

## Pension Plan "Stability"

### Investment Principles

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.

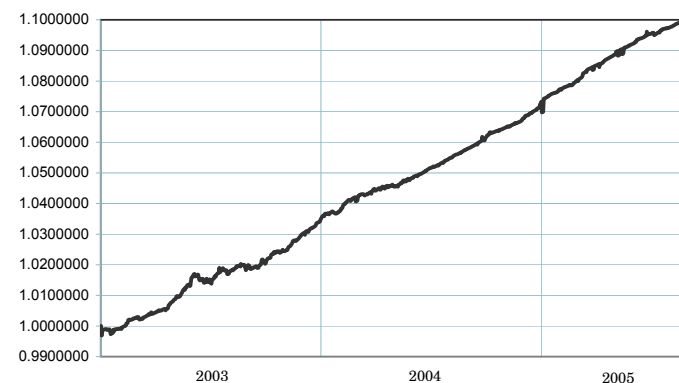
### General information

Plan Management Company AS IPS Hansa Fondi  
 Plan Manager Raimonds Vesers  
 Inception 2002  
 Applications are accepted in: Branch offices of AS Hansabanka; 7024555  
[www.hanzanet.lv](http://www.hanzanet.lv)  
 State Social Insurance Agency

Net Asset Value (NAV) 1.1024495 LVL  
 Net Assets 4465078 LVL  
 Management Fee per annum 1.0%

Weighted average rating A3  
 Weighted average modified duration, years 3.0

### Performance of Plan



	YTD	1 month	3 months	6 months	1 year	3 years	Inception*
Performance	2.93%	-0.10%	0.26%	1.00%	3.36%	7.20%	10.24%
Annualized**						3.48%	3.37%

	2003	2004				
Annualized**	3.36%	3.62%				

\* - since launch

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

### Manager Comment

Assets under the plan topped 4.4m lats at the end of the month.

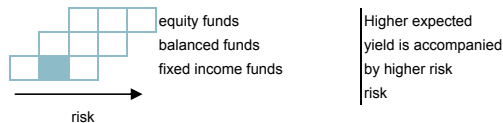
November saw continued rise in euro rates: the German 10-year bond rate climbed as high as 3.54% in November. Comments by European Central Bank (ECB) representatives on the probable base interest rate increase in ECB Council Meeting of 1 December fuelled turmoil on the market. After a pause in October, Latvian long-term rates replicated the euro interest rate increase: the Latvian year 2013 bonds were being purchased for a yield of 3.60% in end-November (3.35% in end-October), meanwhile the Latvian year 2014 bond rate at the end of November had swelled to 3.63% (from 3.50%). The bond value goes down as interest rates go up.

This year's only Latvian ten-year bond original auction took place on 30 November. A total of LVL 15m worth of bonds were on offer with the average yield of 3.621%.

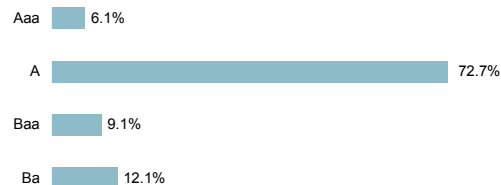
The was also a considerable rise in LVL short-term rates - the Rigibor 1-week rate at the end of November was 2.60% (down from 2.61% as at the end of September), 1-month rate - 2.82% (up from 2.71%), 3-month - 3.05% (2.79%), 6-month 3.19% (up from 2.84%), and 12-month rate - 3.30% (up from 3.00%).

German and French government bonds are set to be added to the plan portfolio in November.

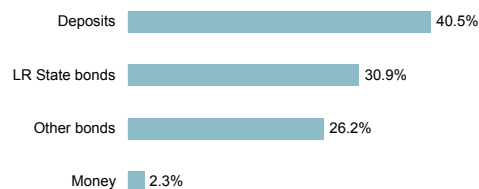
### Risk level



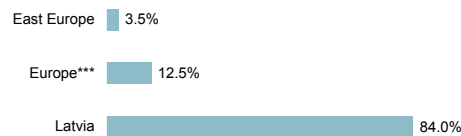
### Portfolio by ratings



### Portfolio by instruments



### Portfolio by countries



\*\*\* - without East Europe

### Larger investments

Larger investments	Weight
LR 5-year bonds 04.02.2010	11.4%
LR 10-year bonds 14.02.2013	11.1%
T.Rowe Price Euro Corporate Bond Fund	3.4%
LHZB mortgage bond 15.08.2006	3.4%
Germany bonds 04.01.2015	3.3%
Julius Bear Euro Corporate Bond Fund	3.1%
LR 5-year bonds 26.01.2006	2.9%
SEB Vilnius Bankas 20.02.2008	2.4%
Parex Bank euro bond 09.06.2008	2.4%
LR 10-year bonds 02.04.2014	2.4%