

CABEI Central American Fund plc **CABEI Central American Portfolio**

Annual Report & Audited Financial Statements

For the Year Ended 31 December 2009



Table of Contents

CABEI Central American Fund plc CABEI Central American Portfolio

Contents	Page
Organisation	1
Background to the Company	2
Investment Manager's Report	4
Directors' Report	8
Custodian's Report	11
Independent Auditor's Report	12
Profit & Loss Account.....	14
Balance Sheet	15
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	16
Notes to the Financial Statements	17
Schedule of Investments	36
Schedule of Portfolio of Changes (Unaudited)	38

Organisation

Registered Office of the Company

25/28 North Wall Quay
Dublin 1
Ireland

Investment Manager

DWS Finanz-Service GmbH
Mainzer Landstrasse 178-190
60327 Frankfurt am Main
Germany

Administrator, Registrar and Transfer Agent

Bank of Ireland Securities Services Limited
New Century House
Mayor Street Lower
International Financial Services Centre
Dublin 1
Ireland

Custodian

The Governor and Company of the Bank of Ireland
Head Office:
Lower Baggot Street
Dublin 2
Ireland

Place of Business:

New Century House
Mayor Street Lower
International Financial Services Centre
Dublin 1
Ireland

Independent Auditors

KPMG
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

Directors of the Company

Walter Dostmann (German) (Chairman)

Directors from Central American Bank for Economic
Integration:

Alejandro Rodriguez (Costa Rican)

Nick Rischbieth Glöe (Honduran)

Directors from DWS Finanz-Service GmbH:

Markus Kohlenbach (German)

Other Directors:

Per Åke Rydberg (Swedish) (Irish Resident)

Michael Greene (Irish)

Jaime Chavez (Honduran)

Mario Arana (Nicaraguan)

Secretary

Goodbody Secretarial Limited
North Wall Quay
International Financial Services Centre
Dublin 1
Ireland

Consultant

PCS Global Advisory Services LLC
614 King Avenue
City Island
New York
NY 10464-1111
USA

Legal Advisor

Sponsoring Broker

A&L Goodbody
North Wall Quay
International Financial Services Centre
Dublin 1
Ireland

Registered No: 303448

Background to the Company

Description

CABEI Central American Fund plc, incorporated on 12 March 1999 in Dublin, Ireland with registered number 303448, is a designated, limited liability, open-ended investment company with variable capital. It is an umbrella Company entitled to issue several classes of Shares to be invested in several portfolios. The Company has issued Shares in the CABEI Central American Portfolio (the “Portfolio”), which is the only current portfolio. The Company is administered by Bank of Ireland Securities Services Limited. The Investment Manager, DWS Finanz-Service GmbH, is an indirect subsidiary of Deutsche Bank AG. The Portfolio is denominated in US Dollars.

The Company is domiciled in Ireland. It is authorised in Ireland as an investment company and is a designated investment Company pursuant to Section 256 of the Companies Act, 1990, of Ireland and is supervised by the Financial Regulator. The shares of the Portfolio are listed in the Irish Stock Exchange.

Investment Objective and Policy

The Portfolio’s investment objective is to generate a high real rate of return. The Portfolio seeks to achieve this objective by investing primarily in debt and related instruments and equity and related instruments issued by sovereign issuers, their agents and instrumentalities, state-owned issuers selected for privatisation, corporate issuers, supranational issuers, quasi-governmental issuers, and any other issuer deemed fit for investment by the Directors, or a committee thereof. Countries for investment will include Guatemala; the five founding member countries of the Central American Bank for Economic Integration (CABEI), namely, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua; CABEI’s seven extra-regional members, namely, Argentina, Colombia, Dominican Republic, Mexico, Panama, Republic of China and Spain; and CABEI’s single beneficiary member, Belize.

The Portfolio’s investment and borrowing restrictions are detailed in a Supplement to the Offering Circular issued on 24 July 2007. Although the Portfolio is not a UCITS (Undertakings for Collective Investment of Transferable Securities) fund, the Directors have resolved to apply the restrictions on investment and borrowing which apply to UCITS funds to the Portfolio, as a consequence of European Union directives.

Investment Management

DWS Finanz-Service GmbH serves as Investment Manager pursuant to an investment management agreement dated 31 December 2004.

Net Asset Value

The Net Asset Value of the Portfolio is calculated daily for every day that is a business day in Dublin and New York. The Net Asset Value of the Portfolio is calculated by dividing the value of the Portfolio’s Net Assets (the value of its assets less its liabilities) by the total number of Shares outstanding. All securities held by the Portfolio, for which market quotations are readily available, are valued at the closing price on the primary exchange quoted for the securities (but if bid and ask quotations are available, at the last current bid price, rather than the quoted closing price). Debt securities are valued by independent pricing services approved by the Trustees of the Portfolio. If the pricing services are unable to provide valuations, the securities are valued at the most recent bid quotation or evaluated price as applicable, obtained from a broker-dealer. Such service may use various pricing techniques, which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes.

All other securities and assets, for which market quotations are not readily available, are taken at probable realisation value as determined in good faith by the Directors (or by a pricing committee of Directors established for the purpose), with the approval of the Custodian, although the actual calculation may be done by other competent and responsible persons. Any assets or liabilities, initially expressed in currencies other than US Dollars, are translated into US Dollars at the closing rate of exchange quoted by a recognised pricing service. The Portfolio’s Net Asset Value per Share is published in the Financial Times, and available on Thomson-Reuters and Bloomberg electronic platforms.

Background to the Company (continued)

Issue and Repurchase of Shares

The procedures for the issue and repurchase of shares are described in detail in the revised Offering Circular dated 1 January 2005, and subsequent supplements to the Offering Circular. The Portfolio's Dealing Day is every day that is a business day in Dublin and New York.

Issue of Shares

Allotments of Shares are normally made with effect from a Dealing Day against applications received in Dublin by the Administrator by 9:00pm Dublin time on the preceding Business Day. Requests for the purchase of Shares may be made by facsimile, email or in writing to the Administrator. Transaction settlement occurs the business day following Dealing Day.

Repurchase of Shares

Requests for the repurchase of Shares must be received by the Administrator by 9.00pm Dublin time on a Business Day which is at least two Business Days prior to the relevant Dealing Day and will then normally be dealt with on that Dealing Day. Requests for the repurchase of Shares may be made either by facsimile or in writing to the Administrator. Transaction settlement occurs the business day following Dealing Day.

Published Information

Shareholders will receive audited annual and unaudited semi-annual Reports of the Company on request. Notices of general meetings will be sent to Shareholders at least twenty-one days prior to meetings. The Net Asset Value per Share and dividend announcements, if any, are published in the Financial Times. The subscription and redemption prices may be obtained from the registered office of the Company.

A statement of changes in the composition of the portfolio during the year will be made available to Shareholders on receipt of a written request.

Past performance is not necessarily a guide to future performance. Income from the investment may fluctuate in value in money terms. Changes in rates of exchange between currencies may cause the value of the shares to diminish or increase.

Enquiries to:
Bank of Ireland Securities Services Limited/ Attn: IFSC Client Services
New Century House
Mayor Street Lower
International Financial Services Centre
Dublin 1
Ireland
Tel: 353 1 6700300 Fax: 353 1 8290144

The above details are in summary form only and must be read in conjunction with the detailed information contained in the revised Offering Circular dated 1 January 2005, and subsequent supplements to the Offering Circular.

Investment Manager's Report

The net asset value of the CABEI Central American Fund was up 18.44% for the twelve months ended 31 December 2009. At the end of the annual period, the Fund had net assets of US\$ 94.30 million and a net asset value of US\$ 1,648.03 per share.

Global economic situation and outlook

The global economic environment steadily improved over the course of 2009. Real economic indicators in the US showed a reasonable stabilisation in the reporting period, and some parts of the economy even started to move upwards. In Western Europe, economic activity also picked up, rebounding from the steep declines of late 2008 and early 2009. The recovery is expected to persist, but at a moderate rate, mirroring the pattern throughout most advanced economies, as the headwinds from the housing and credit crisis linger. Central banks in G4 countries proceeded with a loose stance in monetary policy, often including buyback programs of domestic Treasury and mortgage bonds or similar measures of quantitative easing.

