

### FUND COMPANY



### INVESTMENT ADVISOR



### FUND SPONSOR



**Fund:** CABEI Central American Portfolio Fund  
**Fund Domicile:** Republic of Ireland  
**Launch Date:** March 12, 1999  
**Regulator:** Central Bank of Ireland  
**Investor Profile:** The CABEI Central American Portfolio is suitable for investors who are prepared to accept, in normal market conditions, a medium to high degree of volatility of Net Asset Value from time to time and is suitable as an investment in a well-diversified portfolio.  
**Minimum Investment:** USD 5,000

Prices are published daily on Reuters and Bloomberg.

ISIN: IE0006076388  
 BLOOMBERG: CABCAMI ID

### Portfolio Management

The Fund is managed by a team of experienced investment professionals with guidance from the Fund's Investment Committee. We believe this approach utilizes the expertise of several individuals who have an in-depth understanding of the diverse macro and micro trends affecting the regional marketplace.

### CONTACT US

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 Dublin 1, Ireland

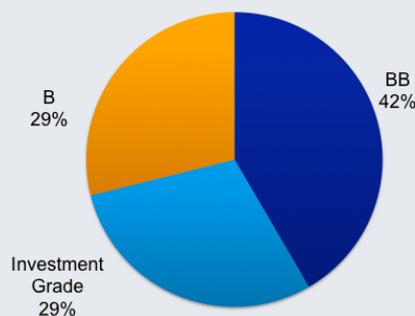
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### FUND OBJECTIVE

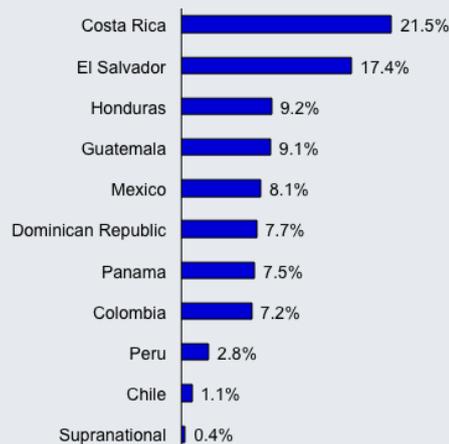
The Portfolio's investment objective is to generate a high real rate of return for investors. It is the goal of the Portfolio to invest the majority of its assets primarily in the debt securities of Central American countries (such as Guatemala, Honduras, Nicaragua, El Salvador, and Costa Rica) that are founding members of the Central American Bank for Economic Integration (CABEI), subject to prevailing market conditions and having regard to the risk/return profile of the Portfolio.

Month End NAV	Performance				
Current month: \$ 2,177.89	Month	YTD	1yr	3yr	Life
Prior month: \$ 2,146.19	1.5%	6.4%	6.4%	10.9%	117.8%
Shares: 50,363	Portfolio Analysis				
Rating Allocation			Key Asset Figures		

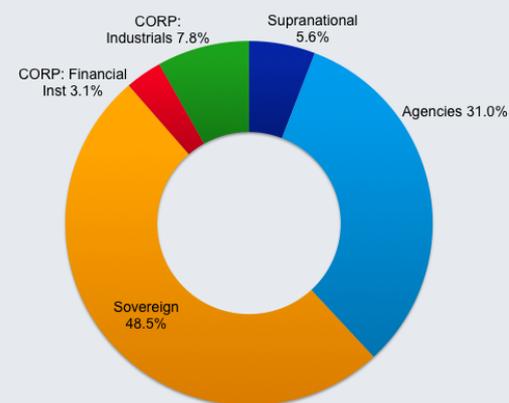


Net asset value (USD mn)	109.7
Number of issues	42
Average coupon	5.8%
Average yield	4.5%
Average maturity (years)	5.1
Modified duration	4.0
Spread duration	4.0
Convexity	0.3
Average rating	BB

