

Open-ended investment fund Lats Money Market Fund

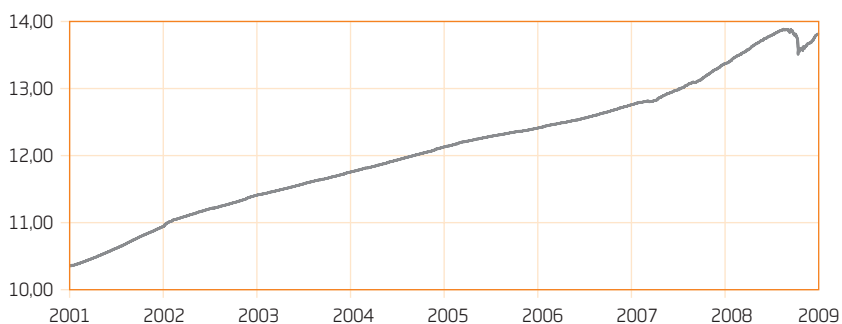
Investment Principles

Fund invests in fixed income securities issued in the Baltic States and OECD member countries. The objective of the open-end investment fund Lats Money Market Fund is to achieve continuous growth of value of the capital over a short period of time in compliance with the investment policy and restrictions set by the Fund Prospectus. Investment into the Fund might be considered as an alternative to short-term deposits with banks.

General information

Fund Management Company	AS IPS Hansa Fondi
Fund Manager	Pēteris Stepiņš
Inception	1999
Transactions with the Fund's investment certificates:	Branch offices of AS Hansabanka; 67444141 ib.swedbank.lv business.swedbank.lv
Net Asset Value (NAV)	LVL 13,8267
Net Assets	LVL 1 021 190
Management Fee per annum	0,6%
Weighted average modified duration, days	0,17

NAV



	YTD	1 month	3 months	6 months	1 year	3 years	Inception*
Performance, %	0,94	0,94	0,21	0,16	3,27	11,06	38,27
Annualized**, %	11,63	11,63	0,83	0,32	3,26	3,56	4,10

* - since launch

** - annualized performance, calculated using ACT/365 method

	2002	2003	2004	2005	2006	2007	2008
Annualized, %	4,17	2,94	3,06	2,30	2,68	4,34	2,89

Manager Comment

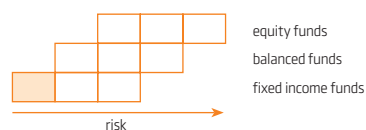
The previous months' interbank rate increase trend no longer persisted in January – RIGIBOR rates dropped for all terms. This process was driven the news flow about certainty of Latvia receiving international funding. This also reduced tension on currency markets, and the LVL-EUR exchange rate receded from the Latvian central bank intervention threshold.

The interbank rate drop is also attributable to the Latvian central bank's decisions to lower the mandatory reserve requirement for banks from 24 December 2008, and to reduce the rate from this 24 January which banks can earn for LVL deposits with the central bank. Such moves increase the amount of lats to be available on the market.

Despite political uncertainty in the country, demand was high for Latvian debentures in both primary and secondary market for government short-term securities. This was suggested by both January's government bond issue and lower rates for government bonds on the secondary market. In January, the Treasury issued 6 an 12-month bonds at the average weighted coupon rate of 7.70%, borrowing a total of 22.8 million lats. Compared with the average weighted coupon rate of 11% in the previous issue in December, this can be regarded as a substantial rate drop.

Investments in various LVL debt securities accounted for 57.7% of the fund's portfolio at end-January. In this segment of securities, a rate drop was seen in January on the secondary market, which had a positive effect on securities price rise, which was faster than in December. That was the decisive factor for the appreciation of the fund units by 0.94%, or 11.63 as % per annum, in the last month.

Risk level



Higher expected yield is accompanied by higher risk.

Ieguldījumu sadalījums

Deposits	22,9%	22,9%
Fixed Rate Bonds	45,8%	45,8%
Money***	19,4%	19,4%
Floating Rate Bonds	11,9%	11,9%

*** - including redemption liabilities

Portfolio by ratings

NR***	52,1%	52,1%
A	32,1%	32,1%
Baa	15,8%	15,8%

*** - investments without rating of international rating agencies

Portfolio by modified duration

up to 3 months	78,2%	78,2%
3-6 months	9,8%	9,8%
6-12 months	11,9%	11,9%
over 1 year	0,1%	0,1%

Portfolio by currencies

LVL	100%	100%
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Larger investments

Investment	Weight
Term deposit in SEB 04.03.2009	14,56%
LR bonds 06.02.2009	13,87%
Bonds of LHZB 15.08.2009	11,87%
LR bonds 08.05.2009	10,87%
Term deposit in DnB Nord Bank 16.02.2009	8,32%
LR bonds 17.07.2009	7,49%
Bonds of Kesko 17.04.2009	5,65%
LR bonds 17.04.2009	5,46%
LR bonds 15.05.2009	2,31%
LR bonds 04.02.2010	0,05%