

Open-ended investment fund Hansa Lats Money Market Fund

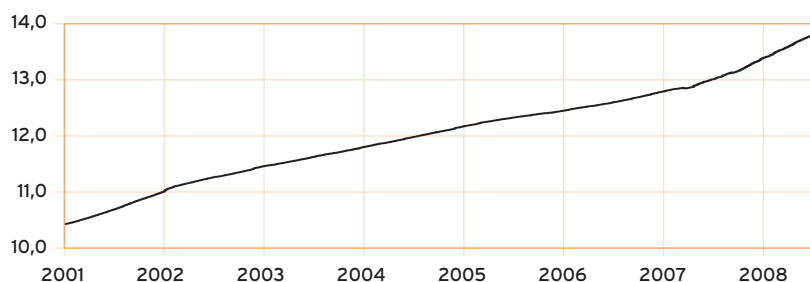
Investment Principles

Fund invests in fixed income securities issued in the Baltic States and OECD member countries. The objective of the open-ended investment fund "Hansa latu naudas tirgus fonds" is to achieve continuous growth of value of the capital over a short period of time in compliance with the investment policy and restrictions set by the Fund Prospectus. Investment into the Fund might be considered as an alternative to short-term deposits with banks.

General information

Fund Management Company	AS IPS Hansa Fondi
Fund Manager	Pēteris Stepiņš
Inception	1999
Transactions with the Fund's investment certificates:	Branch offices of AS Hansabanka; 67444147 www.telehansanet.lv www.hanzanet.lv
Net Asset Value (NAV)	LVL 13,8046
Net Assets	LVL 11 410 198
Management Fee per annum	0,6%
Weighted average modified duration, days	0,22

NAV



	YTD	1 month	3 months	6 months	1 year	3 years	Inception*
Performance, %	3,70	0,45	1,51	3,10	6,05	11,98	38,05
Annualized**, %	6,42	5,49	6,13	6,32	6,03	3,84	4,31

* - since launch

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

	2001	2002	2003	2004	2005	2006	2007
Annualized, %	5,54	4,17	2,94	3,06	2,30	2,68	4,34

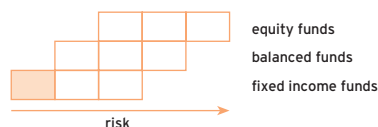
Manager Comment

Value of the investment fund units rose by 0,45% in July, while the year-to-date increase was 3,70% i.e. 6,42% in terms of annual yield.

The LVL deposit market rates slightly dropped for 1 and 3-month maturities, however, the deposits portfolio continued to generate a stable income thanks to the deposit contracts signed in previous months. The fund's total investments in deposits accounted for around 25% of the investment portfolio at the end of July, and the deposits portfolio average yield stood at 6,5% per annum at the end of the month. In July, the short-term (up to 12 months) LVL deposit rates, in terms of various maturities together, slightly increased their lead over RIGIBID rates. Some credit institutions still offered deposit rates in excess on the rates quoted on the interbank market.

As T-Bills of the Republic of Latvia become an increasingly attractive and profitable asset class, as compared to deposits, the share of these T-Bills in the fund portfolio has slightly increased. In July, the State Treasury organized another monthly issue for T-Bills. This was a tap issue to the bonds issued last month with maturity date 9 January 2009. The weighted average yield to maturity (YTM) in the tap issue was 6,65% per annum, which is approximately 20 base points higher than in June's issue when the weighted average YTM of T-Bills stood at 6,46%.

Risk level



Higher expected yield is accompanied by higher risk.

Distribution of investments

Deposits	24,6%	24,6%
Fixed Rate Bonds	43,6%	43,6%
Money***	18,8%	18,8%
Floating Rate Bonds	13,0%	13,0%

*** - including redemption liabilities

Portfolio by ratings

NR****	50,9%	50,9%
A	35,8%	35,8%
Baa	12,5%	12,5%
Aa	0,9%	0,9%

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

Portfolio by modified duration

up to 3 months	65,1%	65,1%
3-6 months	29,7%	29,7%
6-12 months	4,3%	4,3%
over 1 year	0,9%	0,9%

Portfolio by currencies

LVL	89,7%	89,7%
EUR	10,3%	10,3%

Larger investments

Investment	Weight
LR 1-year bills 09.01.2009	18,8%
LR 1-year bills 12.09.2008	10,4%
LR 1-year bills 07.11.2008	10,0%
Telenor ASA bonds 28.09.2011	3,1%
Bonds of Volkswagen Bank 27.06.2011	3,0%
Bonds of Repsol 16.02.2012	3,0%
Kesko bonds 17.04.2009	2,7%
Term deposit in Hansabanka 06.10.2008	2,6%
Term deposit in Hansabanka 09.10.2008	2,6%
Term deposit in DnB Nord 02.10.2008	2,6%