

CABEI Central American Fund plc
CABEI Central American Portfolio

Supplement to the Offering Circular
24 July 2007



CABEI Central American Fund plc
(an umbrella type open-ended investment
company with variable capital)

A company incorporated with limited liability
as an investment company with variable capital
under the laws of Ireland with
registered number 303448

SUPPLEMENT to the OFFERING CIRCULAR

24 July 2007

This Supplement is supplemental to, forms part of and should be read in conjunction with, and in the context of, the Offering Circular for CABEI Central American Fund plc dated 1 January 2005 and the Supplements to the Offering Circular dated 20 April 2005 and 16 February 2006 (together the Offering Circular)

The Directors of CABEI Central American Fund plc, whose names appear on pages 11 and 12 of the Offering Circular, accept responsibility for the information contained in the Offering Circular and this Supplement to the Offering Circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

AMENDMENTS TO THE OFFERING CIRCULAR

Objectives, Policies and Restrictions

The fourth paragraph under the heading “Objectives, Policies and Restrictions” on page 9 of the Offering Circular is deleted and replaced with the following: -

“The Portfolio may invest up to 10% of its assets in an open-ended mutual fund that will invest in short-term local currency instruments of the Central American countries (Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica).”

Investment and Borrowing Restrictions

The paragraphs under the heading “Investment and Borrowing Restrictions” on pages 9 and 10 of the Offering Circular are deleted in their entirety and replaced with the following:

“The restrictions relating to the investment and borrowing powers of the Portfolio adopted by the Directors are summarised below. Although the Company is not a UCITS fund, the Directors have resolved to apply the restrictions on investment and borrowing which apply to UCITS funds to the Portfolio. The restrictions relating to the investment and borrowing powers of each other portfolio will be formulated by the Directors at the time of the creation of such portfolio:

1 Permitted Investments

Investments of the Portfolios are confined to:

- 1.1** Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2** Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3** Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
- 1.4** Shares or units of UCITS.
- 1.5** Shares or units of non-UCITS as set out in the Financial Services Regulator’s Guidance Note 2/03.
- 1.6** Deposits with credit institutions as prescribed in the UCITS Notices.
- 1.7** Financial derivative instruments as prescribed in the UCITS Notices.

2 Investment Restrictions

- 2.1** The Portfolio may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2** The Portfolio may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Portfolio in certain US securities known as Rule 144A securities provided that:
 - the securities are issued with an undertaking to register with the US Securities and

- Exchanges Commission within one year of issue; and
- the securities are not illiquid securities i.e. they may be realised by the Portfolio within seven days at the price, or approximately at the price, at which they are valued by the Portfolio.

2.3 The Portfolio may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4 The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If the Portfolio invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Portfolio. Investment up to this limit in appropriate Bonds requires the prior approval of the Financial Regulator.

2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 The Portfolio may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the trustee/custodian.

2.8 The risk exposure of the Portfolio to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- risk exposures arising from OTC derivatives transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12** The Portfolio may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority.

The Portfolio must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3 Investment in Collective Investment Schemes (“CIS”)

- 3.1** The Portfolio may not invest more than 10% of net assets in CIS.
- 3.2** The CIS must be prohibited from investing more than 10 per cent of net assets in other CIS.
- 3.3** When the Portfolio invests in the units of other CIS that are managed, directly or by delegation, by the Portfolio management company or by any other company with which the Portfolio management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Portfolio investment in the units of such other CIS.
- 3.4** Where a commission (including a rebated commission) is received by the Portfolio’s Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Portfolio.

4 Index Tracking UCITS

- 4.1** The Portfolio may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Portfolio is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Financial Services Regulator
- 4.2** The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5 General Provisions

- 5.1** An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- 5.2** The Portfolio may acquire no more than:
- (i) 10% of the non-voting shares of any single issuing body;
 - (ii) 10% of the debt securities of any single issuing body;
 - (iii) 25% of the units of any single CIS;
 - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3** 5.1 and 5.2 shall not be applicable to:
- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
 - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
 - (iv) shares held by the Portfolio in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Portfolio can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
 - (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

- 5.4** The Portfolio need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

- 5.5** If the limits laid down herein are exceeded for reasons beyond the control of the Portfolio, or as a result of the exercise of subscription rights, the Portfolio must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

- 5.6** Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- transferable securities;
 - money market instruments;
 - units of CIS; or
 - financial derivative instruments.

