

CABEI Central American Fund P.L.C.

Ordinary Meeting No: 1072009

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

Based on this information, the following 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
Honduras		
CABEI Central American Fund P.L.C.	scrAAAf 3 (hn)	scrAAAf 3 (hn)
Panamá		
CABEI Central American Fund P.L.C.	scrAAAf 3 (pan)	scrAAAf 3 (pan)

The **scr AAf** 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 Category** is granted to funds with " *high sensibility to changing conditions in the market*".

2. Executive Summary

- The Fund's assets under management registered US\$92.97 millions at December 2008, after descend 15.30% in 2008 and 11.00% only in the fourth quarter, like a consequence that many investors from core markets cut positions in all

risky asset classes in the international financial markets.

- The global financial markets were in a state of turmoil, prompted in large part by the United States developments. De-leveraging within the investor base put significant pressure on riskier assets in the fourth quarter of 2008.
- Along 2008 the sovereign debt Portfolio lost almost 15 percentage points of participation, gained by supranational instruments.
- For first time in the last 3 years, at the fourth quarter of 2008 more than 25.00% of the Fund portfolio is granted with international investment grade.
- The Net Asset Value of the Fund reaches US\$1,390.97 at the closing of 2008, after descend 11.20% in the last quarter and 13.80% during 2008.
- The Fund Year to Date (YTD) performance decreased in October 2008 until registering a negative value of 18.90% at the month closing date, the worst one of his history, after the announcement that Lehman Brothers filed for the protection of bankruptcy, in September 2008. At the closing of 2008 the Fund YTD yield reach a negative value of 13.80%, so close of the exhibited by the Benchmark, of -13.23%.
- The risk-yield Fund relationship shows the less advantageous levels of their history, for the last quarter of 2008.
- The Fund modified duration reduced from 6.41% to 4.64% along 2008, in a parallel manner with the cautious investment approach followed by the Fund management.

"The risk rating issued represents the opinion of the 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 Intendence of Securities, stock markets, and representing brokerage houses."

3. 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), Spain, Panama and Dominican Republic.

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 before the Registry of the Securities and Merchandises Market of that country on December 1st, 2006.

In this sense it must be specified that, due to the issue has been created under the legislation in force of the Republic of Ireland; 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 Broker and it can appoint additional Deputy Placement Brokers 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 Broker for the placement of the CABEL Fund in Guatemala.

On the other hand, in Panama, on Securities National Committee of the Republic of Panama communicated that it did not keep 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, on November 22nd, 2006 and January 19th, 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, agreed with HSBC Panamá so that this last serves as Sub Safeguard of the CABEL Fund to facilitate the investments in Panama, Costa Rica, Guatemala and El Salvador.

On the other hand, CABEL Central American Fund p.l.c. appointed, since April 26, 1999, the Central American Bank of Economic Integration (BCIE), as Placement Broker of its participations in Honduras, granting in addition the competence of appointing additional Deputy Placement Brokers. At this respect, the Central American Bank of Economic Integration appointed *Fomento Financiero, S.A.* Brokerage House as Deputy Placement Brokers for the de CABEL Fund participations in Honduras by means of agreement signed on August 01, 2006.

Subsequently, on August 16, 2007 Fomento Financiero, S.A. Brokerage House submitted before the Secretariat of the Banks and Insurance National Committee of Honduras a request for an authorization to trade in Honduras the participations of the CABEL Fund, which was positively resolved through the Resolution N° 999 dated August 28, 2007 of the Banks and Insurance National Committee of Honduras based on the "Norms for the Trading of Investment Funds Established and Managed Abroad" approved by the same Committee.

4. Managed Assets

The net assets under management by CABEL Central American Fund registered US\$92.97 millions at the closing of 2008, after descending 15.30% during the year and 11.00% only in the last quarter. The main variation was on October 2008, when the net assets under management descent in \$17.20 millions.

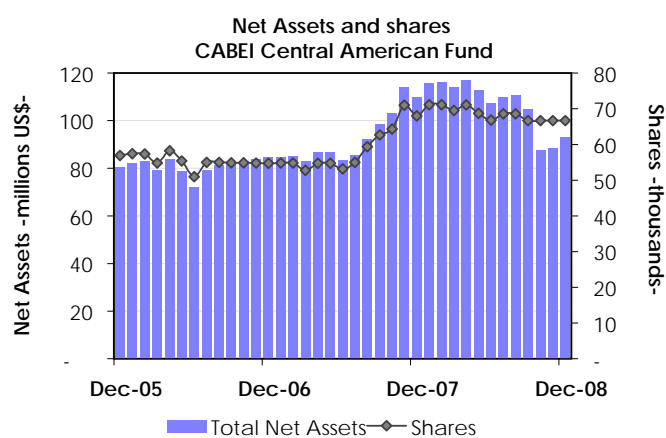
The contraction of the assets was more pronounced than the exhibited by the shares, which reduced 2.00% during the 2008 and only 0.04% in the fourth quarter of the year, showing a level of 66.66 thousand at the closing date of December 2008.

