

Pension Plan "Stability"

31-Okt-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

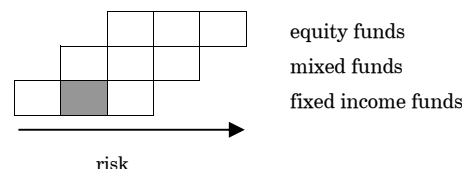
Latvia

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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.

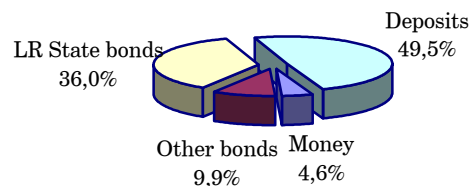


Higher expected return is associated with higher risk

General information

NAV of Fund assets:	2 274 266,01 LVL
NAV of Fund share:	1,0641532 LVL
Launch year:	2002
Management fee:	1,48% a year

Distribution of investments



Comment

Within a month assets of the Plan have increased on 107 thousand lats and have reached 2.27 million lats. In October Investment Management JSC Hansa Fondi became the major manager of State funded pension scheme, outpacing the State cash department.

The amount of participants of Stability has increased on 791 (or 2.4%) and has reached 34 292 person.

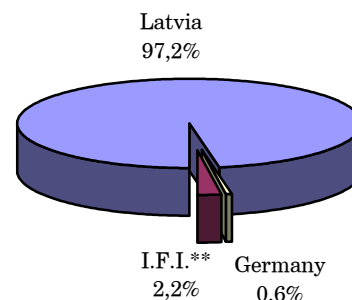
The prices of foreign bonds from the portfolio of Stability, have increased significantly, during the time they have been kept. It is result of historically low interest rates of the USA and Europe bonds and also because the premium of risk for corporate bonds has decreased. Therefore in October these bonds were sold and now investments in foreign issuers and in the international financial institutions are only 2.8% from assets of the Plan (at the end of September – 5.6%). The means received from sale have been placed in term deposits and bonds of Republic of Latvia.

The average duration of the portfolio in the end of period almost hasn't changed and it was 566 days (in the end of September – 571 days).

Largest holdings

Investment	Proportion
LR 5-year bonds 26/01/06	10,92%
LR 5-year bonds 24/03/05	7,39%
LR 10-year bonds 14/02/13	7,30%
LHQB mortgage bond 15/08/06	5,04%
LR 1-year bills 08/07/05	4,29%
LR 1-year bills 26/08/05	3,41%
Term deposit in Nordea Bank 22/11/04	2,23%
NIB bonds 25/07/07	2,23%
Term deposit in Hansabankā 08/07/05	2,23%
Term deposit in Hansabankā 01/08/05	2,22%

Portfolio by geography



Yields of the Plan

	1 m	3 m	6 m	1 y	Since launch
In period	0,22%	0,96%	1,77%	3,93%	6,42%
On annual basis*	2,62%	3,82%	3,49%	3,86%	3,43%

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

** - the international financial institution