

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

Interim Report & Unaudited Financial Statements

For the Six Months Ended 30 June 2010



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CABEI Central American Fund plc
CABEI Central American Portfolio

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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
up to 30 June 2010:
Lower Baggot Street
Dublin 2
Ireland

effective 1 July 2010:

40 Mespil Road
Dublin 4
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

Registered No: 303448

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

Background to the Company

Description

CABEI Central American Fund plc ("the Company"), 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: 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.

Background to the Company (continued)

Net Asset Value (Continued)

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.

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 period 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 5.22% for the six months ended 30 June 2010. At the end of the period, the Fund had net assets of US\$ 93.77 million and a net asset value of US\$ 1,734.10 per share.

Global economic situation and outlook

Concerns about debt sustainability in industrialised countries, especially Western European economies, receded only at a slow pace. At the beginning of June, euro area finance ministers agreed on the details of the European Financial Stability Facility (EFSF). The vehicle will provide EUR 440 billion of bilateral loans to member states in fiscal difficulties. In addition, the European Central Bank (ECB) started buying government bonds of euro area countries - a significant shift in the ECB policy stance. Nevertheless, negative rating momentum for peripheral Western European countries and negative headlines on Spain (especially the banking system) left investors staying cautious.

The US economy remains on a solid but not spectacular recovery track, which is expected to persist over the first years of this expansion. In the past, severe downturns were usually caused by Fed tightening, and once the Fed relented, the economy rebounded like a coiled spring, fueled by the venting of large pent-up demands. This recession was caused by the bursting of a housing/credit bubble whose effects may linger, delaying and diluting the venting of increased spending.

Emerging market economies mostly continued to deliver positive news. Economic growth is still surprising to the upside. Inflation is not an issue of concern in most countries, and the central banks are currently able to keep interest rates on hold amid the balanced macroeconomic outlook and some concerns about growth in industrialised countries. Another supportive factor is the strong positive momentum in capital flows to many emerging market countries. More and more global fixed income investors acknowledge the sound standing of those markets and allocate a higher share of their investments to this country group. As a consequence, the external balances of many emerging market countries look very healthy, and the central banks of these countries are able to further accumulate foreign exchange reserves. The latter also adds to the latest improvement in rating momentum: some countries (Panama) have lately achieved "investment grade" status, and others (Indonesia, Turkey) are getting closer to that.

Latin & Central American economic situation and outlook

During the latest crisis, Central America fared much better than the Latin American average in terms of economic performance. Some governments were able to implement counter-cyclical policies, and most countries additionally received financial assistance from bilateral institutions like the IMF, CABEI, IADB and CAF. In late 2009, the region started showing a drive to recover. Exports look set to rebound as domestic demand gains momentum. The pace of recovery is largely dependent on the evolution of the US economy. In all countries, the recession hammered tax revenues, leading to a deterioration of fiscal balances. Stronger growth in 2010 will let revenues increase again and, coupled with spending cuts, provide relief to the overall budget. Although there are no significant demand-driven inflation pressures expected, consumer prices will likely move up as a result of higher energy and food prices as well as unfavourable base effects. Amid economic improvement and the reversal in commodity prices leading to higher import values, current accounts in the region are expected to deteriorate. Hence, it is all the more important to attract foreign direct investment inflows to cover the deficit.

Overall, Costa Rica, Guatemala and Panama are expected to show a faster recovery compared to the regional average. In contrast, El Salvador, Honduras and Nicaragua face bigger challenges (economic and political), and it will take these three countries longer to recover.