Fiscal policy also remained accommodative, though many industrial countries could not pursue aggressive fiscal easing due to vast resources needed for the stabilisation of the banking system in the second half of 2008. Currently, there is no indication from G4 central banks regarding monetary tightening. In addition, the global economy benefited from a strong recovery in important emerging market countries. GDP growth in China is already heading towards double digit levels, again, and the authorities are busier with thinking about selective tightening measures than worrying about the general stance of economic growth.

Central American economic situation and outlook

Over the course of 2008/09, the global financial and economic turmoil has left its mark on Central America and the Caribbean. The high degrees of openness and intense linkages with the US have made the region vulnerable to contagion. Slowing remittance and trade flows, declining tourism revenues, and subdued foreign direct investment are main factors weighing on the countries. Amid rising Hispanic unemployment in the US, remittance flows to the region have fallen. On the back of El Salvador's, the Dominican Republic's and Guatemala's strong dependence on transfer payments (17%, 7% and 11% of GDP in 2008, respectively), private consumption heavily felt the pinch. Costa Rica and Panama are hardly affected due to less dependence on remittance inflows during past years. Foreign direct investment decreased due to liquidity restrictions. El Salvador saw the deepest cut.

The massive contraction in global demand let international trade decline sharply. Consequently, Central America's exports narrowed significantly, but imports even more on account of sliding food and energy prices. The deficit in the trade balance hence diminished. Although also suffering, Costa Rica, Panama and Guatemala appear best-prepared to stem against too severe slowdown. Guatemala's and Costa Rica's fiscal prudence during previous years enabled the respective governments to provide financial stimulus to faltering economies. Panama has its own individual growth story that is, to a large degree, related to the Canal expansion project.

In all countries, recession has been hammering tax revenues, leading to significant deterioration of fiscal accounts. Underperformance has been caused by the dependence on tax collection from international trade, tourism and services. In Panama, the new government is already working on a fiscal reform aiming at simplifying the tax system and increasing revenues. Costa Rica also targets a fiscal reform, but the presidential election is likely to be an obstacle to approval in a timely fashion. El Salvador's President Funes has shown commitment to re-establish fiscal discipline. However, resistance to approve the reform represents a substantial risk to the economy.

Inflation has gone from being one of the top economic policy problems roughly eighteen months ago to no longer being a concern due to shrinking demand and lower commodity prices. Almost all countries in the region have received (pre-cautionary) financial assistance from institutions like IMF, CABEI, IADB, World Bank and CAF, helping to implement countercyclical policies and finance fiscal deficits.

Investment Manager's Report (continued)

Central American economic situation and outlook (Continued)

After a significant fall, monthly economic activity indicators seem to be bottoming out and cautiously point to economic improvement. In Costa Rica, the main driver is likely to be the manufacturing segment (Intel). Due to being a relatively less open economy, Guatemala was somewhat shielded against too severe damage and is hence seen to recover more easily. El Salvador is expected to be a laggard as dollarisation makes the real economy absorb the full external shock. In Panama, public construction maintains its momentum and also private consumption holds up well.

In general, the pace of recovery will largely depend on the evolution of the US economy.

Latin American economic situation and outlook

Latin America was hit by a number of simultaneous negative external shocks: a global recession, a sell-off in commodity prices, heightened risk aversion, declines in workers' remittances and tourism revenues, and the outbreak of swine flu. Consequently, the region experienced sharp growth contraction. The drop in commodity prices and weak external demand drove exports significantly lower. Receding bank credit to consumers and rising unemployment heavily weighed on private consumption. Industrial production across Latin America turned sharply negative, along with global inventory adjustment. Fiscal and current accounts also deteriorated, but foreign direct investment (FDI) flows still managed to finance current account deficits due to declining less than feared.

Without question, the global downturn left open wounds in Latin America. However, in the past, shocks of similar magnitudes would have delivered far deeper recessions, balance-of-payment and banking crises, significant FX-devaluation, inflation and collapsing real wages. Strong balance sheet positions in public and private sectors have provided the countries with a substantial cushion. Public and private debt ratios are well below world averages. Apart from some spill-over of the global financial crisis to the real estate sectors, regional financial systems escaped largely unscathed. Comparably prudent lending practices, lower FX mismatches between assets and liabilities and improvement in risk management and regulatory framework largely explain the strength.

Over the past couple of years, the global commodity boom, increasing wage remittances and foreign direct investment resulted in significant capital inflows. Current and capital account surpluses let foreign exchange reserves grow significantly.

In addition, fiscal discipline in previous periods, leading to significant fiscal surpluses, enabled Chile, Brazil and Peru to release huge stimulus packages in current crises. Finally, central banks started to aggressively ease benchmark rates, as focus clearly shifted from inflation to growth concerns.

Recovery is underway in Latin America, primarily driven by domestic demand and inventory build-up. Countries with aggressive fiscal support, more solid policy agendas and less dependence on US imports, workers' remittances and tourism revenues are likely to outperform the region next year. Mexico and Colombia will likely lag the recovery due to having been relatively more pummelled by US recession. Argentina bears the biggest burden, as structural political weakness adds to economic problems.

Politics will start playing a bigger role and might lead to some volatility. In Colombia, not the election outcome itself but rather the potential referendum allowing President Uribe to run for a third term will be subject to some noise.

Investment Manager's Report (continued)

Developments in global emerging debt markets

Amid steadily improving investor sentiment and accordingly also increased risk appetite, spreads tightened massively and liquidity improved significantly in 2009. Since investors still like the emerging markets story, additional spread compression is likely.

In the course of central banks around the world aggressively easing policy rates, a number of local emerging bond markets also performed well. However, some turned out to be laggards due to political processes (Mexico's fiscal reform). Currently, a couple of local markets already price in rate hikes, in our view too early. Hence, potential for additional gains exists.

In a number of countries, either general IMF support (Ukraine, Hungary, Romania) or precautionary credit lines have helped assets to post substantial gains.

Developments in Latin American debt markets

Increasing risk appetite significantly supported Latin bond markets. Local and international investors looked at attractive opportunities in the region. Hence, spreads followed the movement in global emerging markets and compressed quite substantially over the past couple of months. Initially, global investors focused on larger countries in the region, like Brazil, Mexico, Colombia and Peru. One important factor behind this development was the better liquidity of these bonds. Central American countries followed afterwards.

On the back of most solid fundamentals, Panama and Costa Rica turned out to be the first countries recording inflows after the Lehman-collapse, followed by Guatemala. In the case of El Salvador, political noise around presidential elections put some pressure on bonds. However, as President Funes distanced himself from his radical left-wing party, investors started to build up positions again. Lately, upcoming new issuance weighed on El Salvador's debt. Albeit lagging in the beginning, paper of Dominican Republic saw a good run after progress with the International Monetary Fund had been achieved.

Investment strategy in 2009

Latin debt markets have experienced a strong recovery rally in 2009, reflected by strong performance of the CABEI Fund. Regarding the fund's strategy, we switched to a more cautious investment approach after the fund had heavily benefited from solid bond markets in the first half of the year. That was primarily done via reduction of spread duration.

- Strategic exposure is held in USD bonds of Panama, Costa Rica and Guatemala on the back of these countries showing the strongest fundamentals in the region. Holdings in the latter two names were even increased over the course of 2009.
- In El Salvador, we slightly increased our exposure after the presidential election, but at the same time switched from longer dated bonds into shorter dated ones in order to partly avoid volatility resulting from political headline noise. In Dominican Republic, we increased holdings in the country's 2011 bond, since it paid a nice yield compared to yields of its rating-peers.
- Mexico's structural fiscal problems and a potential rating downgrade made us reduce holdings in external and local debt at the end of the second quarter. Lately, however, we increased positions again as too much negative news got priced in and bonds looked attractive again. In turn, we reduced exposure to Colombia due to worries about fiscal accounts and increased sovereign issuance.
- Argentina is still characterized by comparably high volatility in bond prices and significant political and economic downside risks. Hence, fund management determined that an investment in Argentine paper would not fit into the CABEI Fund's overall strategy.
- Corporate exposure is low and primarily focused on less-correlated names.

