

Open-ended investment fund Hansa Euro Money Market Fund

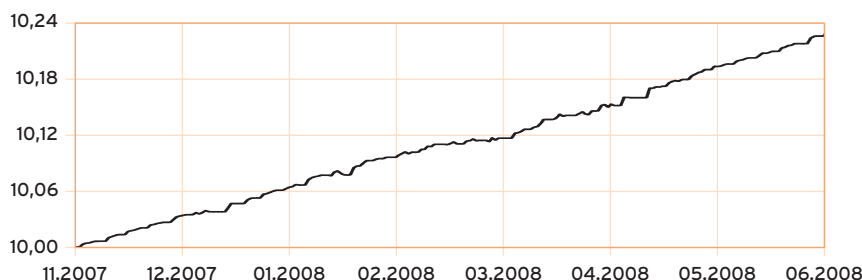
Investment Principles

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 10,2277
Net Assets	EUR 13 456 716
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, %	1,80	0,33	1,01	1,79			2,28
Annualized**, %	3,65	3,99	4,08	3,63			3,56

* - since launch

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

	2008
Annualized, %	

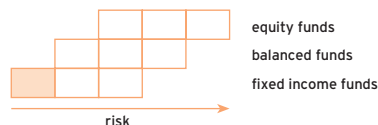
Manager Comment

Just like in previous months, in June the European Central Bank decided to keep the refinancing rate on hold at 4,00%. However, in their monthly press conference they surprised the market participants stating that this rate will be hiked in July. The need to curb the still rising inflation in the Eurozone, which was highlighted as being today's key threat to economic development, was told to be the main rationale behind such move. Eurostat estimates showed that inflation in the Eurozone stood at 4% in June (ECB's target is not to permit the inflation to exceed 2%).

In the Eurozone interbank market, following ECB's monthly meeting, the 3M EURIBOR rate hiked from 4,87% to 4,97% and remained at this level throughout the month. The market consensus in end-June was that the ECB could raise their rates as early as in July. It was also forecasted that the ECB will continue raising their rates over the next 12 months, and two rate hikes are expected.

The rate of appreciation of the fund units, which was slightly lower in June as compared to May, was driven by EURIBOR rate hike and by these rates having a slightly higher average level as compared to the previous month. The largest share (approximately 40%) 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	39,6%		39,6%
Fixed Rate Bonds	29,2%		29,2%
Deposits	19,4%		19,4%
Money***	11,8%		11,8%

*** - 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	55,1%		55,1%
1-3 months	35,1%		35,1%
over 3 months	9,8%		9,8%

Larger investments

Investment	Weight
Bonds of Portugal 15.07.2008	3,9%
Bonds of Denmark 14.11.2008	3,8%
Bonds of France 12.07.2008	3,5%
Bonds of Bayer AG 16.07.2008	3,5%
Bonds of ING Bank 21.05.2010	2,8%
Bonds of Fortis 14.05.2010	2,8%
Bonds of Svenska Handelsbanken 21.05.2010	2,8%
Term deposit in LHZB 26.09.2008	2,8%
Bonds of Societe Generale 15.04.2010	2,5%
Term deposit in SEB 01.09.2008	2,5%