According to the Fund's investment manager, the drop in the assets under management in 2008 is associated to reduction of leveraged positions by the international investors, such as hedges funds, which consequently reduced their exposures in higher risk assets, especially those coming from emerging markets.

This process affected Latin American Bonds denominated in US Dollars, as well as in local currencies, occasioning that their prices significantly dropped. In an accordingly

manner, the marketing capacity of the Central American and Caribbean debt was severely contracted even with respect to other emerging markets.

Additionally, the global financial markets were in a state of turmoil, prompted in large part by the US developments. De-leveraging within the investor base put significant pressure on riskier assets. Many investors from core markets, like United States and Western Europe, cut positions in all risky asset classes, this also weighed on USD bonds of Latin America. El Salvador saw most significant price drops, followed by Guatemala and Costa Rica. Prices of Panama and Mexico fell relatively more moderate.



As far as the composition of the portfolio under management, during the second half of 2008 the Portfolio remains concentrated in approximately a 40.00% in public sector issues of El Salvador and Guatemala.

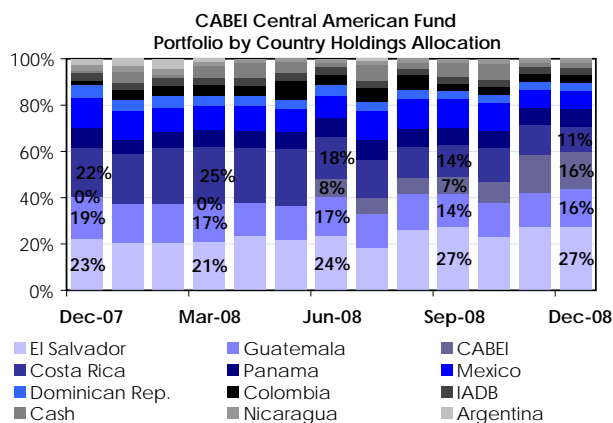
Additionally, in the third quarter of 2008, the Fund duplicated its exposure in notes from Central American Bank of Economic Integration (CABEI), up to 16.00%, like a consequence of the Fund management's strategy to reduce duration investing in a prime-rated entity. In this sense, the Fund management currently reduces duration via switching from longer dated bonds into shorter maturity brackets.

On the other hand, in the last three quarters of 2008 the participation of Costa Rican securities descends from 25.00% to 11.00%, to fund positions in CABEI notes, which did not present participation at before June 2008.

In 2008 the participation of Panamanian securities stands out around 8.00%, and the Mexican instruments lost 5 percentage points in the last quarter up to represent 8.00% at the closing date of 2008. While, the rest of the Portfolio has been represented by securities of Dominican Republic, Colombia, Nicaragua and Argentina, as well as instruments issued by the Inter-American Development Bank, which have not gotten to mean in an individual manner more than 5.00% of total Portfolio.

Complementarily, during the 2008, an average of 4.00% of the net worth of the Portfolio have been in cash; a 2.04% for December 2008.

Respect to the portfolio country allocation, the percent of net assets for largest countries in portfolio includes cash position.

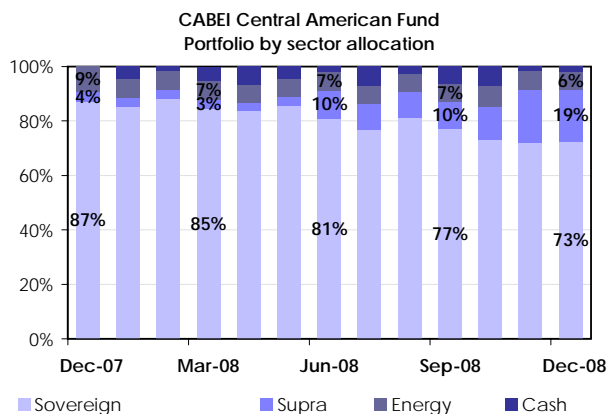


In general, the Fund investment managers expect difficult market conditions to persist over the course of 2009. However, they are convinced that a number Latin American issuers face sound economic fundamentals and offer attractive value. Hence, the Fund investment managers will actively allocate between different regional names on the next months.