Investment Manager's Report (continued)

Investment strategy in 2009 (Continued)

As of 31 December, 2009, the Fund had an average modified duration of 4.1[1]. The Fund's average maturity stood at 5.3 years. The Fund held a total of 20 securities in its portfolio, and the average rating of these securities was BB, as rated by Standard & Poor's. At the end of the fiscal period, approximately 63.2% of the Fund's total assets were invested in securities from four out of the five founding members of the Central American Bank for Economic Integration (CABEI), namely Costa Rica, El Salvador, Guatemala, and Nicaragua. Approximately 22.6% of the portfolio's assets were invested in securities from CABEI non-regional members, namely Mexico, Colombia, Panama and Dominican Republic. Around 9.8% of the assets were invested in Supranationals. At the end of December, the Fund also held 1.78% of net assets in cash, mostly US Dollars.

Investment strategy in 2010

As mentioned earlier, the net asset value of the CABEI Central American Fund was up 18.44% for the twelve months ended 31 December 2009.

In general, fund management will continue focusing on bonds of countries with a comparably better fundamental outlook. Costa Rica, Guatemala and Panama will remain strategic core holdings. On the back of relatively weaker fiscal accounts and hence potentially higher new issuance activity, fund management will be more cautious on Colombia and Mexico. In the case of El Salvador, fund management will also closely monitor the government's management of placing new bonds. Increased attention will be paid to politics next year as upcoming elections and election campaigns are likely to bring some volatility, like in Colombia. Local market positions will be added depending on general risk sentiment, monetary policy and currency development.

**On behalf of the Investment Manager
DWS Finanz-Service GmbH**

**Dr. Nicolas Schlotthauer, CEFA
Portfolio Manager**

January 2010

Director's Report

The Directors present herewith the Annual Report and audited Financial Statements for the year ended 31 December 2009.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Company Financial Statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The Company's Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that year.

In preparing each of the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and,
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. In this regard, they have entrusted the assets of the Company to a Custodian for safe-keeping.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2009.

Principal Activities

The Company has been approved by the Irish Financial Regulator as an investment company pursuant to Part XIII of the Companies Act, 1990.

The objective of the Company is to generate a high real rate of return.

The Investment Manager's Report contains a review of the factors which contributed to the performance for the year. The Directors do not anticipate any changes in the structure or investment objective.

Risk Management objectives and policies

The main risks arising from the Company's financial instruments are market, currency, interest rate, price, liquidity and counterparty credit risks. Further information on these are given in Note 2 to these accounts.

Events since the year end

There have been no significant events affecting the Company since the year end.

Director's Report (continued)

Dividends

The Directors do not recommend the payment of a dividend.

Substantial Shareholdings

Central American Bank for Economic Integration had an interest of 87.38% (2008: 75.00%) in the Shares of the Company at the year end.

Directors and Secretary

The Directors who held office during the year under review were:

Alejandro Rodriguez (Costa Rican)

Jaime Chavez (Honduran)

Markus Kohlenbach (German)

Michael Greene (Irish)

Nick Rischbieth Gloe (Honduran)

Per Ake Rydberg (Swedish) (Irish Resident)

Mario Arana (Nicaraguan)

Walter Dostmann (German) (Chairman)

Directors' Interests in Shares and Contracts

Walter Dostmann holds one subscriber share. None of the other Directors listed above who held office at the year end had any interests in the Shares of the Company at that date or at any time during the financial year.

Transactions Involving Directors

There are no contracts or arrangements of any significance in relation to the business of the Company in which the Directors or Company Secretary had any interest as defined in the Companies Act, 1990, at any time during the financial year.

Accounting Records

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regard to the books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The Books of Account of the Company are maintained at:

Bank of Ireland Securities Services Limited

New Century House

Mayor Street Lower

International Financial Services Centre

Dublin 1

Ireland

Director's Report (continued)

Auditors

In accordance with Section 160(2) of the Companies Act 1963, KPMG, Chartered Accountants and Registered Auditors, will continue in office.

On Behalf of the Board of Directors



Michael Greene

Per Åke Rydberg



22 March 2010

Report of the Custodian to the Shareholders

We have enquired into the conduct of the CABEI Central American Fund plc - CABEI Central American Portfolio (the “Company”) for the year ended 31 December 2009, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator’s Non - UCITS Notice 7, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Financial Regulator’s Non - UCITS Notice 7. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the Non - UCITS Notices. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Non - UCITS Notice 7 and to ensure that, in all material respects, the Company has been managed, (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations, and, (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Financial Regulator under the powers granted to it by the Companies Act, 1990, Part XIII, and the Investment Funds Act, 2005; and,
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the Companies Act, 1990, Part XIII.

The Governor and Company of the Bank of Ireland
22 March 2010



For and on behalf of
The Governor & Company of the Bank of Ireland

Independent Auditors' Report

We have audited the Company's Financial Statements for the year ended 31 December 2009 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Schedule of Investments and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by the law, we do not accept or assume responsibility to anybody other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 8.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the Financial Statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account; and,
- whether the Directors' report is consistent with the Financial Statements.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited Financial Statements. The other information comprises only the the Directors' Report, the Custodian's Report and the Investment Manager's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Independent Auditors' Report (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion, the Financial Statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs at 31 December 2009 and of its results for the year then ended; and,
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company's Financial Statements are in agreement with the books of account.

In our opinion, the information given in the Directors' report is consistent with the Financial Statements.



KPMG

Chartered Accountants and Registered Auditors

1 Harbourmaster Place

IFSC

Dublin 1

22 March 2010

Profit and Loss Account

For the year ended 31 December 2009

	Notes	Year ended 31 December 2009 US\$	Year ended 31 December 2008 US\$
Income			
Operating income	4	715	109,832
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	5	<u>17,947,495</u>	<u>(13,291,321)</u>
Total investment income/(loss)		17,948,210	(13,181,489)
Operating expenses	6	<u>(1,365,005)</u>	<u>(1,602,726)</u>
Net income/(expense)		16,583,205	(14,784,215)
Finance costs			
Interest expense		<u>(58)</u>	<u>(483)</u>
Profit/(loss) for the year		<u>16,583,147</u>	<u>(14,784,698)</u>
Increase/(decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares at		<u>16,583,147</u>	<u>(14,784,698)</u>

There are no recognised gains or losses arising in the year other than the increase/(decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares of the Company. In arriving at the results of the financial year, all amounts above relate to continuing operations.

The accompanying notes form an integral part of the Financial Statements.

On Behalf of the Board of Directors



Michael Greene

Per Åke Rydberg



22 March 2010

Balance Sheet

As at 31 December 2009

	Notes	As at 31 December 2009 US\$	As at 31 December 2008 US\$
Assets			
Cash and Bank Balances	7	1,681,461	1,831,213
Debtors	8	17,109	22,010
Debt instruments designated at fair value through profit or loss	1(b)	<u>92,779,376</u>	<u>91,207,771</u>
Total Assets		<u>94,477,946</u>	<u>93,060,994</u>
Liabilities			
Bank Overdraft	9	-	(20,463)
Creditors (amounts falling due within one year)	10	<u>(180,703)</u>	<u>(289,034)</u>
Total Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(180,703)</u>	<u>(309,497)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares		<u>94,297,243</u>	<u>92,751,497</u>
Net Asset Value per A Share	12	<u>1,648.03</u>	<u>1,391.41</u>

The accompanying notes form an integral part of the Financial Statements.

