

Open-ended investment fund Lats Money Market Fund

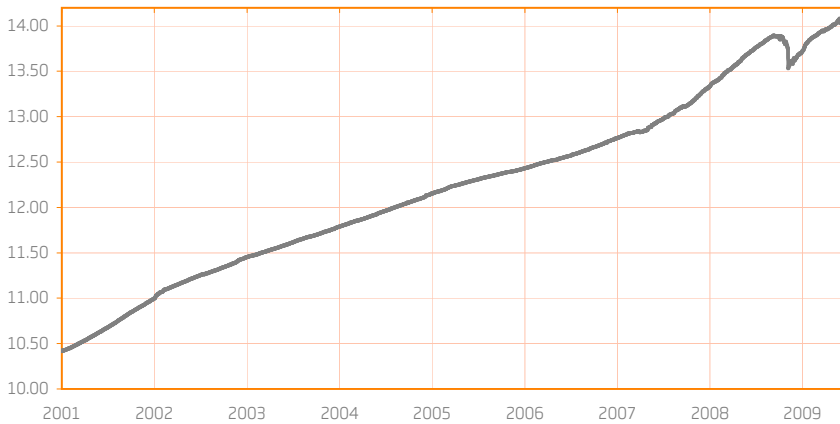
Investment Principles

Fund invests in fixed income securities issued in the Baltic States and OECD member countries. The objective of the open-end investment fund Lats Money Market Fund 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	"Swedbank Ieguldījumu Pārvaldes Sabiedrība" AS
Fund Manager	Pēteris Stepiņš
Inception	1999
Transactions with the Fund's investment certificates:	Branch offices of "Swedbank" AS; 67444141 ib.swedbank.lv business.swedbank.lv
Net Asset Value (NAV)	LVL 14.2004
Net Assets	LVL 1 288 586
Management Fee per annum	0.60%
Weighted average modified duration, days	0.07

NAV



	YTD	1 m	3 m	6 m	1 year	3 years	Inception*
Performance	3.67%	1.00%	1.79%	3.67%	3.34%	13.00%	42.00%
Annualized**	7.53%	12.38%	7.31%	7.49%	3.34%	4.16%	3.71%

	2002	2003	2004	2005	2006	2007	2008
Performance	4.17%	2.94%	3.06%	2.30%	2.68%	4.34%	2.89%

* - since launch

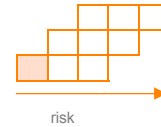
** - annualized performance, calculated using ACT/365 method

Manager Comment

Concerns over the stability of Latvia's national currency and over the solvency of the country itself escalated to a record high level. The international community and local media reacted intensely to the failure of the securities auction held by the State Treasury early in June, when no one applied to buy securities on the first day of the auction. Such a situation has also been before, yet then the market was worried about the country's ability to perform its obligations. Due to the concerns, the wish to exchange lati for euros had risen to this year's highest level in the first week of June. Consequently, The Bank of Latvia sold 237 million euros as a result of interventions. That created a substantial lack of lati on the market, and an opposite movement was seen in the following weeks - the Bank of Latvia purchased euros and sold lati to the market (for the first time this year). Affected by the above factors and in connection with the desire by the banks to hold on to lati as much as possible for compliance with the reserves requirements, the RIGIBOR rates climbed substantially. For instance, 1-month rate was up from 13.6% in end May to 35% on 26 June, dropping to 20% at the end of the month. Supported by news that Latvia will after all receive the European Commission's funding, the rates continued to fall in early July. The high interbank rates, however, did not spill over to into the public secondary market for government debt securities. Out of the portfolio's securities, a significant rise in rates was only seen for mortgage bonds of Latvijas Hipotēku un Zemes Banka. Fluctuation in the price of this security was caused by negative and positive fluctuations in the Fund's unit value on 5 and 16 June.

The fund performed extremely well last month, with fund unit value up by 1.00% (12.38% in terms of annual percentage). The increase in fund unit value was supported by both high overnight deposit rates and placement of spare funds in short-term deposits at annual rates of 30% and 32%.

Risk level



equity funds
balanced funds
fixed income funds

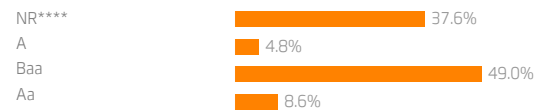
Higher expected yield is accompanied by higher risk

Distribution of investments



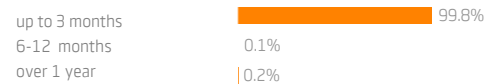
*** - including redemption liabilities

Portfolio by ratings



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

Portfolio by modified duration



Portfolio by currencies



Larger investments

Larger investments	Weight
Bonds of LHZB 15.08.2009	16.54%
LR bonds 21.08.2009	13.74%
LR bonds 17.07.2009	10.81%
LR bonds 21.08.2009	7.63%
Term deposit in Danske 12.08.2009	4.80%
Term deposit in Nordea 03.08.2010	4.65%
Term deposit in Nordea 13.07.2009	3.94%
LR bonds 04.02.2010	0.07%
LR bonds 03.11.2011	0.07%
LR bonds 02.04.2014	0.06%