Investment Manager's Report (continued)

Latin & Central American economic situation and outlook (Continued)

In Latin America, a year of economic recovery is underway. Nevertheless, the recovery will turn out uneven across the region. Domestic demand is about to pick up most rapidly in Brazil, Peru and Chile; but it also gains momentum in other countries. In turn, Mexico and Colombia will likely remain laggards due to less fiscal flexibility and the countries' close trade connections to the US. Improving international trade, especially Asian demand, supports Latin America's more open economies, primarily its commodity exporters. Last year's larger-than-expected narrowing of current account deficits is likely to reverse in 2010/11. Sound fundamentals coupled with a good business environment in a number of countries will attract foreign direct investment, with Brazil and Colombia likely seeing the largest amount of flows.

Fiscal accounts are expected to experience some relief on the back of increased revenues amid the rebound in GDP growth. Inflation is accelerating, although still far from becoming worrisome in most countries. Brazil's central bank already resumed a monetary tightening cycle as the output gap moves into positive territory. Although economic activity does not (yet) show any signs of overheating, monetary authorities in Peru and Chile have also started to increase policy rates.

Developments in emerging debt markets

Global investors put increased focus on the asset class of "emerging markets fixed income". The interest is driven by both the sound economic development in a large number of countries and broad diversification across regions. In addition, many investors are in search of alternative opportunities amid the latest developments in core European countries. Accordingly, emerging market bond funds continue to register significant inflows. The strong investor sentiment is reflected in significant spread tightening. Central American bonds also performed strongly over the past months. After the setback in May, due to generally increased risk aversion on the back of developments in Greece, the "trend" resumed and spreads compressed further. Overall, in the second quarter of 2010, spreads of Costa Rica, Guatemala and Dominican Republic moved tighter while spreads of El Salvadoran paper increased and those of Panama stayed flat. Going forward, we generally expect spreads to continue compressing, as the general investor demand for emerging market bonds should support the asset class across the board. However, higher volatility and temporary setbacks cannot be ruled out given the situation in Europe.

Over the next couple of months, the most solid names like Costa Rica, Panama and Guatemala will likely follow a steady trend towards spreads below 200 basis points. Lower-rated and higher-yielding credits like El Salvador and Dominican Republic, on the other hand, might be laggards but will nevertheless also see tighter spreads.

Investment strategy in H1 2010

Fund management's focus on strategic positions in countries with sound economic fundamentals (Costa Rica, Guatemala, Panama) has paid off well so far in 2010. The CABEI Central American Portfolio nicely profited from Panamanian bonds' good performance on the way to the country's upgrade to "investment grade". In addition, both local and international investors demonstrated significant interest in USD paper of Costa Rica and Guatemala. In El Salvador, overall exposure was kept unchanged but spread duration was extended by switching from 2011 bonds into 2035 paper. Amid Dominican Republic's positive growth surprise in 2009, we took the opportunity to participate in the new bond issue maturing in 2021, thereby increasing total holdings in the country.

Investment Manager's Report (continued)

Investment strategy in H1 2010 (Continued)

Fiscal challenges and significant debt issuance in 2010 let us take a cautious stance towards external debt of Colombia. After the rally in USD-bonds of Mexico bottomed out, we shifted from external debt into local debt of the country. Rates have been well supported since then, and the Mexican Peso also continues to bear substantial appreciation potential. There is currently no intention to build up a position in Argentina, as political and economic uncertainty is still considered very high. Corporate exposure is low and primarily focused on less-correlated names (like the ICE-linked note or Costa Rica's electricity company).

Investment strategy outlook

Uncertainties regarding core European countries continue to drive global financial markets. It is not only debt problems of periphery countries that make investors follow a more cautious stance. In addition, broad-based fiscal consolidation programs across euro zone member countries dampen expectations about the future growth outlook in Europe. Fund management closely follows economic developments in Europe and the US and also monitors trends in global risk sentiment. Currently, we do not intend to add exposure in higher-yielding and comparably more volatile names like El Salvador or corporate issuers. However, when the dust settles, we will also take a closer look at these investment opportunities again.

