

Pension Plan "Dynamics"

30-Nov-2004

Fund manager: Kristians Mikelsons

Applications are accepted in:

branches A/S "Hansabanka "

www.hanzanet.lv

State Social Insurance Agency



Investment Management JSC Hansa Fondi

Balasta dambis 1a, Riga, LV-1048

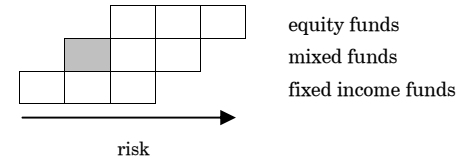
Latvia

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Investment objectives

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.



Higher expected return is associated with higher risk

General information

NAV of Fund assets:	13 335 841.07 LVL
NAV of Fund share:	1.1017135 LVL
Launch year:	2002
Management fee:	1.93% a year

Comment

Interest rates of bonds of Republic of Latvia within this month essentially have not changed. Yield of 10-years Latvian bonds is 4.70 %. The Bank of Latvia has increased the short-term refinancing rate up to 4.00 %, and it has caused fluctuation of short-term interest rates as banks adapted to a new situation.

The weight of equities in the Plan has been gradually increased up to 14.4%, investing in equities of the East Europe and other countries. During this month value of equities in Europe has increased for 9.2%, and in the USA – on 4.0%. Value of East European portfolio of equities has increased for 9.8%. The reason is faster development of this region and growing interest to obtain the equities of the local companies. Increase of equities' prices in the USA is hindered by increasing oil prices and increasing interest rates.

Interest rates for state 10-years bonds of the USA have increased from 4.02% up to 4.35%, but in Europe – have decreased from 3.87% to 3.79%. It is determined by differences in policies of interest rates of the Central banks dictated by various tempos of economic development. Fluctuations of exchange rates are also connected with changes in interest rates, which were significant during November. Value of euro has increased from 1.2759 up to 1.3297 dollars.

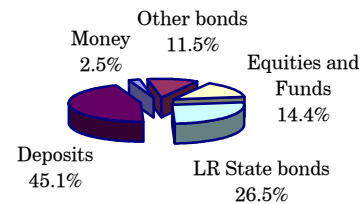
Yields of the Plan

	1 m	3 m	6 m	1 y	Since launch
In period	0.97%	2.32%	3.49%	6.17%	10.17%
On annual basis*	11.86%	9.38%	6.80%	6.07%	5.16%

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

** - the international financial institution

Distribution of investments



Largest holdings

Investment	Proportion
LR 10-year bonds 14/02/13	9.56%
LR 5-year bonds 26/01/06	9.16%
iShares S&P 500	4.62%
LR 10-year bonds 02/04/14	4.27%
Street TRACKS MSCI Pan Euro ETF	3.54%
Hansa Ida-Euroopa Aktsiafond	3.23%
LR 3-year bonds 29/08/06	3.02%
LHZB mortgage bond	2.92%
Republic of United Kingdom	2.12%
Term deposit in Nordea Bank 26/08/05	1.89%

Portfolio by geography

