

Registered with the Financial and Capital Market Commission
Fund registration date: 20.10.1999
Registration number: 3
Country where registered: Latvia

The Simplified Prospectus of the Fund was approved at the Meeting of the Board of AS IPS Hansa Fondi on 17th November 2004.

The restated wording of the Simplified Prospectus was approved:

- at the Meeting of the Board of AS IPS Hansa Fondi on 6th November 2007 and entered into force on 13th December 2007;
- at the Meeting of the Board of AS IPS Hansa Fondi on 22nd August 2008 and entered into force on 2nd October 2008.

Open-Ended Investment Fund **HANSA LATS MONEY MARKET FUND**

SIMPLIFIED PROSPECTUS

Hansa Lats 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 0900 - 1700 hours and on www.hansafondi.lv, the website of the public limited investment management company Hansa Fondi.

Fund management company	AS Ieguldījumu Parvaldes Sabiedrība Hansa Fondi (hereafter – the Company). Address: Balasta dambis 1a, Riga, LV-1048
Supervisory institution	The Financial and Capital Market Commission of the Republic of Latvia (hereafter – the FCMC).
Investment objective	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.
Investment policy	The base currency of the Fund is the Latvian lats . The Fund invests exclusively in Latvia, other European Union Member States and the OECD countries that are members of G10 . The Fund assets may be invested in debt securities or money market instruments issued or guaranteed by the state, local governments, enterprises or other organizations , 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. The will predominantly be used to manage interest rate fluctuation risks. A detailed description of the investment policy and investment restrictions is available in the Prospectus and the Rules of the Fund.
Risk profile and investment related risks	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 investment 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 placing their cash in lats currency, 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 lats 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 shall in such a case 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.

As of coming into force of the amendments to the Prospectus of 6 November 2007, the investment certificates issued before that shall be renamed as class A investment certificates. As of coming into force of the amendments to the Prospectus of 6 November 2007 (T day), the nominal value of these investment certificates shall be reduced from 1000.00 lats to 10.00 lats.

The rights of all the existing Fund investors shall not in any way be affected by this reduction of the nominal value of certificates, and the number of certificates owned by them will be recalculated on day T by multiplying that number by a coefficient of 100. Every investment certificate owned by an investor on day T will be replaced by 100 class A investment certificates.

After the reduction of the nominal value the number of the Fund investment certificates will be established with the precision of three digits after the decimal point.

The nominal value of class I investment certificates of the Fund is 10.00 lats.

The minimum original investment in class I Fund certificates is 1 million lats. 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	0.00

Investment certificate redemption	0.00
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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) shall 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 (%)
Remuneration to the Company, class A	0.60*
Remuneration to the Custodian Bank	0.18*

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

The investor has to submit the application **before 1200 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.

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

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.

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 1999. 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 enclosed in the annex to the Simplified Prospectus.

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

20.4.1. STATEMENT OF ASSETS AND LIABILITIES	30.06.2008	2007	2006	2005
<i>ASSETS</i>	LVL	LVL	LVL	LVL
On-demand claims against credit institutions	2 175 515	1 259 774	1 874 874	3 302 099
Deposits with credit institutions	2 198 982	3 632 256	2 822 477	4 354 336
Classified as financial assets stated at fair value with disclosure in the profit and loss statement	5 545 603	3 355 569	4 869 651	8 234 703
Investments held until maturity	-	-	-	204 712
Accrued income	69 481	98 898	20 188	49 053
Other assets	-	-	1 272 859	16 709
Total assets	9 989 581	8 346 497	10 860 049	16 161 612
<i>LIABILITIES</i>				
Financial liabilities held for trade	-	-	(1 280)	-
Other liabilities	(4 740)	(4 196)	(5 542)	(26 884)
NET ASSETS	9 984 841	8 342 301	10 853 227	16 134 728
20.4.2. INCOME STATEMENT				
<i>INCOME</i>				
Interest income	189 710	283 518	290 074	389 414
<i>EXPENSES</i>				
Remuneration to the investment company	(23 681)	(56 796)	(69 521)	(83 996)
Remuneration to the Custodian Bank	(5 348)	(16 780)	(22 061)	(26 472)
Other expenses in management of the Fund	(165)	(92)	(748)	(68)
Increase in the value of investments	116 650	172 631	104 689	35 836
<i>Net asset increase resulting from investments</i>	<i>277 166</i>	<i>382 481</i>	<i>302 433</i>	<i>314 714</i>
20.4.3. NET ASSET MOVEMENT STATEMENT				
<i>NET ASSETS</i>				
Net assets as at the start of the reporting year	8 342 301	10 853 227	16 134 728	12 268 751
<i>INVESTMENTS</i>				
Net asset increase resulting from investments	277 166	382 481	302 433	314 714
<i>TRANSACTIONS IN INVESTMENT CERTIFICATES</i>				
Net asset increase/(decrease) resulting from transactions in inv. certif.	1 365 374	(2 893 407)	(5 583 934)	3 551 263
Net assets as at the end of the reporting year	9 984 841	8 342 301	10 853 227	16 134 728
Net asset increase / (decrease) in the reporting year	1 642 540	(2 510 926)	(5 281 501)	3 865 977
Number of issued A Class inv. certif. as at the start of the reporting year	626 661	8 507	12 986	10 102
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	482 861	626 661	8 507	12 986
Number of issued I Class inv. certif. as at the end of the reporting year	326 069	-	-	-
Net assets per one A Class inv. certif. as at the start of the reporting year	13.3123	1 276	1 242	1 214
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	13.7421	13.3123	1 276	1 242
Net assets per one I Class inv. certif. as at the end of the reporting year	10.2718	-	-	-
FUND YIELD (% PER ANNUM)*	5.99%**	4.34%	2.68%	2.30%

* 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.