

Approved at the Meeting of the Board of AS IPS Hansa Fondi on 19.09.2007  
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Amendments to the simplified Fund Prospectus:  
- approved at the Meeting of the Board of IS Hansa Fondi on 4th January 2008, restated wording of the Fund Prospectus came into force on 28th February 2008.  
- approved at the Meeting of the Board of IS Hansa Fondi on 22<sup>nd</sup> August 2008, came into force on 2<sup>nd</sup> October 2008

*Open-End Investment Fund*  
**HANSA EURO MONEY MARKET FUND**

**SIMPLIFIED PROSPECTUS**

**Hansa Euro Money Market Fund** is an open-end investment fund incorporated in Latvia and duly existing under the laws and regulations of the Republic of Latvia (hereinafter – the Fund).

The present simplified prospectus (hereinafter – the Simplified Prospectus) only contains the most essential details about the Fund; complete information is available in the Fund Prospectus and the Rules.

The Prospectus and the Rules of the Fund, as well as annual and semi-annual reports are available to investors upon request free of charge. They are available from AS Hansabanka, the distributor of the Fund investment certificates (hereafter – Hansabanka) at Balasta dambis 1a, Riga, LV-1048, Latvia, on business days from 09:00 – 17:00 hours and on [www.hansafondi.lv](http://www.hansafondi.lv), the website of the public limited investment management company Hansa Fondi.

<b>Fund management company</b>	AS Ieguldījumu Parvaldes Sabiedrība Hansa Fondi (hereafter – the Company). Address: Balasta dambis 1a, Riga, LV-1048
<b>Supervisory institution</b>	The Financial and Capital Market Commission of the Republic of Latvia (hereafter – the FCMC).
<b>Investment objective</b>	The objective of the fund is to attain a constant and strong appreciation of the capital. The Fund's principal source of income is interest income from investments in debt securities.
<b>Investment policy</b>	The base currency of the Fund is <b>euro</b> . The Fund invests exclusively in the <b>Member States of the European Union and the OECD countries that are members of G10</b> . The Fund assets may be invested in <b>debt securities or money market instruments issued or guaranteed by the state, local governments, enterprises or other organizations</b> , subject to the existing investment restrictions and procedure. The Fund manager may use derivative financial instruments for the purposes of both risk hedging and profit. They will predominantly be used to manage interest rate fluctuation risks. A detailed description of the investment policy and investment

**Risk profile and investment related risks**

restrictions is available in the Prospectus and the Rules of the Fund.

**The Fund is intended as a low risk investment** as investments are made in fixed income financial instruments. Investing in such instruments is considered to involve less risk as compared to equity investments.

When opting for investing in the Fund, the Client should consider the risk that arises from the investing of the Fund assets and may affect the performance of the Fund, which may be either profit or loss. Neither the Company, nor Hansabanka, or any other financial or state institution guarantees preservation of or growth in the value of investments. The historical yield of the Fund does not guarantee a similar yield in the future.

A detailed description of the risks associated with investing in the Fund is available in the Prospectus and the Rules of the Fund.

**Typical investor profile**

The Fund is suitable for companies who wish to ensure their day-to-day cash management by placement of their euro currency cash, which is available for a relatively short or an unspecified period of time.

The Fund is also suitable for private individuals who wish to place their cash in euro currency in an investment target of low risk and high liquidity.

**Taxes and duties applicable to investors, and their payment procedure**

The Fund is not a legal person and is not subject to taxation. If any taxes are, under laws or regulations, applicable to investment targets or transactions with the Fund assets, the Company will in such an event pay these taxes at the expense of the Fund assets.

Income earned by investors may be subject to taxation. The potential investors should consult their professional tax advisors for the legal implications of and taxation applicable to acquisition, holding and disposal of investment certificates.

**Classes of investment certificates**

The Fund has two classes of certificates – class A and class I. The assets of both classes are managed as a single investment portfolio, and the rights attached to both classes of assets are identical.

The nominal value of class A investment certificates is 10.00 euros. The nominal value of class I investment certificates is 10.00 euros.

**The minimum original investment in class I Fund certificates is 1 million euros. The minimum original investment in class A Fund certificates is not limited.** The minimum amount of transaction with class A and class I investment certificates is not limited.

**Investment certificates sales and redemption fees**

Type of fee	Amount of fee (%)
Investment certificate sale	<b>0.00</b>
Investment certificate redemption	<b>0.00</b>

All expenses incurred by the Fund investors in conducting transactions with investment certificates (such as bank fees for opening cash and securities accounts, for operations with securities and cash accounts, etc) are to be covered by the Fund investors on their own account.

**Payments for the management of the Fund**

Payments for the management of the Fund are calculated as a percentage of the average Fund value.

Remuneration type	Amount of remuneration (%)
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Remuneration to the Company, class A	<b>0.60*</b>
Remuneration to the Company, class I	<b>0.40*</b>
Remuneration to the Custodian Bank	<b>0.18*</b>

\* maximum amount of remuneration

### Rules and procedure for sale, redemption and reacceptance of investment certificates

Applications for transactions with the Fund investment certificates may be submitted through **the Distributor - AS Hansabanka** (hereafter – the Distributor), registered office: Balasta dambis 1a, Riga, LV-1048. Applications can be submitted at any branch of the Distributor, hanza.net and telehansa.net Internet banking sites of the Distributor, by completing the securities transaction application, as well as by getting in touch with the Distributor in accordance with the agreement for securities accounts and brokerage services entered into by and between the Distributor as the bank and the Fund investor.

