panama communicated that it did not maintain objections to the notification of the establishment of a marketing relationship between the CABEL Central American Fund P.L.C. and the Brokerage House Worldwide Securities under Administration Co. (Securities Worldwide) - (*Mundial de Valores en Administración S.A.*) (*Mundial de Valores*). The official notice means that Securities Worldwide is allowed to sell the CABEL Fund's participations in a private manner to its customers in Panama.

Later, on November 22nd, 2006 and January 19th, 2007, CABEL Fund and Securities Worldwide, respectively, sign a Sub Branch Agreement whose main target is to authorize and register Securities Worldwide as Agent of local placement of the CABEL Fund's participations in Panama.

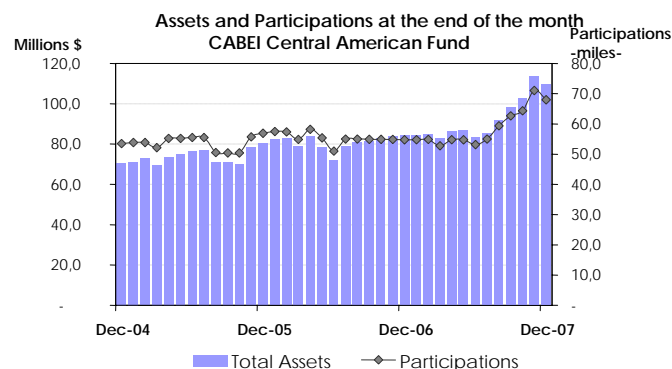
Additionally, the Administrator and Safeguard of the CABEL Fund, the Bank of Ireland Securities Services, has completed the process in agreement with HSBC Panama so that this serves as Sub Safeguard of the CABEL Fund to facilitate the investments in Panama, Costa Rica, Guatemala and El Salvador.

4. Managed Assets

As at the closing date of 2007 the assets managed by the Fund reached US\$109.80 million after they were increased **SCRiesgo**

in a 12.00% during the fourth quarter, and 30.00% to the extensive of the year. The behavior of the managed assets is shown in a parallel structure to the number of participations, which ascended to 68 thousand for Dec.07, after a quarterly increase of 9.00% and of 24.00% annual.

The monthly evolution of the assets and the participations of the Fund between Dec.04 and Dec.07 are shown in the following graph.



As far as the investments portfolio, this is maintained mainly concentrated in public and private issuers of El Salvador, Costa Rica and Guatemala, which altogether represent near a 64.00% of total portfolio as at Dec.07. During 2007 the decrease in the participation of El Salvador has been remarkable, passing from a 36.00% to a 22.00% of portfolio, while the Costa Rican securities have represented around a 22.00% of the portfolio during the same period.

Additionally, it is important to write down that to the closing of Dec.07, only a 1.00% of the net assets of the portfolio were in cash; while at the closing of the previous quarter an 8.30% were in this condition.

In the following chart the behavior of the distribution of investments in securities of the Fund according to issuer between Dec.06 and Dec.07 can be observed.

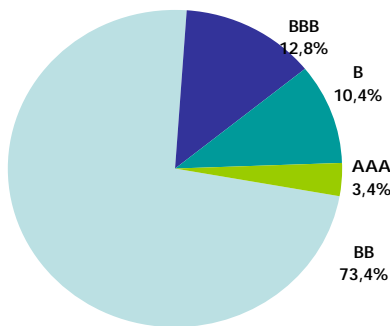
	Dic. 06	Mar. 07	Jun. 07	Sep. 07	Dic. 07
El Salvador	36%	31%	25%	25%	22%
Costa Rica	21%	24%	22%	23%	21%
Guatemala	17%	19%	20%	21%	18%
México	10%	12%	14%	12%	13%
Panamá	7%	6%	6%	8%	9%
República Dominicana	3%	3%	4%	5%	6%
Nicaragua	5%	4%	3%	3%	3%
IADB	0%	0%	0%	0%	3%
Argentina	2%	2%	2%	3%	2%
Colombia	0%	0%	3%	1%	2%

With regard to the structure of the portfolio according to risk rating in foreign currency; most of the rated portfolio¹ has BB (73.40%) international risk rating for Dec.07; it must be remembered that Costa Rica, Guatemala and Panama had this country risk rating for such date. On the other hand, El Salvador and Colombia have BB+ international risk rating. In this particular it is important to mention that starting from February 26, 2008 Standard & Poor's raised the risk rating of Panama to BB+, improving the credit quality of near 7.00% of investments portfolio of CABEL Fund for such date.

