

Pension Plan "Stability"

30-Nov-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

Balasta dambis 1a., Riga, LV-1048

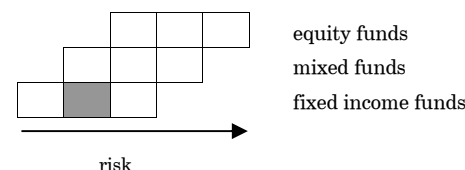
Latvia

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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.

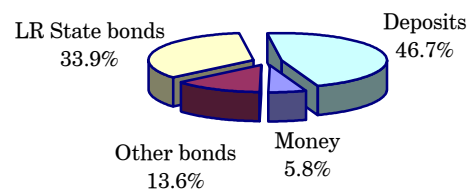


Higher expected return is associated with higher risk

General information

NAV of Fund assets:	2 416 544.92 LVL
NAV of Fund share:	1.0666195 LVL
Launch year:	2002
Management fee:	1.48% a year

Distribution of investments



Comment

Within a month assets of the Plan have increased for 142 thousand lats and have reached 2.41 million lats.

Assets of Stability have been disposed conservatively: in bank deposits 46.7% from assets and in bonds of Republic of Latvia - 33.9 % from assets. In November there have been made investments in Baltic Trust Bank mortgage bonds with floating interest rate (1.25% + Rigibor Rate of 6-month) and with repayment term - 3 years. Rights and coverage for that kind of bonds are adjusted according to the legislation of Republic of Latvia; therefore there is minimal risk, that the emitent won't be able to discharge its liabilities. In total 10.9% of assets are invested in bonds and mortgage bonds of the Latvian banks.

The Bank of Latvia continued a policy of increase in the rate of raterefinancing: it has increased on 0.5% and have reached 4%. Short-term interest rates for lats were very fluctuating also because of activities of banks to realize the obligatory reserves' normatives. Long-term interest rates did not change significantly. During November auction in the primary market auction for 1-year bills took place, however any bond hasn't been sold, and besides also auction for 10-years bonds has been cancelled. It can be explained by good situation in state budget execution.

The average duration of the portfolio in the end of period almost hasn't changed and it was 580 days (in the end of October - 566 days).

Largest holdings

Investment	Proportion
LR 5-year bonds 26/01/06	10.31%
LR 5-year bonds 24/03/05	6.98%
LR 10-year bonds 14/02/13	6.90%
LHQB mortgage bond 15/08/06	4.76%
Baltic Trust Bank mortgage bond	4.25%
LR 1-year bills 08/07/05	4.04%
LR 1-year bills 26/08/05	3.22%
NIB bonds 25/07/07	2.11%
Term deposit in Hansabankā 08/07/05	2.10%
Term deposit in Hansabankā 01/08/05	2.10%

Yields of the Plan

	1 m	3 m	6 m	1 y	Since launch
In period	0.23%	0.88%	1.81%	3.71%	6.66%
On annual basis*	2.74%	3.54%	3.49%	3.65%	3.41%

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

** - the international financial institution

Portfolio by geography