As far as the structure of the Fund's Portfolio by Economic Sector, during the 2008 the Portfolio showed a re-composition, when the securities of sovereign debt have lost almost 15 percentage points of participation, that was gained by supranational instruments, until meaning a 73.00% of the total at the closing of the year, hand to hand with the Fund management's approach to cut duration.

Meanwhile, securities of the energy sector have represented about of 7.00% in 2008, and cash holdings reduce its participation from 6.40% to 2.00% in the last quarter.

Additionally, it's important to write down that sector allocations exclude cash holdings and futures contracts.



As regards to the composition of the investment portfolio of the CABEI Fund, according to the risk rating¹, for the last quarter of 2008 and for the first time in the last 3 years, more than a fourth part of the total portfolio showed international investment grade, while the rest is located in speculative grade.

During the last 3 quarters of 2008 around 6.00% of the Portfolio remained ranked with different B rating levels, being instruments of Argentina B-(S&P), Dominican Republic B (S&P) and Nicaragua B3 (Moody's). In the same period, the portfolio granted with BB (+/-) international risk rating pass from represent 79.00% to 67.00% of the total. Particularly, Costa Rica and Guatemala have BB sovereign risk rating in foreign currency for December 2008, while El Salvador, Colombia and Panama have BB+ international risk ratings.

On the other hand, the portfolio BBB (S&P), which correspond to Mexican securities BBB+(S&P), reduced his participation from 14.00% to 8.00% in the last quarter of 2008; meanwhile, notes of CABEI A-(S&P) duplicated their participation only in November 2008.

Finally, in 2008 approximately 3.00% of Portfolio showed the maximum credit quality, AAA (S&P), which corresponds to securities of the Inter-American Development Bank.

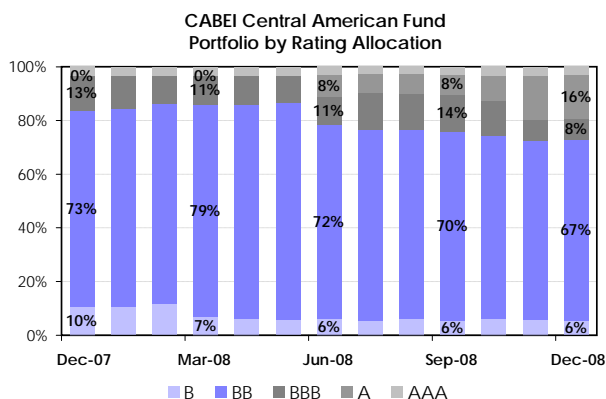
The totality of the issuers in which the Fund invests to the closing of December 2008, include a risk rating with stable outlook, except El Salvador, whose rating possesses a negative outlook.

Consequently, the portfolio average rating, calculated excluding cash positions, has generally placed at BB+ (S&P) during the 2008. On the other hand, it should be indicated that rating allocations refers to country /

¹ The referred risk ratings have been granted by Standard & Poor's, except for Nicaragua, which is local currency 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 holdings or future contracts.

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business risk of the security and do not include cash or futures contracts.

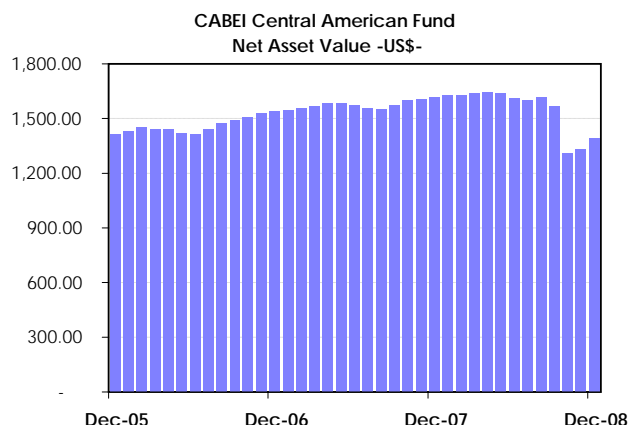


5. Fund performance

The Fund's Net Asset Value (NAV) reaches a level of US\$1,390.97 at the closing of 2008, after drop significantly in October 2008, when was down 16.40% on per share price from \$1,567.06 to \$1,309.55. The global financial markets were in a state of turmoil, prompted in large part by the US developments. De-leveraging within the investor base put significant pressure on riskier assets.