On behalf of the Investment Manager
DWS Finanz-Service GmbH

Stefanie Ebner
Portfolio Manager

Dr. Nicolas Schlotthauer, CEFA
Portfolio Manager

July 2010

Profit and Loss Account

For the six months ended 30 June 2010

	Six months ended 30 June 2010 US\$	Year ended 31 December 2009 US\$	Six months ended 30 June 2009 US\$
Income			
Operating income	-	715	715
Net gains on financial assets and liabilities at fair value through profit or loss	<u>5,154,264</u>	<u>17,947,495</u>	<u>10,478,540</u>
Total investment income	5,154,264	17,948,210	10,479,255
Operating expenses	<u>(679,866)</u>	<u>(1,365,005)</u>	<u>(663,678)</u>
Net income	4,474,398	16,583,205	9,815,577
Finance costs			
Interest expense	<u>(26)</u>	<u>(58)</u>	<u>(47)</u>
Profit for the period	<u>4,474,372</u>	<u>16,583,147</u>	<u>9,815,530</u>
Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	<u><u>4,474,372</u></u>	<u><u>16,583,147</u></u>	<u><u>9,815,530</u></u>

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

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

Balance Sheet

As at 30 June 2010

	As at 30 June 2010 US\$	As at 31 December 2009 US\$	As at 30 June 2009 US\$
Assets			
Cash and Bank Balances	16,908,455	1,681,461	3,082,830
Debtors	18,171	17,109	5,111
Debt instruments designated at fair value through profit or loss	<u>77,002,069</u>	<u>92,779,376</u>	<u>86,245,182</u>
Total Assets	<u>93,928,695</u>	<u>94,477,946</u>	<u>89,333,123</u>
Liabilities			
Creditors (amounts falling due within one year)	<u>(160,510)</u>	<u>(180,703)</u>	<u>(186,936)</u>
Total Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>(160,510)</u>	<u>(180,703)</u>	<u>(186,936)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares	<u>93,768,185</u>	<u>94,297,243</u>	<u>89,146,187</u>
Net Asset Value per A Share	<u>1,734.10</u>	<u>1,648.03</u>	<u>1,540.67</u>

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

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

For the six months ended 30 June 2010

	Six months ended 30 June 2010 US\$	Year ended 31 December 2009 US\$	Six months ended 30 June 2009 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at beginning of period	<u>94,297,243</u>	<u>92,751,497</u>	<u>92,751,497</u>
Increase in Net Assets resulting from operations	<u>4,474,372</u>	<u>16,583,147</u>	<u>9,815,530</u>
Amounts received on issue of Redeemable Participating Shares	41,974,952	37,004,190	23,379,428
Amounts paid on redemption of Redeemable Participating Shares	<u>(46,978,382)</u>	<u>(52,041,591)</u>	<u>(36,800,268)</u>
Decrease in Net Assets resulting from Share transactions	<u>(5,003,430)</u>	<u>(15,037,401)</u>	<u>(13,420,840)</u>
Net (decrease)/increase in shareholders' funds	<u>(529,058)</u>	<u>1,545,746</u>	<u>(3,605,310)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares at end of period	<u><u>93,768,185</u></u>	<u><u>94,297,243</u></u>	<u><u>89,146,187</u></u>

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

Notes to the Financial Statements

For the six months ended 30 June 2010

1. Significant Accounting Policies

a) Basis of Preparation

These Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles 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 Redeemable Participating Shareholders on pages 7 and 9.

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.

These Financial Statements comply with the Statement on Half Yearly Financial Reports issued by the Accounting Standards Board in July 2007 as provided for by IAS 34 "Interim Financial Statements".

b) 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.

c) 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.

Notes to the Financial Statements (Continued)

For the six months ended 30 June 2010

1. Significant Accounting Policies (Continued)

c) Foreign Exchange (Continued)

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.

Assets and liabilities denominated in foreign currencies, other than the functional currency of the Company, have been translated at the market rate of exchange prevailing at 30 June 2010. 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 and Loss Account in determining the result for the period.