Additionally, at the closing of the 2007 a 12.80% of the rated portfolio is invested in securities of issuers that have BBB+ international ratings, corresponding to Mexican securities. The remaining 10.40% of the ranked portfolio has different B rating levels, being Argentina securities (B+) and Dominican Republic's (B). Finally, near a 3.40% of the portfolio has the maximum credit quality rating, AAA, which corresponds to securities of the Inter-American Development Bank.

The distribution by risk rating of the ranked Investments Portfolio of the CABEL Fund can be appreciated in the following graph:

**CABEL Central American Fund
Distribution of the Portfolio by Risk, Dec.07**



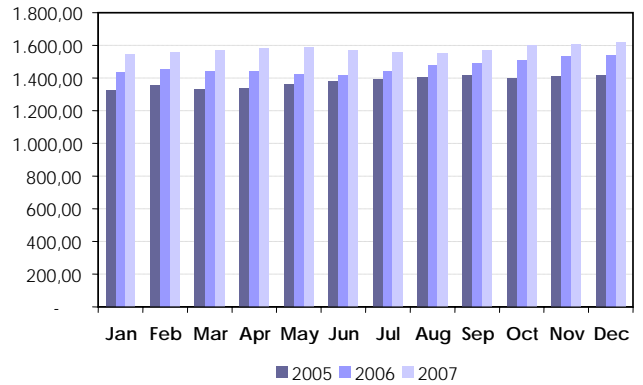
5. Performance of the Fund

The participation in the CABEL Fund reaches an historical maximum value up to Dec.07 of US\$1.613, after having increased a 2.80% with respect to Sept.07 and a 4.70% with respect to Dec.06. This behavior appears after in May.07 the participation had displayed a peak value of US\$1,584.65, date as of which it starts decreasing until US\$1,550.59 for Aug.07 (which represents a reduction of a 2.10% in 3 months), to recover during the following months of the 2007.

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

In the following graph the behavior of the net value of the participation up to the closing of the month for the complete periods of 2005, 2006 and 2007 can be appreciated.

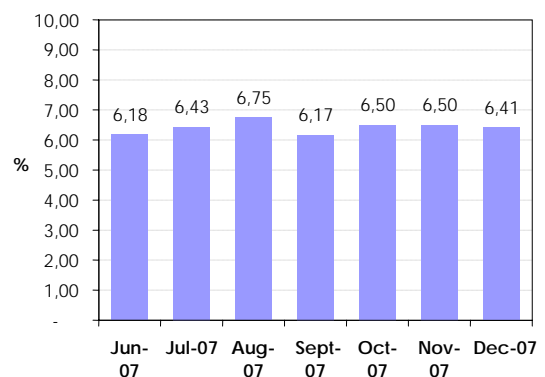
**Net Value of the Participation - US\$-
CABEL Central American Fund**



On the other hand, the modified duration of the portfolio of the CABEL Fund, percentage of change in the price of the portfolio given to a change determined in the average return, was constant during the second semester of the 2007 around a value of a 6.50%; this behavior indicates that the risk of portfolio before variations in its yield has been conserved stable during such period.

