

## CABEI Central American Fund P.L.C.

Ordinary Meeting No: 16-08

Non-Audited Financial Information: as at March 31, 2008.

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### 1. Risk rating

Following is the analysis of the CABEI Central American Fund P.L.C., with non-audited financial information as at March 31, 2008.

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

Fund	Previous Rating Costa Rica	Current Rating
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)
Panamá		
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 weakness of the management provide the highest security against losses coming from payment breaches" Excellent Level.

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

### Executive Summary

- After a significant growth of 33.00% between July 07 and November 07, the volume of managed assets has remained stable in a level of US\$ 113.90 million.
- In this way, during the first quarter of 2008 the managed assets increased in a 3.80%, while they increased in a 38.00% between March 07 and March 08.
- These variations occurred hand to hand with the number of participations, of a 2.00% in a quarterly basis, and a 32% inter annually, ascending to a 69.51 thousand at the end of March 08.
- The composition of the investment portfolio does not show significant variations during the last quarter, except for the increase in the concentration in securities of issuers with BB international risk ratings from a 73.00% to a 79.00%.
- The Year to Date (YTD) Yield during the first quarter of the 2008 showed an increasing trend, obtaining a level without annualizing of a 1.55%, with which this value does not reach the values registered at the closing date of March of years 2007 and 2006.
- The participation reaches a new historical maximum value as at March 08 of USD \$1.638.
- The risk of the portfolio with respect to variations in its yield has reduced during the last year under analysis, which is demonstrated in the decrease of the average modified duration of the portfolio of near a 7.00% to a 6.00% between March 07 and March 08.

"The risk rating issued represents the opinion of Sociedad Calificadora de Riesgo Centroamericana, S.A. 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."

## 2. Description of the CABEL Central American Fund P.L.C.

The Central CABEL American Fund P.L.C. (CABEL 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 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.

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

Additionally, the issue of shares of the CABEL Fund was approved by the 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 in the Registry of the Securities and Merchandises Market of that country on December 1<sup>st</sup>, 2006.

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

Furthermore, in Guatemala the CABEL Fund has designated the Central American Bank of Economic Integration (BCIE) as Placement Agent and it can appoint 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 11<sup>th</sup>, 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 **SCRiesgo**

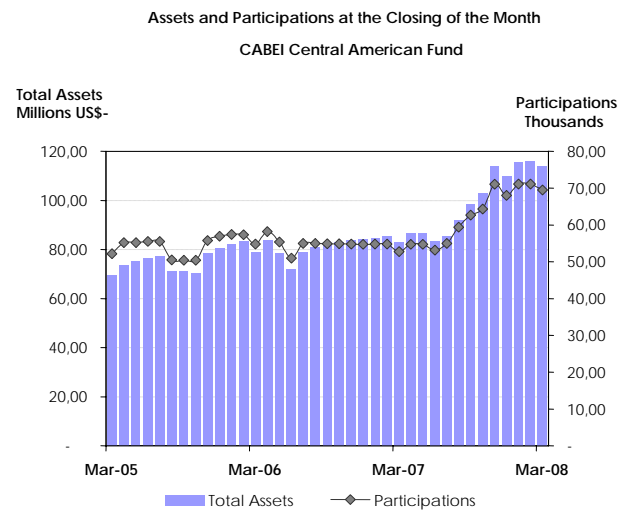
participations in a private manner to its customers in Panama.

Later, on November 22<sup>nd</sup>, 2006 and January 19<sup>th</sup>, 2007, CABEL Fund and Securities Worldwide, respectively, signed a Sub Branch Agreement which 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 agreement process 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

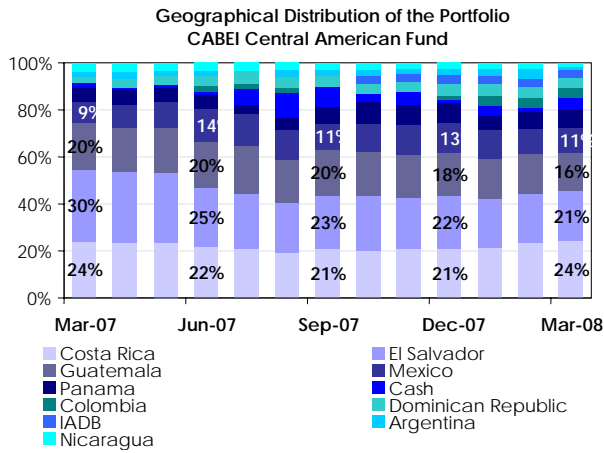
As at the closing date of the first quarter of 2008 the assets managed by the Fund reached US\$113, 92 million, after increasing in a 4.00% during the quarter, and in a 38.00% inter annually. The behavior of the managed assets appears in a parallel manner to the number of participations, which ascended to 69,51 thousand for March 08, after a quarterly increase of a 2.00% and a 32.00% between March 07 and March 08.