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

	As at 30 June 2010 US\$1=	As at 31 December 2009 US\$1=	As at 30 June 2009 US\$1=
Colombian Peso (COP)	1,917.4002	2,043.0006	2,148.1501
Costa Rican Colon (CRC)	535.0757	565.2410	575.2607
Euro (EUR)	0.8164	0.6970	0.7129
Mexican Peso (MXN)	12.8844	13.0554	13.1702
Pound Sterling (GBP)	0.6684	0.6193	0.6072

2. 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 period, the Company did not invest in any futures. However, in previous periods, the Company has used futures to hedge against market price movement.

3. Net Asset Value

	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
Net Asset Value (US\$)	93,768,185	94,297,243	89,146,187
Shares Outstanding	54,073	57,218	57,862
Net Asset Value per A Share (US\$)	1,734.10	1,648.03	1,540.67

Notes to the Financial Statements (Continued)

For the six months ended 30 June 2010

4. 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 period.

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.

5. Soft Commission Arrangements

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

6. Material Changes during the Period

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

7. Post Balance Sheet Events

There have been no events subsequent to the period end, which, in the opinion of the Directors of the Company, may have had an impact on the Financial Statements for the period ended 30 June 2010.

8. Approval of Financial Statements

The Financial Statements were approved on 26 August 2010.

Schedule of Investments

As at 30 June 2010

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 (31 December 2009 - 3.26%)			
CRC1,820,000,000	Inter-American Development Bank 7.4% 11/10/2012	3,320,960	3.54
Total Costa Rican Colon - denominated		3,320,960	3.54
Mexican Peso - denominated			
Government Bonds (31 December 2009 - 4.56%)			
MXN29,100,000	Mexican Bonos 7.75% 14/12/2017	2,401,257	2.56
MXN28,900,000	Mexican Bonos 8% 11/06/2020	2,425,836	2.59
Total Mexican Peso - denominated		4,827,093	5.15
US Dollar - denominated			
Corporate Bonds (31 December 2009 - 2.78%)			
2,500,000	Citco Trustees Cayman Ltd 8.5% 21/12/2014	2,555,903	2.73
Government Bonds (31 December 2009 - 78.02%)			
5,500,000	Costa Rica Government International Bond 6.548% 20/03/2014	6,192,289	6.60
1,400,000	Costa Rica Government International Bond 8.05% 31/01/2013	1,636,271	1.75
1,800,000	Costa Rica Government International Bond 9.995% 01/08/2020	2,491,462	2.66
1,150,000	Dominican Republic Government International Bond 7.5% 06/05/2021	1,194,802	1.27
313,684	Dominican Republic Government International Bond 9.04% 23/01/2018	359,851	0.38
2,470,156	Dominican Republic Government International Bond 9.5% 27/09/2011	2,642,587	2.82
3,200,000	El Salvador Government International Bond 7.65% 15/06/2035	3,394,880	3.62
10,000,000	El Salvador Government International Bond 7.75% 24/01/2023	11,337,986	12.09
4,550,000	El Salvador Government International Bond 7.375% 01/12/2019	4,964,714	5.29
2,500,000	El Salvador Government International Bond 8.5% 25/07/2011	2,754,583	2.94
1,000,000	Guatemala Government International Bond 10.25% 08/11/2011	1,135,090	1.21
3,500,000	Guatemala Government International Bond 8.125% 06/10/2034	4,319,644	4.61
6,200,000	Guatemala Government International Bond 9.25% 01/08/2013	7,523,958	8.02
3,000,000	Mexico Government International Bond 5.95% 19/03/2019	3,380,575	3.61
636,540	Nicaragua Government International Bond 5% 01/02/2011	626,660	0.67
1,000,000	Panama Government International Bond 5.2% 30/01/2020	1,072,389	1.14
4,100,000	Panama Government International Bond 7.125% 29/01/2026	4,899,842	5.23

Schedule of Investments (continued)