On Behalf of the Board of Directors



Michael Greene

Per Åke Rydberg



22 March 2010

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the year ended 31 December 2009

	Year ended 31 December 2009 US\$	Year ended 31 December 2008 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at beginning of year	<u>92,751,497</u>	<u>109,766,874</u>
Increase/(decrease) in Net Assets resulting from operations	<u>16,583,147</u>	<u>(14,784,698)</u>
Amounts received on issue of Redeemable Participating Shares	37,004,190	10,709,970
Amounts paid on redemption of Redeemable Participating Shares	<u>(52,041,591)</u>	<u>(12,940,649)</u>
Decrease in Net Assets resulting from Share transactions	<u>(15,037,401)</u>	<u>(2,230,679)</u>
Net increase/(decrease) in shareholders' funds	<u>1,545,746</u>	<u>(17,015,377)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares at end of year	<u><u>94,297,243</u></u>	<u><u>92,751,497</u></u>

The accompanying notes form an integral part of the Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2009

1. Significant Accounting Policies

a) Basis of preparation

These Financial Statements have been prepared in accordance with Generally Accepted Accounting Policies in Ireland and the Companies Acts, 1963 to 2009. Accounting standards generally accepted in Ireland in preparing Financial Statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board (“ASB”).

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through the profit or loss.

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets/(liabilities) and income/(expenses). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The accounting policies have been applied consistently by the Company and are consistent with those in the previous year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The information required by Financial Reporting Standard (FRS) No. 3 “Reporting Financial Performance”, to be included in a statement of total recognised Gains and Losses, and a Reconciliation of Movements in Shareholders Funds is, in the opinion of the Directors, contained in the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 16 and 18.

All references to Net Assets, throughout this document, refer to Net Assets Attributable to Holders of Redeemable Participating Shares, unless otherwise stated.

The Financial Statements are prepared in US Dollars and rounded to the nearest US Dollar.

Amendments adopted by the Company

The Company adopted the amendment to FRS29 “Financial Instruments: Disclosure” during the year. It is effective for accounting periods commencing on or after 1 January 2009.

The amendments to this standard are to enhance the disclosures regarding fair value measurements and the liquidity risk of financial instruments. Reporting entities are now required to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement.

These disclosures are contained in Note 3 of the Company’s financial statements.

b) Investments

(i) Classification and Recognition

The category of financial assets and financial liabilities at fair value through profit or loss comprises:

- Financial instruments held for trading. These include futures and liabilities from short sales of financial instruments included as financial derivative instruments on the Balance Sheet. All derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities held for trading.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

1. Significant Accounting Policies (Continued)

b) Investments (Continued)

(i) Classification and Recognition (Continued)

Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold.

The Company has designated all its investments as financial instruments held for trading.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument, and all significant rights and access to the benefits from the assets, and the exposure to the risks inherent in those benefits, are transferred to the Company.

Financial assets that are classified as loans and receivables include deposits and accounts receivable. Financial liabilities that are not at fair value through profit or loss include accounts payable and financial liabilities arising on Redeemable Shares.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses, arising from changes in fair value of the financial assets or financial liabilities, are recorded.

(ii) Measurement

Financial instruments are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Profit and Loss Account.

Financial assets and liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

Financial liabilities, arising from the Redeemable Shares issued by the Company, are carried at the redemption amount representing the Investors' right to a residual interest in the Company's Assets.

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted dirty market prices (i.e. including accrued income) at the Balance Sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Fair values for unquoted equity investments are estimated, if possible, using applicable price/ earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives, that are not exchange traded, is estimated at the amount that the Company would receive or pay to terminate the contract at the Balance Sheet date, taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties. Realised gains and losses on investment disposals are calculated using the average cost method.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

1. Significant Accounting Policies (Continued)

b) Investments (Continued)

(iv) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

(v) Specific Instruments

Cash comprises current deposits with banks. The measurement of deposits are amortised cost. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

c) Cash Flow Statement

The Company has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a Cash Flow Statement.

d) Income

Bank interest income is accounted for on an effective yield basis. Coupon interest is included in realised and unrealised gains/losses on investments in the profit and loss account on an accruals basis.

e) Fees and charges

In accordance with the Prospectus, management fees, administration fees, custody fees and other operating expenses are charged to the Profit and Loss Account on an accruals basis.

f) Derivative Instruments

Changes in the value of the derivatives are recognised as gains and losses by marking to market on a daily basis to reflect the value of the derivative at the end of each day's trading. They are valued at the settlement price established each day on which they are traded, and the Company's investment therein, representing unrealised gain or loss on the contracts, is included in the Profit and Loss Account.

g) Redeemable Participating Shares

Redeemable Participating Shares are redeemable at the Shareholder's option and are classified as financial liabilities. Any distributions on these participating shares are recognised in the Profit and Loss Account as finance costs.

h) Gains and Losses on Investments

Realised gains or losses on disposal of investments during the period and unrealised gains and losses on valuation of investments held at the period end are dealt with in the Profit and Loss Account.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

1. Significant Accounting Policies (Continued)

i) Foreign Exchange

The functional currency of the Company is US Dollars. The Directors have determined that this reflects the Company's primary economic environment, as the majority of the Company's Net Assets Attributable to Holders of Redeemable Participating Shares are in US Dollars.

Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit and loss are recognised together with other changes in the fair value. Net currency gains/(losses) as set out in Note 4, are net foreign exchange gains and losses on monetary financial assets and liabilities other than those classified at fair value through profit or loss.

Assets and liabilities denominated in foreign currencies, other than the functional currency of the Company, have been translated at the rate of exchange prevailing at 31 December 2009. Transactions in foreign currencies are translated into US Dollars at the exchange rate prevailing at the date of the transaction. Gains and losses on foreign exchange transactions are recognised in the Profit & Loss Account in determining the result for the year.

The following exchange rates were used to convert investments, assets and liabilities to the functional currency of the Company:

	As at 31 December 2009	As at 31 December 2008
	US\$1=	US\$1=
Colombian Peso (COP)	2,043.0006	2,248.5808
Costa Rican Colon (CRC)	565.2410	555.4664
Euro (EUR)	0.6970	0.7194
Mexican Peso (MXN)	13.0554	13.8485
Pound Sterling (GBP)	0.6193	-

2. Financial Risk Management

Strategy in using Financial Instruments

In pursuing its investment objective, the Company is exposed to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk that could result in a reduction in the Company's net assets. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company are discussed below.

Market price risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Portfolio's investment objective is to generate a high real rate of return. The Portfolio seeks to achieve this objective by investing primarily in debt and related instruments and equity and related instruments issued by sovereign issuers, their agents and instrumentalities, state-owned issuers selected for privatisation, corporate issuers, supranational issuers, quasi-governmental issuers, and any other issuer deemed fit for investment by the Directors, or a committee thereof.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Market price risk

The Portfolio's debt securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Investment Manager moderates this risk through a careful selection of securities within specified limits. The Fund's pricing committee is advised by the Administrator of any individual securities that have a price movement greater than 3% from one business day to the next. After consultation with the Fund's pricing committee, the price movements may be agreed upon or amended if the committee can provide sufficient back up (two recognised price sources) that the security should be priced at a different level.

The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Board of the Company manage the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board is informed of any unusual price variation on a timely basis. The Board meets twice yearly and at each meeting reviews investment performance and overall market positions. They monitor the Investment Manager's compliance with the Company's objectives.

Details of the nature of the Company's investment portfolio at the balance sheet date are disclosed in the Schedule of Investments on pages 36 and 37.

At 31 December 2009, the Company's market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. Interest rate and foreign currency movements are covered in the separate sections below.

Value-at-Risk (VaR)

Value-at-risk is currently used to derive a quantitative measurement for a fund's market risk under normal market conditions. VaR is calculated every day. The Investment Manager uses RiskMetrics Risk Manager as the engine for calculating VaR. Suitable stress tests are carried out on a weekly basis. Back-testing, for reviewing the predictive quality of the VaR model, is performed daily.

The Investment Manager receives a daily results report from Risk Manager. This report shows the VaR of the fund and its reference fund, including, where appropriate, sensitivity data. The results of stress tests are provided weekly. The Investment Manager uses these reports every day to check that statutory and contractual market-risk limits (i.e. the VaR of the Fund may not be more than twice (200%) as high as the VaR of the derivative-free comparable reference/benchmark Fund) have been observed. Their findings are to be properly taken into account in investment decisions.

The statistical VaR process is used to derive a quantitative measurement for a fund's market risk under normal market conditions. The result of the VaR calculation indicates the potential future losses for a fund (based on the market value) that will not be exceeded under normal market conditions, for a specified holding period and confidence level (e.g. 99%). The VaR method is a consistent, standard measurement that can be applied to all trading transactions and products. This enables the calculated market risk to be compared with both a specific time period and the actual return.