- 5.7** The Portfolio may hold ancillary liquid assets.

6 Financial Derivative Instruments ('FDIs')

- 6.1** The Portfolio global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.

- 6.2** Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)

- 6.3** The Portfolio may invest in FDIs dealt in over-the-counter (OTC) provided that
- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Financial Services Regulator.

- 6.4** Investment in FDIs are subject to the conditions and limits laid down by the Financial Services Regulator.

7 Borrowing Restrictions

The Company may borrow up to 10% of the Portfolio's net assets at any time for the account of the Portfolio and may charge the assets of the Portfolio as security for any such borrowing, provided that such borrowing is only for temporary purposes such as securities settlement or meeting a repurchase request.

Management

Mr. Paul Schubert resigned as a Director on 9 November 2006. The reference to Paul Schubert, and his biography are hereby deleted from page 11 of the Offering Circular.

Purchase of Shares

The sixth paragraph under the heading "Purchase of Shares" on page 17 of the Offering Circular is hereby deleted in its entirety and replaced with the following:

"Applications sent to the Administrator by facsimile or electronic mail will be treated as definite orders, however, the original application documentation must be promptly sent by courier or air mail to the Administrator at the address set out in the Directory. Subsequent applications for Shares sent to the Administrator by facsimile, electronic mail or by telephone will be treated as definite orders coming from individuals indicated on the original application from, provided that, in the case of subsequent applications by telephone, that the Shareholder has elected for this facility and all ongoing anti-money laundering checks are complete."

Repurchase of Shares

The second paragraph under the heading "Repurchase of Shares" on page 18 of the Offering Circular is hereby deleted in its entirety and replaced with the following:

"Requests by facsimile, electronic mail or by telephone will be treated by the Administrator as definite orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Administrator. In the event that the Administrator deals on the basis of a request by facsimile, electronic mail or by telephone, the Shareholder agrees to indemnify the Company, its officers and agents and the Administrator with respect to all and any losses, costs, claims, liabilities and other charges whatsoever which may arise by virtue of any transmission of a repurchase request by facsimile, electronic mail or by telephone. Payment of repurchase proceeds will be posted at the Shareholder's risk to the registered Shareholder or to the first named of joint registered Shareholders as appropriate unless the Administrator is otherwise instructed in writing by the registered Shareholder or joint registered Shareholders."

Glossary

The following definitions are hereby inserted in alphabetical order on page 31 and 32 of the Offering Circular;

"**Directive** - the EC Council Directive 85/611 EEC of 20 December 1985 (OJ No. L375/3 of 31 December 1985) on the Co-ordination of Laws, Regulations and Administrative Provisions relating to UCITS, as amended, supplemented or replaced from time to time."

“**EEA** - the European Economic Area (EU Member States, Iceland, Norway, and Liechtenstein).”

“**EEA Member State** - a member state of the EEA.”

“**EU** - the European Union, (the current members being: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom).”

“**Member State** - a member state of the EU.”

“**Regulations** - the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) as amended, supplemented or consolidated from time to time.”

“**transferable securities** - means

- (i) shares in companies and other securities equivalent to shares in companies;
- (ii) bonds and other forms of securitised debt; and
- (iii) other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,

other than the techniques and instruments referred to in regulation 48A of the Regulations”

“**UCITS** - an undertaking for collective investment in transferable securities authorised pursuant to the Directive and having the meaning assigned to it by Regulation 3(2) of the Regulations.”

“**UCITS Notices** - the notices issued by the Financial Services Regulator from time to time affecting UCITS.”

Directory

The reference to Paul Schubert is hereby deleted.

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