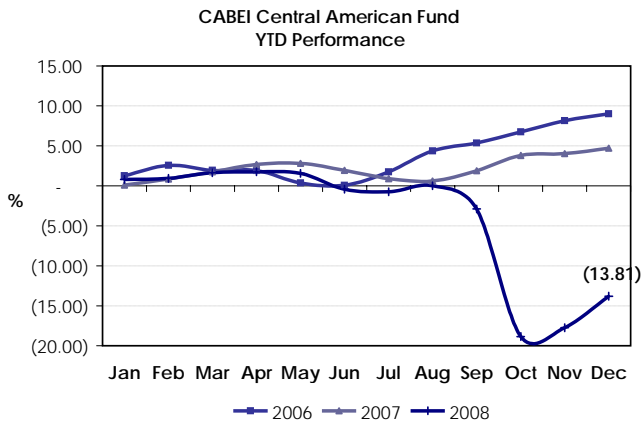
Many investors from core markets (US, Western Europe) cut positions in all risky asset classes, this also weighed on USD bonds of Latin America. El Salvador saw most significant price drops, followed by Guatemala and Costa Rica. Prices of Panama and Mexico fell relatively more moderate.

The Fund's Net Asset Value is net of performance and management fees and includes cash holdings and futures contracts.

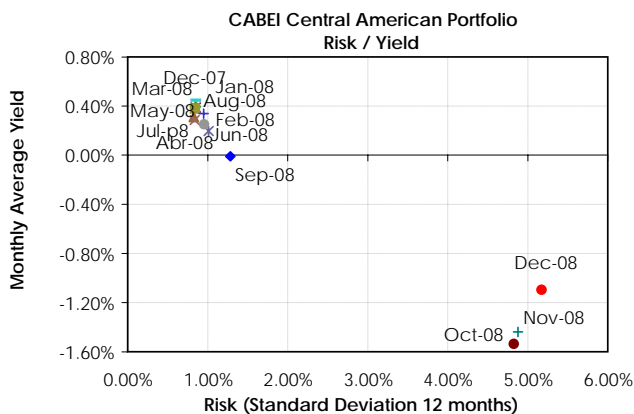


Consistently with the behavior of the NAV, the yield accumulated by the Fund from the beginning up to the close of the year, or Year to Date (YTD) performance,

showed a significant decrease in the last quarter of 2008, to until registering a negative value of 18.90% at the closing date of October 2008. With this result, the Fund performance in the last quarter of the 2008 has been the worst one of his history. The significant decrease in the indicator, especially showed in October 2008, appears later of the announcement that Lehman Brothers filed for the protection of bankruptcy, in September 2008.



The movements in the international financial markets also affected the relationship offered by the CABEI Fund between the average yield of the last 12 months and its standard deviation. During the last 3 months of 2008 the Fund exhibits atypical observations, when the monthly yield, which had been positive in at least the last 3 years, descended under -1.00%; while its standard deviation increased for above 5.00 percentage points, after it had been placed in around 0.90 percentage points since 2006.

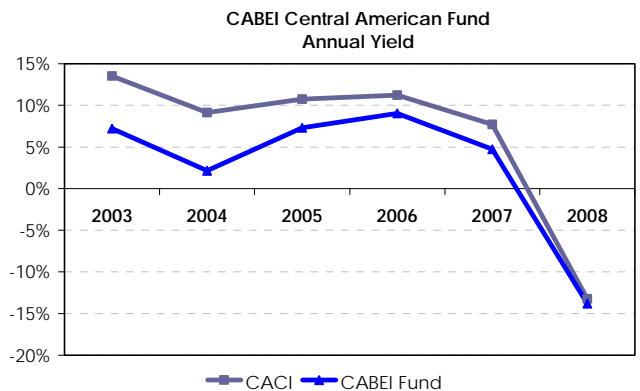


In order to compare the performance of the CABEI Fund with the market, CABEI Central American Bond Fund benchmark in USD and is referenced to August 2001 (100) using a modified JP Morgan CACI index. Its regional composition is 74.50% for the founding member countries of the Central American Bank for Economic Integration (CABEI), 21.13% for non-regional CABEI members, and

