

Pension Plan "Stability"

31-Aug-2004

Fund manager: Raimonds Vesers

Applications are accepted in:

branches A/S "Hansabanka "

www.hanzanet.lv

State Social Insurance Agency



Investment Management JSC Hansa Fondi

Kalku str. 26, Riga, LV-1050

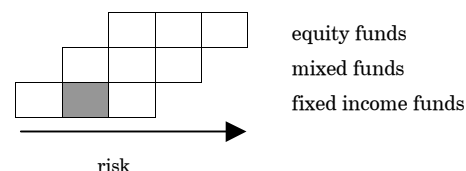
Latvia

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Investment objectives

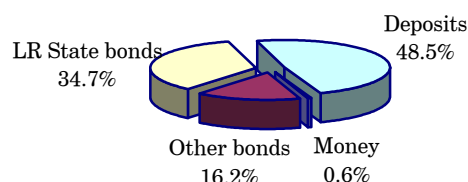
The investment policy of the Plan is conservative, as assets of the Plan are disposed in financial instruments with fixed income. Not less than 70 % of assets of the Plan are invested in debt securities and no more than 30 % - in term-deposits. The investment policy of the Plan provides to invest not less than 50% of assets in Latvia. Investments in foreign currencies can't exceed 30% of assets of the Plan.



General information

NAV of Fund assets:	2 006 003.30 LVL
NAV of Fund share:	1.0573428 LVL
Launch year:	2002
Management fee:	1.48% a year

Distribution of investments



Comment

At the end of August assets of the Plan the first time have reached 2 million lats (increase in comparison with the last month - 6.7 %).

Within a month short-term rates in lats have insignificantly increased for all terms as still there is the influence from increased ratio of obligatory reserves: Rigibor Rates of 1-month, 3-month, 6-month and 1-year at the end of August was 4.10 % (at the end of July - 3.93 %) 4.14 % (4.11 %), 4.35 % (4.26 %), 4.35 % (4.33 %).

On the secondary market of bonds of Republic of Latvia interest rates have remained at a former level – bonds of 2007-year were bargained with yield 4.00 % (at the end of July - 4.00 %), however bonds of 2013 year - 4.95 % (4.96 %).

Interest rates in Europe and the USA this month still decreased, because high oil prices hinder the speed of economic development. Nevertheless there still have been forecasted increase in interest rates during longer period.

Also in August has been reached the good level of yield - 3.73 annual percent.

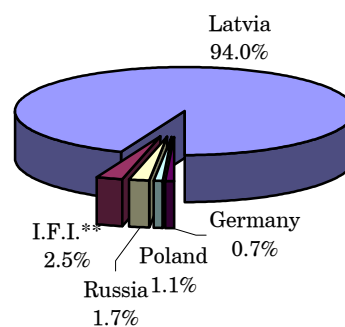
Division of the portfolio within this month has changed insignificantly: densities of bonds of Republic of Latvia (growth of 2 %, total weight of 35 %) and also densities of term-deposits (1 %, 48 %) has a little increased.

The average duration of the portfolio during August decreased for 30 days and at the end of a month it was 555 days.

Largest holdings

Investment	Proportion
LR 5-year bonds 26/01/06	9.07%
LR 5-year bonds 24/03/05	8.71%
LR 10-year bonds 14/02/13	5.46%
LR 1-year bills 08/07/05	4.83%
Nordea 6-months bills 20/09/04	4.04%
LHQB mortgage bond 15/08/06	3.92%
LR 1-year bills 26/08/05	3.84%
Term deposit in Nordea Bank 26/08/05	2.52%
NIB bonds 25/07/07	2.51%
Term deposit in Hansabankā 08/07/05	2.51%

Portfolio by geography



Yields of the Plan

	1 m	3 m	6 m	1 y	Since launch
In period	5.40%	0.93%	1.49%	3.66%	5.73%
On annual basis*	3.73%	3.67%	2.94%	3.60%	3.39%

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

** - the international financial institution