

Pension Plan "Dynamics"



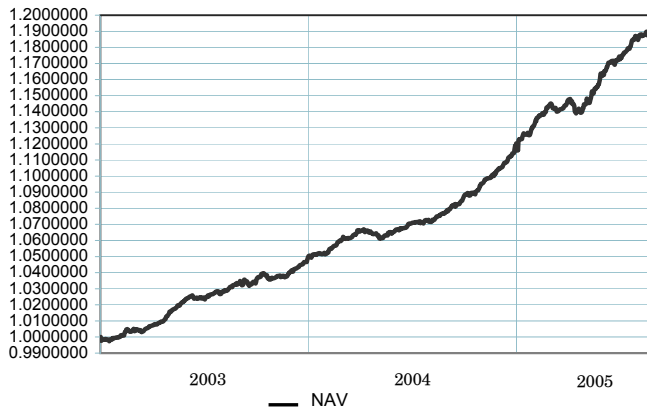
Investment Principles

The investment policy of the Plan is balanced, as assets of the Plan are disposed in financial instruments with fixed income and equities. Not less than 70 % of assets of the Plan are invested in securities with fixed income and in term-deposits in banks and no more than 30 % - in the equities. The investment policy of the Plan provides to invest not less than 50 % of assets in Latvia. Investments in foreign currencies can't exceed 30 % of assets of the Plan.

General information

Plan Management Company	AS IPS Hansa Fondi
Plan Manager	Kristiāns Miķelsons
Inception	2002
Applications are accepted in:	A/s "Hansabanka" filiālēs www.hanzanet.lv Valsts sociālās apdrošināšanas aģentūrā
Net Asset Value (NAV)	1.1881362 LVL
Net Assets	22 514 596 LVL
Management Fee per annum	1.4%
Weighted average rating	A3
Weighted average modified duration, years	2.9

Performance of Plan



	YTD	1 month	3 months	6 months	1 year	3 years	Inception*
Performance	6.64%	0.28%	2.70%	3.98%	10.35%	15.08%	18.81%
Annualized**	10.00%	3.36%	10.98%	7.94%	10.20%	7.16%	6.63%

	2003	2004				
Performance	4.65%	6.46%				

* - since launch

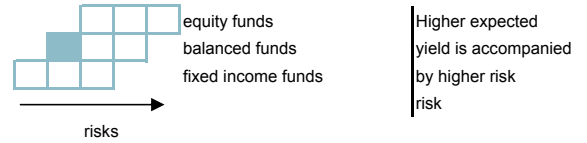
** - the annual interest rate of yield is calculated, using ACT/360 method

Manager Comment

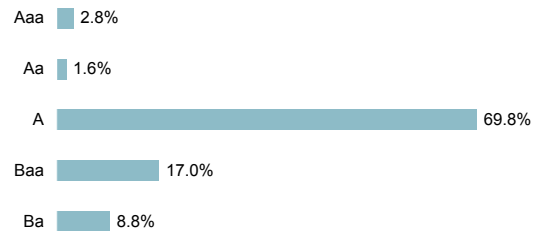
The business news are dominated the rise in oil prices, reaching a new record high in August. Despite this fact, the equity prices mainly were on the rise in the world. The concern about slack in economic growth had an effect in the dropping long-term interest rates resulting in good profit for bond holders. Japan saw the fastest rise in equity prices, whereas the value of our Eastern Europe equity portfolio increased by 2.4%. Investments in Russian equities currently enjoy major interest on the part of investors, which have increased by 14% within a month. In Europe, the equity market grew by 0.3% and the US market was down by 0.9%. The Baltic equity market index Baltix rose by 5.2%.

The German 10-year government bond rate dropped from 3.24% to 3.10%. The Latvian year 2014 bond rate remained constant at 3.60%. The Latvian government debt securities index calculated by Hansabanka escalated by 0.25% making the annual yield of 3.09%.

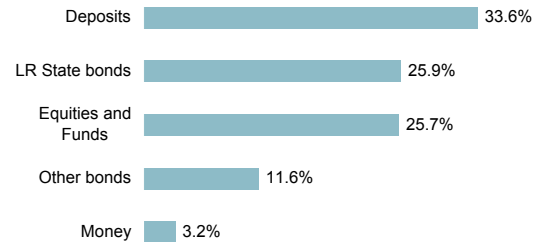
Risk level



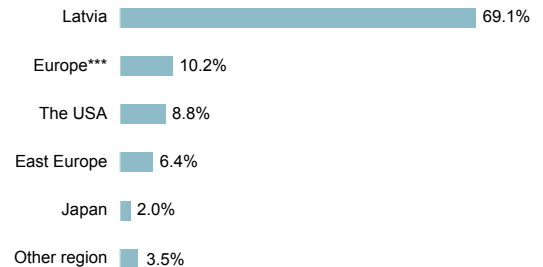
Portfolio by ratings



Portfolio by instruments



Portfolio by countries



*** - without East Europe

Larger investments

Larger investments	Weight
LR 5-year bonds 04.02.10	12.8%
LR 10-year bonds 14.02.13	11.6%
Hansa Ida-Euroopa Aktsiafond	3.8%
streetTRACKS MSCI Europe ETF	3.5%
iShares S&P 500	3.4%
Balzac USA Index Fund	3.3%
Balzac Europe Index Fund	3.1%
Global Emerging Markets Equity Fund	2.7%
LR 3-year bonds 29.08.06	1.9%
LHQB mortgage bond 15.08.08	1.8%