The Investment Manager's policy is to use historical calculation for monitoring regulatory requirements whilst VaR figures from Monte Carlo (MC) simulation are calculated for information only. Historical simulation is used because it is more transparent. Historical simulation applies the changes in market data over the previous twelve months to the current market environment. MC simulation is a model that calculates the profit or loss made by a fund in a large number of different market scenarios (generally 10,000 scenarios).

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Market price risk (Continued)

Value-at-Risk (VaR) (Continued)

The following quantitative specifications apply to the VaR model:

- 99% confidence level
- 10 day holding period
- one year historical time series
- equally weighted daily returns.

The main market risks addressed include: interest rate risk, credit spreads risk, equity price risk, exchange rate risk, vega risk, and their associated correlations.

Assumptions and Limitations of VaR

The standard VaR calculation is currently based on the historical market events of the last 252 trading dates. Market events not contained within this time window are not taken into account to assess potential future losses. A prerequisite to calculating VaR properly is the availability of sufficient data. VaR works well for instruments whose input variables, i.e. risk factors, are market observables or can at least be easily derived from the market. VaR relies on the availability of high-quality time series of the risk factors.

Correlations among all risk factors are calculated ad-hoc. Another important issue is changing correlation - for example, securities or asset classes which have been previously uncorrelated, might suddenly become highly correlated.

The Investment Manager calculates daily the VaR with two methods simultaneously, i.e., historical simulation and Monte Carlo simulation. However, the Monte Carlo VaR calculation is based on the assumption that returns of risk factors are normally distributed with a constant variance over time. This is a simplification of reality and “fat tails” and greater market events are underestimated.

The VaR calculation is subject to statistical sampling error. The actual losses experienced by any individual fund may be greater than the VaR. If a 99% confidence level is selected, 1% of actual losses will be greater than the VaR. In a highly volatile market the VaR may underestimate the risk in the fund.

VaR Analysis

At 31 December 2009, utilising the Investment Manager’s proprietary risk model, under normal market conditions the ten day historical VaR for the CABEI Central American Portfolio is approximately 1.47%/ US\$1,399,666 (31 December 2008: 7.03%/ US\$5,015,569) at the 99% confidence level. That is, under normal market conditions and assuming no changes to shareholder capital, there is estimated to be a greater than 99% probability that the value of this Portfolio would not decrease by more than 1.47%/ US\$1,399,666 (31 December 2008: 7.03%/ US\$5,015,569) over ten days.

CABEI Central American Portfolio breached VaR estimates once during the year ended 31 December 2009.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Interest rate risk

The Fund's interest bearing financial assets and liabilities exposes it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

Interest rate risk is managed, in part, by the security selection process of the Investment Manager which includes predictions of future events and their impact on interest rates, diversification and duration. In accordance with Company policy, the Investment Manager monitors the Portfolio's overall interest sensitivity on a daily basis. The Directors rely on the Investment Manager to keep them informed of any material event. There were no material changes to the Company's policies and processes for managing interest rate risk and the methods used to measure risk since the prior year end.

The tables below summarise the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2009

	Less than 1 month US\$	1 month - 1 year US\$	1 - 5 years US\$	> 5 years US\$	Non-interest bearing US\$	Total US\$
Assets						
Debt instruments designated at fair value through Profit and Loss	-	2,334,667	55,842,301	34,602,408	-	92,779,376
Debtors	-	-	-	-	17,109	17,109
Cash Deposits	1,681,461	-	-	-	-	1,681,461
Total assets	1,681,461	2,334,667	55,842,301	34,602,408	17,109	94,477,946
Liabilities						
Bank Overdraft	-	-	-	-	-	-
Accrued expenses	-	-	-	-	(180,703)	(180,703)
Redeemable participating shares	-	-	-	-	(94,297,243)	(94,297,243)
Total liabilities	-	-	-	-	(94,477,946)	(94,477,946)
Total interest sensitivity gap	1,681,461	2,334,667	55,842,301	34,602,408	(94,460,837)	-

As at 31 December 2008

	Less than 1 month US\$	1 month - 1 year US\$	1 - 5 years US\$	> 5 years US\$	Non-interest bearing US\$	Total US\$
Assets						
Debt instruments designated at fair value through Profit and Loss	-	-	35,289,968	55,917,803	-	91,207,771
Debtors	-	-	-	-	22,010	22,010
Cash Deposits	1,831,213	-	-	-	-	1,831,213
Total assets	1,831,213	-	35,289,968	55,917,803	22,010	93,060,994
Liabilities						
Bank Overdraft	(20,463)	-	-	-	-	(20,463)
Accrued expenses	-	-	-	-	(289,034)	(289,034)
Redeemable participating shares	-	-	-	-	(92,751,497)	(92,751,497)
Total liabilities	(20,463)	-	-	-	(93,040,531)	(93,060,994)
Total interest sensitivity gap	1,810,750	-	35,289,968	55,917,803	(93,018,521)	-

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Certain of the Portfolio's assets and liabilities are denominated in currencies other than US Dollars, the functional currency. It is, therefore, exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Income denominated in foreign currencies is converted to US Dollars on receipt.

In accordance with Company policy, the Investment Manager monitors the Portfolio's currency position on a daily basis. The Directors of the Company rely on the Investment Manager to keep them informed of any material event. There were no material changes to the Company's policies and processes for managing currency risk and the methods used to measure risk since the prior year end.

The tables below documents the Fund's exposure to currency risks, measured in US\$ equivalents:

As at 31 December 2009

Financial Assets - stated in US Dollars	CRC	MXN	Total US\$
Financial Assets at fair value through Profit and Loss	3,074,181	4,300,969	7,375,150
Debtors	-	-	-
Cash Deposits	-	187,380	187,380
Total assets	3,074,181	4,488,349	7,562,530

Financial Liabilities - stated in US Dollars	EUR	Total US\$
Bank Overdraft	-	-
Accrued expenses	-	-
Redeemable participating shares	-	-
Total liabilities	-	-

As at 31 December 2008

Financial Assets - stated in US Dollars	CRC	MXN	Total US\$
Financial Assets at fair value through Profit and Loss	2,710,488	2,499,200	5,209,688
Debtors	-	-	-
Cash Deposits	-	173,132	173,132
Total assets	2,710,488	2,672,332	5,382,820

Financial Liabilities - stated in US Dollars	EUR	Total US\$
Bank Overdraft	(20,463)	(20,463)
Accrued expenses	-	-
Redeemable participating shares	-	-
Total liabilities	(20,463)	(20,463)

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty or an issuer will be unable to pay amounts in full when due.

The carrying amounts of financial assets as disclosed in the balance sheet best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

As at 31 December 2009, the Fund's financial assets exposed to credit risk amounted to the following:

	As at 31 December 2009 US\$	As at 31 December 2008 US\$
Investments in debt instruments	<u>92,779,376</u>	<u>91,207,771</u>

Amounts in the above table are based on the carrying value of the instruments.

The Fund's financial assets exposed to credit risk were concentrated in the following sectors:

	As at 31 December 2009 %	As at 31 December 2008 %
CRC Denominated: Supranationals	3.31	2.97
MXN Denominated: Government Fixed	4.64	2.74
US\$ Denominated: Corporate Fixed	2.83	6.58
US\$ Denominated: Government Fixed	79.29	71.52
US\$ Denominated: Supranationals	9.93	16.19
	<u>100.00</u>	<u>100.00</u>

Other than outlined above, there were no significant concentrations of credit risk to counterparties at 31 December 2009 or 31 December 2008.