To apply for the purchase of the Fund investment certificates through the Distributor, the Investor must have cash and securities accounts opened with the Distributor.

The investor has to submit the application **before 12:00 hours** (Latvian time) – in such case the settlements will be done at the price calculated on the day the application for investment certificates was submitted. Details on settlements in transactions with the Fund investment certificates are available in the Fund Prospectus.

The value of the unit of investment certificates, the sales and redemption price are determined with precision of four digits after the decimal point, and number of investment certificates issued is determined with precision of three digits after the decimal point.

The reacceptance of investment certificates may be discontinued when the FCMC exercises its right to impose restrictions on the Company's right to operate with the Fund's bank accounts. The redemption of the Fund investment certificates may not be carried out in case of liquidation of the Fund.

The Company may temporarily suspend the redemption of the Fund investment certificates in extraordinary cases when the redemption of investment certificates is impossible as a result of force majeure circumstances that stand beyond reasonable control of the Fund (such as natural calamities and catastrophes, war, failures in means of communication and information systems) and if such suspension is reasonable considering the interests of investors.

### Calculation of investment certificates sales and redemption prices

The sales and redemption price of the Fund investment certificates for the relevant class of Fund certificates is equivalent to the value of the unit of the Fund investment certificate of the relevant class. The Fund unit value is determined each business day of the Custodian Bank until 1200 hours as the previous business day's value of the Fund assets of the relevant class less all liabilities pertaining to certificates of that class, divided by the number of investment certificates of the relevant class that are on record as at the end of the previous business day.

Information about the sales and redemption prices of the Fund investment certificates, the Fund value and the Fund unit values is available from the Distributor, the Company's website, as well as on the Distributor's Internet banking sites hanza.net and telehansa.net. It is updated each business day of the Custodian Bank.

**Calculation, utilization of the Fund income and distribution thereof to the Fund investors**

Any income earned through the Fund assets shall be reinvested in the Fund. The result of a Fund investor's investment shall be determined according to growth or reduction in the value of investment certificates. The Fund investors may only access the income from their investment in the Fund by requesting that the investment certificates owned by them be redeemed, in part or in whole, by the Company, or by selling them.

**Description of historical performance of the Fund**

The Fund was launched in November 2007. The Fund has been successful in fulfilling its purpose of providing a low-risk investment opportunity with high liquidity. Tables for comparing the Fund's key performance indicators are not available at the time of approval of this Prospectus due to short period of the Fund existence.

**Company's contact details**

Further information about the operation of the Fund is available to investors at Hansabanka branches, hanza.net and telehansa.net Internet banking sites, as well as by getting in touch with the Telephone Banking Department at 67444444 on business days from 09:00 to 17:00.

Chairman of the Board of *AS IPS Hansa Fondi* \_\_\_\_\_ H. Švarcs

**Tables for comparing the Fund's key performance indicators**

<b>20.4.1. STATEMENT OF ASSETS AND LIABILITIES</b>	<b>30.06.2008</b>	<b>2007</b>
<i>ASSETS</i>	<b>LVL</b>	<b>LVL</b>
On-demand claims against credit institutions	1 760 752	733 762
Deposits with credit institutions	1 821 979	1 055 374
Classified as financial assets stated at fair value with disclosure in the profit and loss statement	6 508 017	2 681 892
Accrued income	10 243	1 010
Other assets	-	-
Total assets	10 101 834	4 472 038
<i>LIABILITIES</i>		
Financial liabilities held for trade	-	-
Other liabilities	(644 401)	(1 941)
<b>NET ASSETS</b>	<b>9 457 433</b>	<b>4 470 097</b>
 <b>20.4.2. INCOME STATEMENT</b>		
<i>INCOME</i>		
Interest income	134 420	18 682
<i>EXPENSES</i>		
Remuneration to the investment company	(17 207)	(1 615)
Remuneration to the Custodian Bank	(3 881)	(585)
Other expenses in management of the Fund	(319)	(35)
Increase in the value of investments	(702)	(630)
<i>Net asset increase resulting from investments</i>	<i>112 311</i>	<i>15 817</i>
 <b>20.4.3. NET ASSET MOVEMENT STATEMENT</b>		
<i>NET ASSETS</i>		
Net assets as at the start of the reporting year	4 470 097	-
<i>INVESTMENTS</i>		
Net asset increase resulting from investments	112 311	15 817
<i>TRANSACTIONS IN INVESTMENT CERTIFICATES</i>		
Net asset increase/(decrease) resulting from transactions in inv. certif.	4 875 025	4 454 280
Net assets as at the end of the reporting year	9 457 433	4 470 097
Net asset increase / (decrease) in the reporting year	4 987 336	4 470 097
Number of issued A Class inv. certif. as at the start of the reporting year	633 090	-
Number of issued I Class inv. certif. as at the start of the reporting year	-	-
Number of issued A Class inv. certif. as at the end of the reporting year	1 203 018	633 090
Number of issued I Class inv. certif. as at the end of the reporting year	115 210	-
Net assets per one A Class inv. certif. as at the start of the reporting year	7.0608	-
Net assets per one I Class inv. certif. as at the start of the reporting year	-	-
Net assets per one A Class inv. certif. as at the end of the reporting year	7.1881	7.0608
Net assets per one I Class inv. certif. as at the end of the reporting year	7.0310	-
 <b>FUND YIELD (% PER ANNUM)*</b>	<b>3,56%**</b>	<b>3,45%**</b>

\* based on a year of 365 days

\*\* 1-year yield

Note: the historic performance of the Fund is not a guarantee for an equivalent performance in the future.