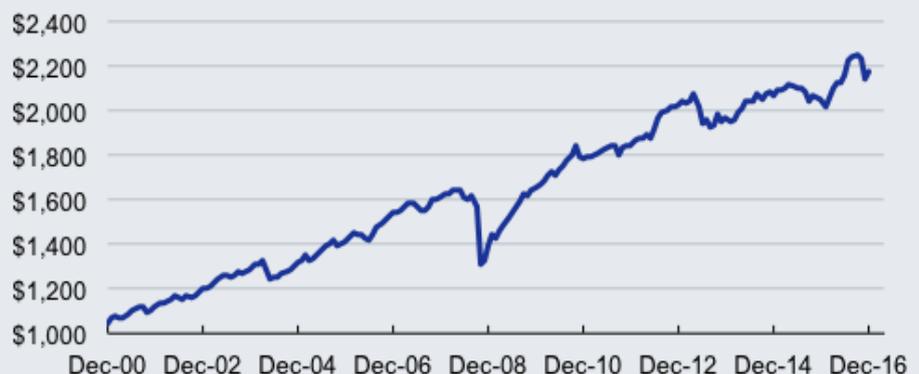
### Country Allocation



### Issuer Distribution



### CABEI Central American Portfolio NAV Since Inception



USD-denominated bonds of emerging market sovereign and quasi-sovereign issuers posted a positive return in December (+1.3%). Yields of US Treasury bonds temporarily moved higher after the US central bank ("Fed") raised interest rates and provided comments on the interest rate outlook. This also had moderate impact on cash prices of USD bonds from some emerging market countries. In turn, the overall positive news flow for many emerging economies provided support for the asset class of emerging market bonds. An outperformance was recorded for several commodity-exporting smaller countries with very low rating (Venezuela, Ghana, Gabon, Zambia). Meanwhile, a return below index average was seen for bonds of several countries with higher rating and lower risk premium (Slovakia, Philippines) and of Indonesia. The latter was driven by the fact that this sovereign issued three new USD sovereign bonds at the beginning of the month, which was temporarily weighing on prices in secondary markets.

In December lower rated countries outperformed. Best performer was Venezuela (+7.9%) followed by Ecuador (4.3%) where bonds benefited from announced production cuts by the OPEC and the subsequent increase in Oil prices. S&P changed the rating for El Salvador to B- with a negative outlook. The move was expected and the market did not react afterwards. Sovereign bonds benefited from attractive yields and latest news regarding an IMF visit. Bonds of the country performed +4.2% in December on average.

Most of the other smaller countries in the region benefitted from the better market sentiment during the last month of the year (Jamaica +3.1%, Honduras +3.1%, Guatemala +2.5%). Only the performance of Dominican Republic (+0.6%) disappointed. One of the reasons was the possibility that the country will tap into international markets in 2017. The country placed a \$100 mio bond on the local market. In addition to the local USD placement, the government may issue another \$160 million in DOP. Officially, the explanation for the financing increase is that revenues in the first half of the year came in below expectations so they need to cover the shortfall. It's more likely due to some overspending during this year's election and insufficient cuts in the second half of the year to compensate. The fiscal deficit for the year will probably turn out to be closer to the 2.7% referenced in the 2017 budget documents that no one paid attention to, and not the 2.3% that is the official target. In any case, acknowledging the actual result is a step forward in transparency. This leaves them another \$500 million to compensate for the financing they expected from Brazil's BNDES that vanished alongside Rousseff's presidency. This could be covered by issuing a USD bond.

An underperformance compared to broader market was seen in countries where spread levels are tight and correlation to US-treasuries is very high (Panama -0.3%, Bolivia -0.2%).

#### **Notes to the Investor and Disclosures**

The Funds are not available to US Persons (as such term is defined in the Fund Prospectus). Restrictions also apply to residents of the United Kingdom, Cayman Islands, Hong Kong, Singapore, and Japan, further details of which are contained in the Fund Prospectus. The Fund Prospectus also contains restrictions on the marketing, offer, sale, and distribution of the shares to investors in the United Kingdom, Cayman Islands, Hong Kong, Singapore, and Japan.

The fund is registered as a UCITS fund (Undertakings for Collective Investment in Transferable Securities) pursuant to the European Communities Regulations, 2011 (S.I. No. 352 of 2011). UCITS are recognized globally as the gold standard in open-ended, diversified, liquid products with sound regulatory standards. The Company is authorized and regulated by the Central Bank of Ireland.

Although care is taken to understand and manage the principal risks\* of investing in the Fund which could adversely affect the net asset value, yield and total return, the Fund and accordingly the shareholders in the Fund will ultimately bear the risks associated with the investments of the Fund. Potential investors should consult their professional financial and tax advisers before making an investment.

The current document is intended for information purposes only and shall not be used as an offer to buy and/or sell shares.

The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. Past performance may not be a reliable guide to future performance.

All data is as of the last business day of the month noted in the header, unless otherwise noted.

In Switzerland, the authorized legal representative is ACOLIN Fund Services AG, Affoltern Strasse 56, CH-8050 Zurich; the Paying Agent is NPB Neue Privatbank AG, Limmatquai 1, CH-8001 Zürich.

The Basic documents of the Funds such as the prospectus, the key investor information document (KIID), the Articles of Association, as well as the semi-annual and annual reports, may be obtained free of charge at the office of the Representative in Switzerland.

\* These risks include but not limited to market risk, liquidity risk, credit risk, currency risk, and emerging market risk.

#### **Glossary**

*Average Yield* is the portfolio's average return based on its interest income, capital gains, or capital losses inclusive of its collateral cash flows.

*Modified duration* is the percentage price change of the portfolio for a given change in average yield. The higher the modified duration, the higher the portfolio's risk.

*Country Allocation* refers to country / business risk of the security, not to the country of issuance (of importance for offshore issues).

#### **Sources**

The performance of market indices are calculated using Bloomberg data.

The fund performance is calculated using data provided by the custodian, Northern Trust Securities Services Ireland Ltd.

Portfolio statistics are calculated using Bloomberg's Portfolio analytics and Open Bloomberg data, on the basis of pricing provided by the custodian, Northern Trust Fiduciary Services (Ireland) Ltd.

The Fund Administrator is Northern Trust International Fund Administration Services (Ireland) Ltd.