

Open-ended investment fund Hansa Euro Money Market Fund

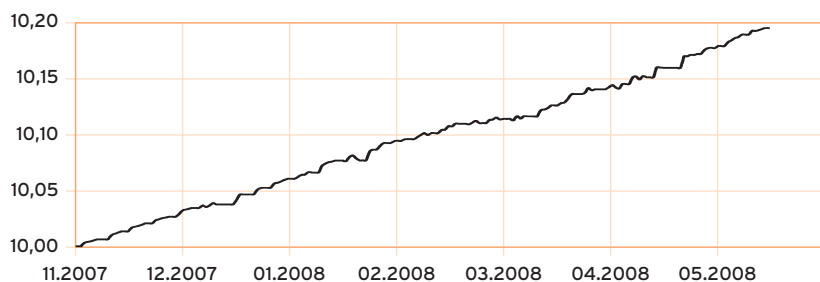
Investment Principles

The aim is to provide investors with low-risk investments objects that have higher liquidity and profitability than short-term deposits with banks. Fund's assets are invested in short-term debt securities with high liquidity and low-risk of issuers of EU and OECD countries.

General information

| | |
|---|---|
| Fund Management Company | AS IPS Hansa Fondi |
| Fund Manager | Pēteris Stepiņš |
| Inception | 2007 |
| Transactions with the Fund's investment certificates: | Branch offices of AS Hansabanka; 67444147 www.telehansanet.lv www.hanzanet.lv |
| Net Asset Value (NAV) | EUR 10,1938 |
| Net Assets | EUR 11 333 366 |
| Management Fee for I units | 0,4% |
| Management Fee for A units | 0,6% |
| Weighted average modified duration, days | 0,16 |

NAV



| | YTD | 1 month | 3 months | 6 months | 1 year | 3 years | Inception* |
|-----------------|------|---------|----------|----------|--------|---------|------------|
| Performance, % | 1,47 | 0,35 | 0,84 | | | | 1,94 |
| Annualized**, % | 3,55 | 4,17 | 3,37 | | | | 3,48 |

* - since launch

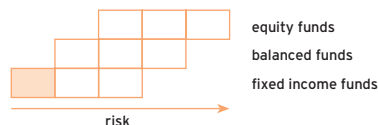
** - annualized performance, calculated using ACT/365 method

| | 2008 |
|---------------|------|
| Annualized, % | |

Manager Commentary

Just like in previous months, in May the European Central Bank decided to keep the refinancing rate on hold at 4,00%. At their monthly press conference and later in various mass media, the ECB representatives increasingly stressed the inflation threat, which may cause serious problems for the economy in future - and not just in the European Monetary Union member countries. In the Eurozone interbank market, banks remained cautious in May as before, and the 3M EURIBOR rate stayed roughly within limits of 4,86%. The market consensus in end-May was that the ECB could raise their rates as early as in this year's last quarter. This is a serious change in the market participants' expectations, as in previous months the rates were expected to be cut. The rate of appreciation of the fund units, which was higher in May than in April, was driven by relatively stable EURIBOR rates and by these rates having a slightly higher average level as compared to the previous month. The largest share (approximately 35%) of the Fund's investment portfolio is in floating-rate bonds, where the coupon rate is linked to EURIBOR rates.

Risk level



Higher expected yield is accompanied by higher risk.

Distribution of investments

| | | | |
|---------------------|-------|--|-------|
| Floating Rate Bonds | 35,3% | | 35,3% |
| Fixed Rate Bonds | 32,4% | | 32,4% |
| Deposits | 22,5% | | 22,5% |
| Money*** | 9,8% | | 9,8% |

*** - including redemption liabilities

Portfolio by ratings

| | | | |
|--------|-------|--|-------|
| Aa | 33,3% | | 33,3% |
| A | 32,8% | | 32,8% |
| NR**** | 19,8% | | 19,8% |
| Aaa | 14,1% | | 14,1% |

**** - investments without rating of international rating agencies

Portfolio by modified duration

| | | | |
|---------------|-------|--|-------|
| up to 1 month | 29,7% | | 29,7% |
| 1-3 months | 59,0% | | 59,0% |
| over 3 months | 11,2% | | 11,2% |

Larger investments

| Investment | Weight |
|--|--------|
| Bonds of Portugal 15.07.2008 | 4,6% |
| Bonds of France 12.07.2008 | 4,2% |
| Bonds of Bayer AG 19.06.2008 | 4,2% |
| Bonds of Barclays Bank 16.04.2009 | 2,9% |
| Term deposit in Hansabanka 04.06.2008 | 2,9% |
| Term deposit in SEB 01.09.2008 | 2,9% |
| Bonds of Nordea Bank AB 27.05.2010 | 2,9% |
| Bonds of Land Nordrhein-Westfalen Land Nord 30.10.2008 | 2,9% |
| Term deposit in Hansabanka 19.08.2008 | 2,5% |
| Term deposit in LHZB 10.08.2008 | 2,5% |