Credit risk arising on debt instruments is mitigated by investing primarily in financial assets which have an investment grade as rated by well-known rating agencies. For unrated assets, the Investment Manager assigns a rating using an approach that is consistent with rating agencies. At 31 December 2009, the Fund was invested in debt securities with the following credit quality:

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Credit risk (Continued)

Portfolio by Standard and Poor's rating category

Rating	As at	As at
	31 December 2009	31 December 2008
	%	%
AAA	3.33	2.97
A+	-	2.74
A	7.30	-
BBB+	-	5.08
BBB	5.60	-
BBB-	2.51	3.53
BB+	14.75	43.08
BB	50.97	14.27
BB-	2.89	-
B	3.80	3.65
B-	-	2.51
Not rated	8.85	22.17
Total	<u>100.00</u>	<u>100.00</u>

In accordance with the Company's policy, the Investment Manager monitors the Fund's credit position on a daily basis, and the Board of Directors review it on a twice yearly basis. There were no material changes to the Company's policies and processes for managing credit risk and the methods used to measure risk since the prior year end.

All transactions in securities are settled/ paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

All of the cash and substantially all of the assets of the Fund are held by the Governor and Company of the Bank of Ireland (the "Custodian"). Bankruptcy or insolvency of the Custodian may cause the Fund's rights with respect to the cash and securities held by the Custodian to be delayed or limited. The Fund monitors its risk by monitoring the credit rating of the Custodian on a regular basis. The Custodian's parent, Bank of Ireland, is rated A-/stable for long term debt with Standard & Poor's.

The Sub-Custodians used by the Fund are as follows: Citibank Mexico (4% of investments), JP Morgan (2% of investments) and Euroclear (94% of investments). The Sub-Custodians are rated as follows: Citibank Mexico, A3 (Moody's), JP Morgan, Aa3 (Moody's), and Euroclear, AA+ (Standard & Poor's).

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

2. Financial Risk Management (Continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund had a cash position of 1.78% to net assets on 31 December 2009 (31 December 2008: 1.95%).

The Fund is exposed to daily cash redemptions of redeemable shares. The Fund generally retains a certain portion of its assets in cash, which is available to satisfy redemptions. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

In accordance with Company policy, the Investment Manager monitors the Fund's liquidity position on a daily basis. The Directors of the Company rely on the Investment Manager to keep them informed of any material event. The Board is informed of any unusual liquidity issues on a timely basis. There were no material changes to the Company's policies and processes for managing liquidity risk and the methods used to measure risk since the prior year end.

The tables below analyse the Portfolio's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. All amounts are stated in US Dollars.

As at 31 December 2009	Less than 1 month US\$	More than 1 month US\$	Total US\$
Accrued expenses	-	180,703	180,703
Redeemable participating shares	<u>94,297,243</u>	<u>-</u>	<u>94,297,243</u>
Total financial liabilities	<u><u>94,297,243</u></u>	<u><u>180,703</u></u>	<u><u>94,477,946</u></u>
As at 31 December 2008	Less than 1 month US\$	More than 1 month US\$	Total US\$
Accrued expenses	-	289,034	289,034
Bank overdraft	20,463	-	20,463
Redeemable participating shares	<u>92,751,497</u>	<u>-</u>	<u>92,751,497</u>
Total financial liabilities	<u><u>92,771,960</u></u>	<u><u>289,034</u></u>	<u><u>93,060,994</u></u>

Redeemable Participating Shares are redeemed on demand at the holder's option.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

3. Fair Value Information

Fair Value Disclosure

FRS29 'Financial Instruments: Disclosure' requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities in the Balance Sheet.

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

The fair value of financial assets and liabilities traded in an active market (such as trading securities) are based on quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the period end date.

The Fund adopted the amendments to FRS29, effective 1 January 2009. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following is a summary of the fair valuations, according to the inputs as at 31 December 2009, in valuing the Fund's assets and liabilities:

	Quoted Prices in Active Market	Significant Other Inputs	Significant Unobservable Inputs	Total
Assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	US\$
Financial Assets held for trading:				
Debt instruments designated at fair value through profit or loss	-	79,684,314	13,095,062	92,779,376
Total Assets	<u>-</u>	<u>79,684,314</u>	<u>13,095,062</u>	<u>92,779,376</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities, exchange traded futures contracts. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

3. Fair Value Information (Continued)

Fair Value Disclosure (Continued)

The Level 2 amounts above represent bonds.

The Level 3 amounts above represent bonds that are priced by a pricing committee and are based on unobservable inputs.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the year ended 31 December 2009:

	Debt Securities US\$	Total US\$
Opening Balance	18,650,559	18,650,559
Purchases	-	-
Sales	(6,441,412)	(6,441,412)
Transfers into Level 3	-	-
Gains and losses recognised in profit and loss	<u>771,042</u>	<u>771,042</u>
Closing Balance	<u><u>12,980,189</u></u>	<u><u>12,980,189</u></u>

The total gains or losses for the year included in the Profit and Loss Account for the assets held at year end, is US\$771,042. The Level 3 reconciliation, above, does not include accrued income of US\$114,873 which is reflected in the Balance Sheet total.

There were no significant transfers between Level 1 and Level 2 during the year.

Fair Value Measurement

The fair value of the following securities have been estimated with care and in good faith by the pricing committee as outlined below:

Guatemala Electrical Trust Note (Citco Trustees Cayman Ltd 8.5% 21/12/2014)

The Guatemala Electrical Trust Notes (Citco Trustees Cayman Ltd 8.5% 21/12/2014) are priced relative to the sovereign notes of the Republic of Guatemala, given current liquidity conditions for Emerging Markets corporate debt and the bond's relatively small issue size. This yield is regularly monitored and set by the Fund's pricing committee. The price for Guatemala Electrical Trust Notes is derived using a yield-to-price calculation based on a 255 basis point spread above the Republic of Guatemala 2013 bond. Pricing and yield information for the Guatemala Electrical Trust Notes is updated on each valuation date of the Fund. This stock is priced daily by the Administrator's Central Pricing Unit (CPU). The CPU will obtain a daily price for the Guatemala 2013 from Royal Bank of Scotland source and conduct a yield to maturity calculation. Using this yield and 255 basis point spread the price of the Guatemalan Electrical Trust note is calculated. On a quarterly basis, the Investment Manager assists the Administrator in obtaining an independent broker quote.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

3. Fair Value Information (Continued)

Fair Value Measurement (Continued)

Republic of Nicaragua for the Payment of Indemnification (BPI) (Nicaragua Government International Bond 5% 01/02/2011)

Using Bloomberg platform, the bonds are valued at a spread 700 basis points over LIBOR. The spread incorporates the pricing committee's assessment of both the average country risk of Latin American sovereign issuers and the lower rating and much lower liquidity of Nicaraguan BPI's. The Administrator's Central Pricing Unit (CPU) calculates the bond's price on a daily basis using the 6 month US\$ Dollar Libor rate and the EMBI Global Diversification Index to determine the average stripped spread of Latin American sovereign issuers. Spreads of 300 bps to compensate for lower rating and 400bps to compensate for lower liquidity are used. These spreads can be changed by the Fund's pricing committee if there is a change in the respective risk premiums. A monthly broker price is also obtained from Royal Bank of Scotland source and is used to back up the daily calculation on a monthly basis.

CABEI Floating Rate Note linked to ICE Costa Rica (Central American Bank for Economic Integration FRN 25/04/2015)

The floating rate note issued by the Central American Bank for Economic Integration (CABEI) is linked to the Costa Rican telecommunications and electrical entity Instituto Costarricense de Electricidad (ICE), maturing 25/04/2015. The note has an amortising structure, which matches the cash flows generated out of the underlying loan. Amortisation started in April 2009. The pricing committee has determined that the sovereign notes of the Republic of Costa Rica, due 2012, offer the most appropriate benchmark for the CABEI note. The semi-annual amortisation schedule reduces average life to 3.7 years. The price for the notes will be derived using a yield-to-price calculation based on a 50 basis points spread over the Costa Rica 2012 sovereign bond.

The Investment Manager compares price moves in the CABEI note with those occurring in the Costa Rica 2012 bond for the same period. In addition, the Investment Manager follows the pricing of two USD bonds issued by ICE on global markets. The Administrator receives a fortnightly broker price from CABEI for this security. The broker provides supporting documentation illustrating the price calculation details including the price of Costa Rica 2012 and the yield to maturity with a spread of 0.5%.