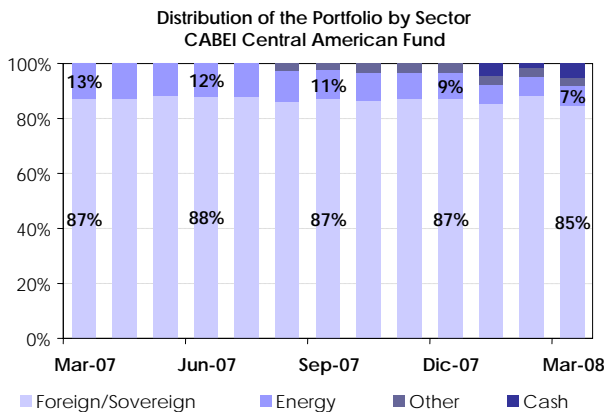
As far as the Investment Portfolio, this keeps on concentrated mainly in public and private issuers of Costa Rica, El Salvador and Guatemala, which altogether have represented around a 70.00% of the total portfolio in the last year. During the period from March 07 to March 08 the reduction in the participation of El Salvador has been remarkable, which has passed from a 30.00% to a 21.00% of the Portfolio, while in contrast, the Costa Rican securities have represented around a 22.00% of the portfolio during the same period.

Additionally, it is important to notice that in the last year between a 1.00% and a 10.00% of the net worth of the

portfolio have been in cash; a 5.00% at the closing of March 08.



As far as the composition of the Portfolio by sector, it is deduced that the Fund has been very stable during the previous year, when between an 85.00% and a 90.00% of it has been represented by securities of sovereign debt, while the remaining portfolio has been made up by securities of the energy sector, cash and others.



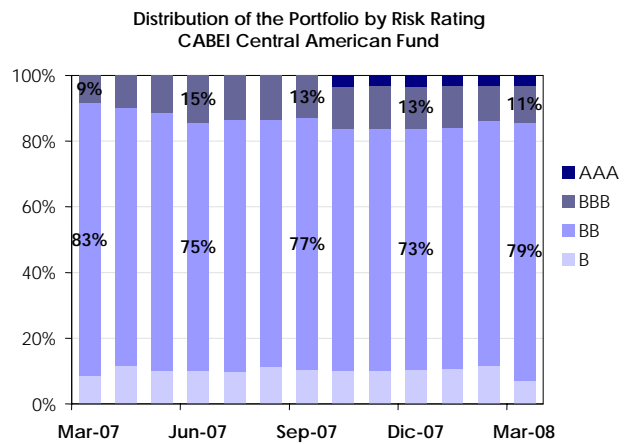
As regards to the structure of the Portfolio according to the risk rating<sup>1</sup> it is remarkable that between a 70.00% and an 80.00% of the portfolio during the last 12 months has been granted with a BB international risk rating (79.00% for March 08): In this sense, it is important to remind that Costa Rica and Guatemala have this rating of sovereign risk for March 08. In relation to El Salvador, Colombia and recently Panama, they have BB+ international risk ratings.

At this respect, it must be considered that on February, 26 2008 Standard & Poor's elevated the risk rating of

<sup>1</sup> 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.

Panama to BB+, thus improving the credit quality of near a 7.00% of the Investment Portfolio of the CABEI Fund for that date.

Additionally, for March 08 an 11.00% of the rated portfolio is invested in securities of issuers that have BBB+ international ratings, corresponding to Mexican securities, while the remaining 7.00% of the rated portfolio has different levels of B ratings, being securities from Argentina (B+) and Dominican Republic (B), and a 3.00% of portfolio has the maximum credit quality rating of AAA, which corresponds to securities of the Inter-American Development Bank.



## 5. Performance of the Fund

The participation in the CABEI Fund reaches an historical maximum value as at March 08 of US\$1.638, after increasing in a 1.55% during the quarter and a 4.52% in the last year.

In the following graph can be appreciated the behavior of the net value of the participation as at the closing date of month for the period of March 05 - March 08.