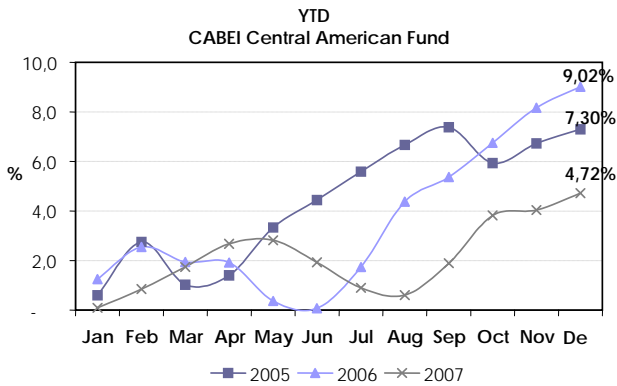
In the graph that follows the monthly behavior of the modified duration of the CABEL Fund during the last semester is shown.

CABEL Fund: Average Modified Duration

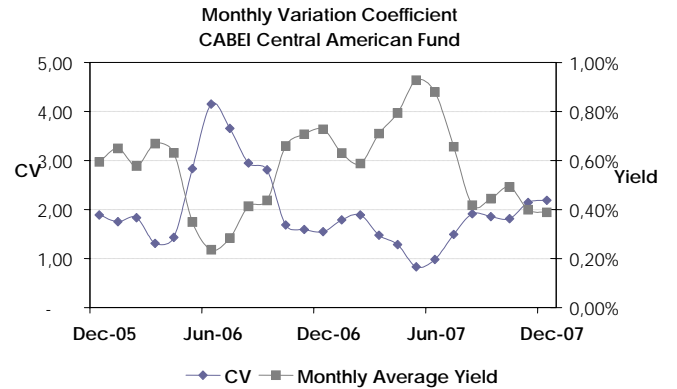


As far as the yield obtained by the Fund, after the drop in the YTD value during the second quarter of 2007, and until Aug.07, when it registered a non-annualized value of a 0.61%, the indicator has shown ascending up to the closing of the year in a 4.72%. With this result the Fund does not reach the values registered at the closing of 2006 and 2005, when the yield was accumulated during the twelve months of the year up to a 9.02% and a 7.30% respectively.

In the following graph the monthly behavior of the accumulated yield shown by the Fund for periods 2005, 2006 and 2007 can be appreciated.

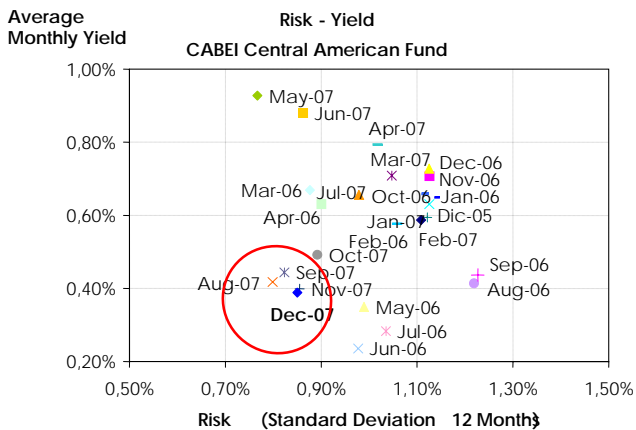


In the following graph it is possible to appreciate the behavior of the variation coefficient and the average monthly Yield of the Fund for the last 21 months.



As far as the ratio offered by the CABEI Fund between its average yield of the last 12 months and its standard deviation, it must be noticed that during the third and fourth quarters of 2007 the yield significantly moved down; since between May.07 and Aug.07 it passed from a 0.93% to a 0.42%, to remain near a 0.40% during the rest of the year; as far as its standard deviation, it was conserved between 0.80 and 1.00 percentage points during the second semester of 2007.

The monthly risk - yield ration of the Fund for different periods between Dec.06 and Dec.07 appears in the following graph:



In this particular, it is important to indicate from the relative stability of the standard deviation and the decreasing trend in the yield, the coefficient of variation (CV) was shown ascending during second half of 2007, passing from 0.98 to 2.19 units, with which up to Dec.07 the coefficient surpasses the one exhibited in equal dates of 2006 and 2005, of a 1.55% and a 1.89%; in a corresponding manner, the above indicates that up to the closing of the 2007, the investor is assuming greater risk levels by each yield unit, than the ones assumed one and two years back.