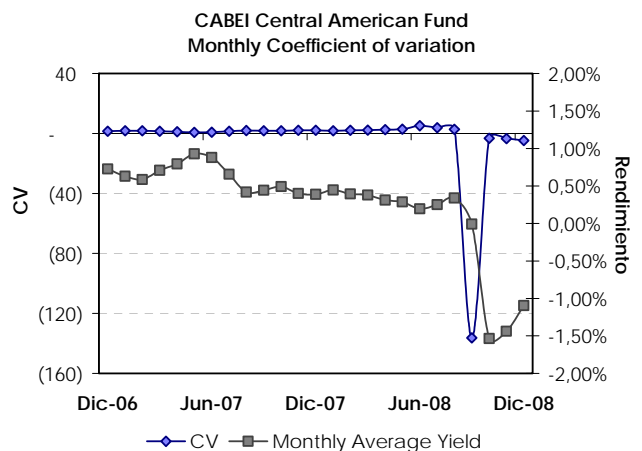
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4.37% for regional non-member countries based on market value as each date.

The Fund annual yield had shown a decreasing trend in the last two years, while in addition it was placed slightly under the benchmark yield. After reaching an annual performance of 9.02% for 2006, the indicator of the Fund was reduced to 4.72% in 2007 and until displaying a value of -13.81% for 2008. In this manner, the accumulated performance by the Fund in the 2008 approached the exhibited by the Benchmark, of -13.23% for the same period.

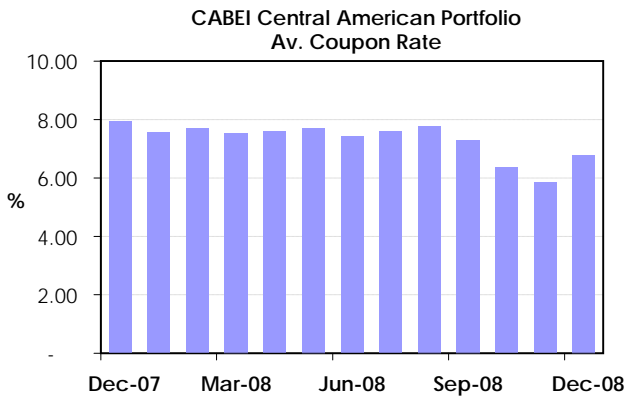


In this way, from the contraction in the average monthly yield, that up to December 2008 is negative and it approaches to the 1.00%, and the increase of its standard deviation, the coefficient of variation (CV) of the yield of the Fund, which had been located around 2 percentage points during the last 2 years, rose up to 140 negative points at September 2008 and to 5 negative points at December 2008, the greater level exhibited in at least the last 3 years, which represents that to the closing of 2008, the CABEI Fund investors are assuming the greatest risk levels by each unit of yield received.



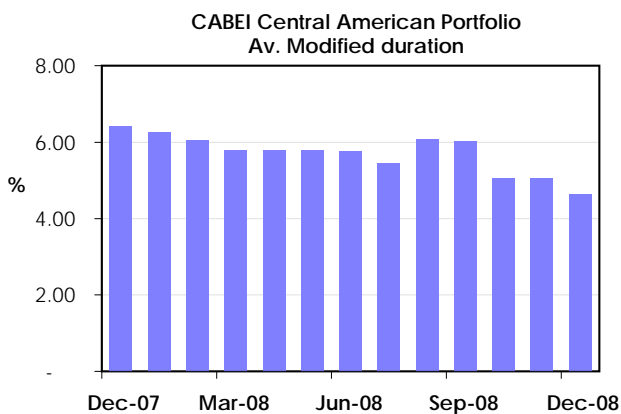
On the other hand, the Average Coupon Rate of CABEI Central American Fund stopped in December 2008 the decreasing tendency that exhibited from August 2008,

because during the slight recovery of the international financial markets at the close of 2008, the Fund management built up some tactical positions in bonds with higher coupons (e.g. El Salvador).



As far as the modified duration of the Fund portfolio, percentage of change in the price of the Portfolio given a change determined in the average yield, it showed a decreasing trend during 2008, when it passed from 6.41% to 4.64%, according with the cautious investment approach followed by the Fund management, that include further reduction of spread duration.

In this way, the evolution thrown by the modified duration of the Portfolio of the CABEI Fund indicates that the risk of the Portfolio before variations in its yield has decreased in the last year.



In this sense, the Fund investment manager has the perspective, with global financial and economic crisis not over, which markets are likely to remain volatile, and however, the cautious management approach including lower duration will provide to the CABEI Central American Portfolio some cushion against another setback.