CABEI Floating Rate Note (Central American Bank for Economic Integration FRN 01/06/2010)

The floating rate note issued by the Central American Bank for Economic Integration (CABEI) is priced relative to the 3-month US dollar London inter-bank offer rate (LIBOR) and is derived using a spread of 50 basis points above the benchmark LIBOR. The note does have an amortising structure, the first out of six quarterly amortisations started in March 2009. The Investment Manager retrieves the 3-month LIBOR quote from Bloomberg. Given the floating feature, the interest rate is reset on a quarterly basis, reflecting the 3-month US dollar LIBOR quote at that time plus the margin. The Administrator calculates the price of this security on a daily basis. The Administrator's Central Pricing Unit (CPU) calculates the price using yield and the 3 month USD LIBOR rate plus 50 basis points.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

4. Operating Income	Year ended 31 December 2009 US\$	Year ended 31 December 2008 US\$
Deposit interest	715	100,660
Sundry income	-	9,172
	<u>715</u>	<u>109,832</u>
5. Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss	Year ended 31 December 2009 US\$	Year ended 31 December 2008 US\$
Realised (losses)/gains on investments	(1,034,621)	5,510,483
Realised losses on sale of futures contracts	-	(118,750)
Net currency losses	(23,830)	(95,005)
Net change in unrealised appreciation/(depreciation) on investments	19,005,946	(18,588,049)
	<u>17,947,495</u>	<u>(13,291,321)</u>
6. Operating Expenses	Year ended 31 December 2009 US\$	Year ended 31 December 2008 US\$
Administration fees	120,465	126,891
Auditors' fees	49,942	45,124
Custody fees	23,622	26,905
Directors' expenses	16,698	53,784
Directors' fees	92,782	117,332
Directors' liability insurance	37,194	40,769
Investment Management fees	806,178	888,215
Legal - administrative & general legal support	(2,162)	24,709
Legal - fund organisation & related business	29,965	76,412
Legal - other expenses	3,998	21,294
Marketing expenses	45,435	45,333
Other expenses	15,137	10,617
Printing/publishing fees	26,335	30,082
Professional fees	99,416	95,259
	<u>1,365,005</u>	<u>1,602,726</u>

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

7. Cash and Bank Balances	As at 31 December 2009 US\$	As at 31 December 2008 US\$
Governor and Company of the Bank of Ireland	<u>1,681,461</u>	<u>1,831,213</u>
8. Debtors	As at 31 December 2009 US\$	As at 31 December 2008 US\$
Deposit interest	-	723
Prepaid insurance	10,915	21,287
VAT rebate receivable	<u>6,194</u>	<u>-</u>
	<u>17,109</u>	<u>22,010</u>
9. Bank Overdraft	As at 31 December 2009 US\$	As at 31 December 2008 US\$
Governor and Company of the Bank of Ireland	<u>-</u>	<u>20,463</u>
10. Creditors (amounts falling due within one year)	As at 31 December 2009 US\$	As at 31 December 2008 US\$
Administration fees	9,547	9,214
Auditors' fees	36,876	26,993
Custodial fees	2,386	2,229
Directors' expenses	14,181	32,985
Directors' fees	33,429	84,462
Investment Management fees	65,508	61,011
Legal - administrative & general legal support	1,180	19,973
Legal - fund organisation & related business	947	7,476
Legal - other expenses	628	7,884
Marketing expenses	4,813	4,566
Other expenses	3,309	215
Printing/publishing fees	163	26,635
Professional fees	<u>7,736</u>	<u>5,391</u>
	<u>180,703</u>	<u>289,034</u>

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

11. Share Capital

Subscriber Shares - Equity

The Company has equity share capital of EUR40,000 divided into 40,000 Subscriber Shares of EUR1 each (of which EUR10,005.25 has been paid up and which are beneficially owned by the Investment Manager). The Subscriber Shares do not form part of the Net Asset Value of the Company.

They are, thus, disclosed in the Financial Statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's investment business. The Holders of Subscriber Shares are entitled to one vote only in respect of all their Subscriber Shares.

Redeemable Participating Shares - Liabilities

The Company has 500,000,000,000 Shares of no par value initially designated as unclassified Shares.

The Participating Shares are classified as liabilities, in accordance with Financial Reporting Standard 25 (FRS 25), as they are redeemable at the request of the Holders. The Shares are available as fully paid Redeemable Participating Shares of the Company. They carry voting rights. The Shares issued by the Company are freely transferable and entitled to participate equally in the profits and dividends of the Company and in its Net Assets upon liquidation. The Shares carry no preferential or pre-emptive rights and are entitled to one vote each at all meetings of the relevant class of Shareholders. All Shares rank pari-passu.

In accordance with the objectives listed on page 2 and the risk management policies in Note 2, the Company strives to invest the subscriptions of redeemable participating shares in appropriate investments, while maintaining sufficient liquidity to meet shareholder redemptions. The Company also invests in short-term commercial paper and debt and disposes of listed securities, when necessary, to meet liquidity needs.

The Company does not have any externally imposed capital requirements.

Shares in Issue	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
Number of Class A Shares			
Issued and Fully Paid			
Balance at beginning of year	66,660	68,015	54,735
Issued during year	23,998	6,621	23,906
Redeemed during year	(33,440)	(7,976)	(10,626)
Total number of Class A Shares in issue at end of year	57,218	66,660	68,015
12. Net Asset Value	As at 31 December 2009 US\$	As at 31 December 2008 US\$	As at 31 December 2007 US\$
Net Asset Value	94,297,243	92,751,497	109,766,874
Net Asset Value per A Share	1,648.03	1,391.41	1,613.86

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

13. Fees

The Investment Manager is entitled to receive an Investment Management fee from the Company, payable monthly in arrears of 0.825% per annum, of the average daily Net Asset Value of the Portfolio.

The Investment Manager is also entitled to receive a Performance Fee of 20% of the Net Asset Value's percentage out-performance of the Hurdle Rate during the relevant year. The 'Hurdle Rate' is a 12 month Libor plus 200 basis points per annum return of the Net Asset Value at the beginning of the relevant year, adjusted for subscriptions and redemptions on a time apportioned basis.

The Custodian is entitled to a fee which is accrued daily and paid monthly in arrears at an annual rate ranging from 0.02% to 0.35% of Net Asset Value for the assets held, subject to a minimum monthly fee of US\$1,500. The Administrator is entitled to a fee which is accrued daily and paid monthly in arrears at an annual rate of 0.115% of Net Assets for the first US\$100 million of net assets and 0.07% of the Net Asset Value in excess thereof, subject to a minimum monthly fee of US\$5,000 as applicable.

14. Efficient Portfolio Management

The Investment Manager may utilise derivatives and other techniques and instruments (including, but not limited to, options, swaps, futures and forwards) whether the intention of providing protection against risks of gaining exposure to certain markets, sectors or securities, or otherwise of increasing the return on the Assets of the Portfolio. Such derivatives and other techniques and instruments will only be used for efficient portfolio management purposes in accordance with the conditions and limits laid down by the Financial Regulator. The Investment Manager may also, when facilities become available in the relevant markets, lend the Portfolio securities and/or purchase securities subject to repurchase agreements.

During the year, the Company did not invest in any futures. However, in previous years, the Company has used futures to hedge against market price movement.

15. Related Party Transactions

Financial Reporting Standard 8 "Related Party Transactions" (FRS 8) requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

Investment Manager

Related parties include the Investment Manager. Amounts earned by the Investment Manager are disclosed in Note 6.

Directors' fee

The total Directors' fee is disclosed in Note 6.

Shareholding of related parties

Central American Bank for Economic Integration had an interest of 87.38% (2008: 75.00%) in the Shares of the Company at the year end. Walter Dostmann (Company Chairman) holds one subscriber share.

Investments

The Company has investments in the notes of Central American Bank for Economic Integration, who is a significant shareholder in the Company. These investments are disclosed in the Schedule of Investments on pages 36 and 37. These investments were made in the normal course of business on an arms length basis.

Notes to the Financial Statements

For the year ended as at 31 December 2009 (continued)

16. Taxation

The Company will not be liable for tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution or any redemption or transfer of Shares.

