

Pension Plan "Dynamics"



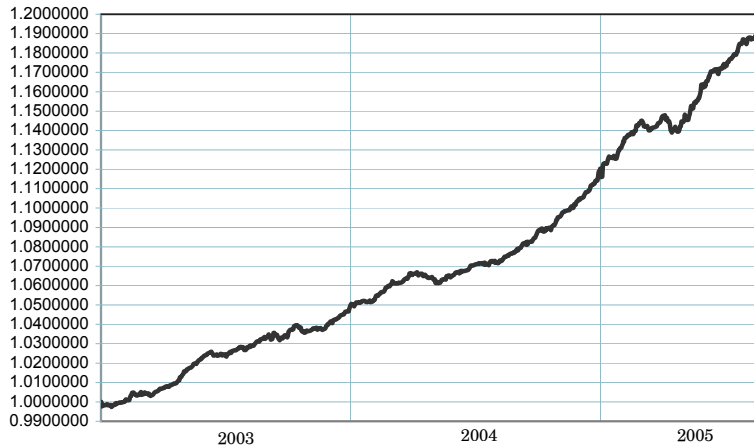
Investment Principles

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	Kristians Mikelsons
Inception	2002
Applications are accepted in:	Branch offices of AS Hansabanka; 7024555 www.hanzanet.lv State Social Insurance Agency
Net Asset Value (NAV)	1.1970298 LVL
Net Assets	24837625 LVL
Management Fee per annum	1.4%
Weighted average rating	A3
Weighted average modified duration, years	3.2

Performance of Plan



	YTD	1 month	3 months	6 months	1 year	3 years	Inception*
Performance	7.44%	-1.21%	1.04%	5.05%	9.71%	15.58%	19.70%
Annualized**						7.64%	6.69%

	2003	2004				
Performance	4.65%	6.46%				

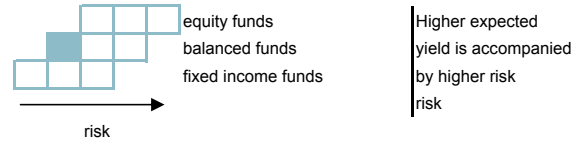
* - since launch

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

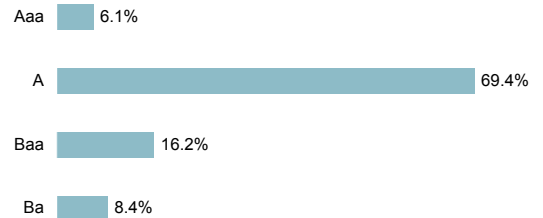
Manager Comment

Last month the global financial markets saw a drop in prices, which affected virtually all investment types. Growth of corporate earnings is still steady, yet there are concerns arising as to high inflation in the future and higher interest rates. This may result in reduced demand for goods and consequent shrinkage of corporate earnings. Equity prices rose in Japan only (+1.5%), meanwhile the prices sank by 2.5% in Europe and by 1.6% in the USA. Also investments in Eastern Europe and other developing countries saw price correction (-5.3%). The Baltic equity market index Baltix dropped by 1.1%. The euro 10-year bond rate rose from 3.14% to 3.28%, whereas six-month rate was up from 2.21% to 2.38%. The rise in interest rates was led by concerns of higher inflation in Europe. Thus, also bond portfolios had a low yield. The Latvian year 2014 bond rate rose from 3.40% to 3.45%. The Latvian government debt securities index calculated by Hansabanka escalated by 0.21%. (with the corresponding annual yield of 2.52%)

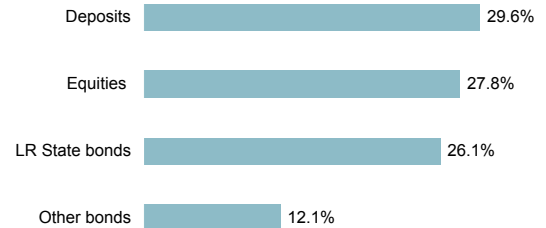
Risk level



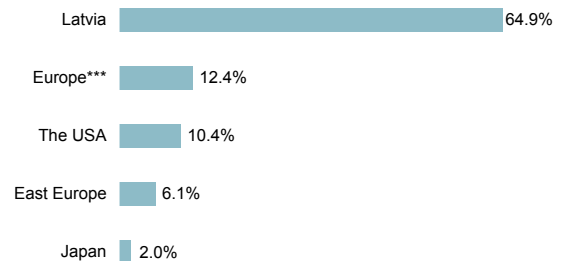
Portfolio by ratings



Portfolio by instruments



Portfolio by countries



*** - without East Europe

Larger investments

Larger investments	Weight
LR 5-year bonds 04.02.2010	10.9%
LR 10-year bonds 14.02.2013	10.1%
Hansa Ida-Euroopa Aktisafond	3.4%
Balzac USA Index Fund	3.3%
Balzac Europe Index Fund	3.3%
T.Rowe Global Emerging Markets Fund	3.2%
streetTRACKS MSCI Europe ETF	3.1%
iShares S&P 500	2.8%
Germany bonds 01.07.2015	2.1%
Balzac Japan Index Fund	2.0%