As at 30 June 2010

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
US Dollar - denominated (Continued)			
Supranationals (31 December 2009 - 9.77%)			
5,769,220	Central American Bank for Economic Integration FRN 25/04/2015	6,370,530	6.79
Total US Dollar - denominated		68,854,016	73.43
Total Bonds		77,002,069	82.12
Total Value of Investments (Cost: US\$ 71,865,955)		77,002,069	82.12
Cash*		16,908,455	18.03
Other Net Liabilities		(142,339)	(0.15)
Net Assets Attributable to Holders of Redeemable Participating Shares at bid prices		93,768,185	100.00

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

NB: 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.

<u>Analysis of Total Net Assets</u>	<u>% of Fund</u>
Transferable securities dealt in another regulated market (includes bonds).	82.12
Other Net Assets (net of liabilities).	17.88
	100.00

(a) in US Dollars, unless noted.

Schedule of Portfolio Changes

For the six months ended 30 June 2010

All Purchases*		Cost US\$
4,000,000	El Salvador Government International Bond 7.375% 01/12/2019	4,424,000
3,500,000	Guatemala Government International Bond 8.125% 06/10/2034	4,270,000
3,200,000	El Salvador Government International Bond 7.65% 15/06/2035	3,486,400
1,800,000	Costa Rica Government International Bond 9.995% 01/08/2020	2,369,700
MXN28,900,000	Mexican Bonos 8% 11/06/2020	2,303,830
1,092,977	Dominican Republic International Bond 9.04% 23/01/2018	1,179,322
1,150,000	Dominican Republic International Bond 7.5% 06/05/2021	1,150,000
900,000	Panama Government International Bond 7.125% 29/01/2026	1,010,250
1,000,000	Panama Government International Bond 5.2% 30/01/2020	1,010,000
All Sales*		Proceeds US\$
9,250,000	El Salvador Government International Bond 8.5% 25/07/2011	9,956,625
5,000,000	Guatemala Government International Bond 9.25% 01/08/2013	5,861,500
4,500,000	Guatemala Government International Bond 10.25% 08/11/2011	5,050,500
2,000,000	Panama Government International Bond 7.25% 15/03/2015	2,270,000
MXN25,000,000	Mexican Bonos 9.5% 18/12/2014	2,146,067
1,800,000	Mexico Government International Bond 5.95% 19/03/2019	1,912,500
1,500,000	Colombia Government International Bond 7.375% 27/01/2017	1,691,250
1,500,000	Costa Rica Government International Bond 6.548% 20/03/2014	1,646,250
1,166,667	Central American Bank for Economic Integration FRN 01/06/2010	1,166,667
1,000,000	Costa Rica Government International Bond 8.05% 31/01/2013	1,127,500
1,000,000	El Salvador Government International Bond 7.375% 01/12/2019	1,062,500
779,293	Dominican Republic International Bond 9.04% 23/01/2018	848,260
500,000	Colombia Government International Bond 8.25% 22/12/2014	587,500

* in US Dollars, unless noted.

NOTES

CERTIFICATE

OF

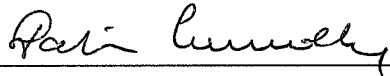
THE COMPANY SECRETARY

OF

CABEI CENTRAL AMERICAN FUND public limited company

We hereby certify that the following resolutions were passed at the meeting of the directors of the above company held on 26 August 2010 and remain in full force and effect:

“The interim report was carefully considered and, having noted that the report had been approved by the administrator and reviewed by each of the Directors and Patrick Paradiso as Consultant to the Company, **IT WAS RESOLVED** to approve the interim report for the period 1 January 2010 to 30 June, 2010 and that Bank of Ireland Securities Services Limited be instructed to submit the interim report to the Irish Financial Services Regulatory Authority and the Irish Stock Exchange.”



For and on behalf of
Goodbody Secretarial Limited, Secretary

27 August 2010

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