A chargeable event does not include:

- i) Any transactions in relation to Redeemable Participating Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or,
- ii) An exchange of Redeemable Participating Shares representing one Sub-fund for another Sub-fund of the Company; or,
- iii) An exchange of Redeemable Participating Shares arising on a qualifying amalgamation or reconstruction of the Company with another fund.

A chargeable event will not occur in respect of Redeemable Participating Shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect. There were no chargeable events during the year.

In the absence of an appropriate declaration, the Company will be liable for Irish tax on the occurrence of a chargeable event and the Company reserves its right to withhold such taxes from payments to relevant shareholders.

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its Shareholders. A chargeable event includes any distribution payment to shareholders or any encashment, redemption or transfer of shares or an ending of a relevant period.

17. Soft Commission Arrangements

There are no soft commission arrangements affecting the Company during the year.

18. Material Changes During the Year

There were no material changes affecting the Company during the year.

19. Comparative Figures

The comparative figures are for the twelve months to 31 December 2008.

20. Post Balance Sheet Events

There have been no events subsequent to the year end, which, in the opinion of the Directors of the Company, may have had an impact on the Financial Statements for the year ended 31 December 2009.

21. Approval of Financial Statements

The Financial Statements were approved by the board on 22 March 2010.

Schedule of Investments as at 31 December 2009

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Bonds - Principal Amount (a)			
Costa Rican Colon - denominated			
Supranationals (2008 - 2.92%)			
CRC1,820,000,000	Inter-American Development Bank 7.4% 11/10/2012	3,074,181	3.26
Total Costa Rican Colon - denominated		3,074,181	3.26
Mexican Peso - denominated			
Government Bonds (2008 - 2.70%)			
MXN29,100,000	Mexican Bonos 7.75% 14/12/2017	2,214,478	2.35
MXN25,000,000	Mexican Bonos 9.5% 18/12/2014	2,086,491	2.21
Total Mexican Peso - denominated		4,300,969	4.56
US Dollar - denominated			
Corporate Bonds (2008 - 6.46%)			
2,500,000	Citco Trustees Cayman Ltd 8.5% 21/12/2014	2,625,441	2.78
Government Bonds (2008 - 70.35%)			
1,500,000	Colombia Government International Bond 7.375% 27/01/2017	1,740,214	1.85
500,000	Colombia Government International Bond 8.25% 22/12/2014	587,281	0.62
7,000,000	Costa Rica Government International Bond 6.548% 20/03/2014	7,636,095	8.10
2,400,000	Costa Rica Government International Bond 8.05% 31/01/2013	2,757,037	2.92
3,293,541	Dominican Republic Government International Bond 9.5% 27/09/2011	3,530,036	3.74
11,750,000	El Salvador Government International Bond 8.5% 25/07/2011	12,870,167	13.65
1,550,000	El Salvador Government International Bond 7.375% 01/12/2019	1,599,826	1.70
10,000,000	El Salvador Government International Bond 7.75% 24/01/2023	10,987,986	11.65
5,500,000	Guatemala Government International Bond 10.25% 08/11/2011	6,215,496	6.59
11,200,000	Guatemala Government International Bond 9.25% 01/08/2013	13,199,667	14.00
4,800,000	Mexico Government International Bond 5.95% 19/03/2019	5,165,800	5.48
1,273,080	Nicaragua Government International Bond 5% 01/02/2011	1,260,409	1.34
3,200,000	Panama Government International Bond 7.125% 29/01/2026	3,695,041	3.92
2,000,000	Panama Government International Bond 7.25% 15/03/2015	2,324,518	2.46
Supranationals (2008 - 15.91%)			
2,333,334	Central American Bank for Economic Integration FRN 01/06/2010	2,334,667	2.48
6,346,154	Central American Bank for Economic Integration FRN 25/04/2015	6,874,545	7.29
Total US Dollar - denominated		85,404,226	90.57
Total Bonds		92,779,376	98.39

Schedule of Investments as at 31 December 2009 (continued)

	Fair Value US\$	% of Net Assets
Total Value of Investments (Cost: US\$ 87,677,372)	92,779,376	98.39
Cash*	1,681,461	1.78
Other Net Liabilities	(163,594)	(0.17)
Net Assets Attributable to Holders of Redeemable Participating Shares at bid prices	<u>94,297,243</u>	<u>100.00</u>

*All cash holdings are held with The Governor and Company of the Bank of Ireland.

<u>Analysis of Total Net Assets</u>	% of Fund
Transferable securities dealt in another regulated market (includes bonds).	98.39
Other Net Assets (net of liabilities).	<u>1.61</u>
	<u>100.00</u>

(a) in US Dollars, unless noted.

Schedule of Portfolio Changes

For the year ended 31 December 2009

Largest Purchases

		Cost US\$
9,400,000	El Salvador Government International Bond 8.5% 25/07/2011	9,696,795
8,100,000	Guatemala Government International Bond 9.25% 01/08/2013	8,694,980
6,320,000	Panama Government International Bond 7.25% 15/03/2015	6,543,198
5,200,000	Mexico Government International Bond 5.875% 17/02/2014	5,348,680
4,800,000	Mexico Government International Bond 5.95% 19/03/2019	5,292,000
5,500,000	El Salvador Government International Bond 7.75% 24/01/2023	5,214,250
4,800,000	Mexico Government International Bond 6.375% 16/01/2013	5,099,450
4,000,000	Costa Rica Government International Bond 6.548% 20/03/2014	4,213,368
3,500,000	Colombia Government International Bond 7.375% 27/01/2017	3,795,100
3,000,000	Guatemala Government International Bond 10.25% 08/11/2011	3,252,000
2,600,000	Colombia Government International Bond 8.25% 22/12/2014	2,983,000
MXN25,000,000	Mexican Bonos 10% 05/12/2024	2,203,380
MXN29,100,000	Mexican Bonos 7.75% 14/12/2017	2,180,117
MXN25,000,000	Mexican Bonos 9.5% 18/12/2014	2,118,091
1,500,000	Costa Rica Government International Bond 9.995% 01/08/2020	1,890,000
1,550,000	El Salvador Government International Bond 7.375% 01/12/2019	1,550,000
1,500,000	Panama Government International Bond 7.125% 29/01/2026	1,519,750
1,097,847	Dominican Republic Government International Bond 9.5% 27/09/2011	1,097,847
COP1,900,000,000	Colombia Government International Bond 9.85% 28/06/2027	874,389

Largest Sales

		Proceeds US\$
10,600,000	El Salvador Government International Bond 7.65% 15/06/2035	7,588,000
8,500,000	El Salvador Government International Bond 8.25% 10/04/2032	6,912,500
6,100,000	Panama Government International Bond 7.25% 15/03/2015	6,821,450
5,200,000	Mexico Government International Bond 5.875% 17/02/2014	5,594,600
5,000,000	Colombia Government International Bond 7.375% 27/01/2017	5,227,250
4,800,000	Mexico Government International Bond 6.375% 16/01/2013	5,224,240
4,500,000	Mexico Government International Bond 5.625% 15/01/2017	4,421,250
3,200,000	Costa Rica Government International Bond 9.995% 01/08/2020	4,094,000
4,000,000	Guatemala Government International Bond 8.125% 06/10/2034	3,820,000
4,000,000	Panama Government International Bond 7.125% 29/01/2026	3,820,000
5,000,000	AES El Salvador Trust 6.75% 01/02/2016	3,490,000
2,700,000	Guatemala Government International Bond 9.25% 01/08/2013	2,882,250
2,500,000	Costa Rica Government International Bond 8.05% 31/01/2013	2,682,500
2,100,000	Colombia Government International Bond 8.25% 22/12/2014	2,507,150
MXN33,000,000	Mexican Bonos 9% 20/12/2012	2,482,757
MXN25,000,000	Mexican Bonos 10% 05/12/2024	2,210,906
2,000,000	El Salvador Government International Bond 7.75% 24/01/2023	2,172,000
1,150,000	El Salvador Government International Bond 8.5% 25/07/2011	1,229,625
700,000	Guatemala Government International Bond 10.25% 08/11/2011	784,000
COP1,900,000,000	Colombia Government International Bond 9.85% 28/06/2027	755,689

NOTES

NOTES

For more information please visit our website www.cabei-ca-fund.com