



INVESTMENT VARIABLE CAPITAL COMPANY
NSEL 30 INDEKSO FONDAS

FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 31 DECEMBER 2001

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Dear Shareholder,

We are pleased to present the annual report of the *NSEL 30 indekso fondas* ("the Fund") for the year ended 31 December 2001.

Stock Market Review

Despite the Lithuanian economy having shown much strength and recovery in 2001, low trading volumes and the decline of the total price level resulted in a plunge of all equity indices of the National Stock Exchange of Lithuania in 2001. The Lithuanian stock market, as measured by the LITIN G Index*, fell by 18.30% in 2001. The other major index, the LITIN**, fell by 29.77%. On 18 September 2001, the LITIN and LITIN G Indices reached their historical lows.

The NSEL 30 Index, reflecting changes of the Fund's portfolio value, fell by 5.75% in 2001. It outperformed the other two major Lithuanian equity indices as it has historically.

Starting September 19, the NSEL 30 Index and all three LITIN indices started to go up rapidly. The NSEL 30 Index increased by 14.12%, LITIN by 18.77%, and LITIN G by 16.77% until 31 December 2001.

Fund Performance

At the start of public distribution on 9 April 2001, the Fund's share price was 955.68 Lit. By 31 December 2001, it decreased by 6.75%. The NSEL 30 Index fell by 5.19%, the LITIN and LITIN G Indices fell by 21.20% and 13.93% respectively during this period. Starting 19 September 2001, the Fund's NAV along with the recovering Lithuanian stock market increased by 12.54% by 31 December 2001.

No dividend was paid out during the year according to the Prospectus.

Market Outlook

In the overall year 2001, Lithuanian economy grew by 5.9 percent. Its growth prospects continue to remain robust, supported by both strong external growth and a powerful domestic consumption recovery. In December 2001, industrial sales grew by 10 percent y-o-y. In January 2002, retail sales in Lithuania rose by 12.7 percent compared to the same period a year earlier; excluding the auto-related sector, overall retail sales rose by 8.4 percent in y-o-y terms.

The Lithuanian Finance Ministry has raised its GDP growth forecast for 2002 from 4.0 percent to 4.4 percent in the light of the country's better-than-expected economic performance in 2001. The ministry has revised downwards its average annual inflation estimate for 2002, from 2.6 percent to 2.1 percent.

Lithuanian stock market is at last beginning to reflect the growing Lithuanian economy. From 19 September 2001 – 31 December 2001, the stock market is up strongly. Looking forward, continued recovery of the Lithuanian economy should still mean higher stock prices since many stocks are still trading at steep discounts to intrinsic valuation. The market as a whole is clearly undervalued in view of the positive economic outlook for Lithuania and the strong projected earnings growth. It is all targeted to improve long-term corporate return on equity (ROE) and enhance shareholders value.

* composed of all the companies listed in the National Stock Exchange of Lithuania.

** composed of all the companies listed in the Official List of the National Stock Exchange of Lithuania.

According to analysis by *ZPR International Inc.*, Lithuania's stock market valuations are the lowest in the world right now and do not have any of the major economical and political risks of other emerging markets.

We are very excited about the potential of the market. Our private investors and companies are making investments at ridiculously low prices to book value, net current assets and cash flow. Once the Lithuanian public begins to recognize the value and profit of equity investments, this market will explode upwards many times its current valuation.

As this is our first annual report, we look forward to many years of successful investment and writing the future annual reports for our investors.

Sincerely,



MAX ZAVANELLI
Chairman of the Board

I. GENERAL INFORMATION

1. Main data about the Fund.

Name	<i>NSEL 30 indekso fondas</i>
Registered office	Ukmergès 41-513, LT-2034 Vilnius, Lithuania
Telephone number	+370 2 731649
Fax number	+370 2 731659
E-mail address	fund@indexfund.lt
Internet address	www.indexfund.lt
Legal organization form	investment variable capital company
Date and place of registration	21 August 2000, Ministry of Economics of the Republic of Lithuania
Date and place of permit for activities	26 January 2001, Securities Commission of the Republic of Lithuania
Registration No	UĮ 2000-271
Code in the Register of Enterprises	1171335
Permit for activities No	IKKB01

2. Persons responsible for the accuracy of information in the report.

NSEL 30 indekso fondas, represented by Mr. Marijonas Ročius, the Director General of the Management Company of the *NSEL 30 indekso fondas*, and Dainius Minelga, the Accountant in Chief of the Management Company of the *NSEL 30 indekso fondas* hereby confirms, that information contained in the report is true and there are no suppressed facts which could have an impact on investor's decisions to buy or sell the Fund's securities, as well as the market price of those securities and their valuation.

Report and other documents on the basis whereof this report was prepared are available at the *NSEL 30 indekso fondas*, in Vilnius, Ukmergès 41-513, on business days from 11 a.m. till 5 p.m.

The report is prepared in Vilnius, March 2001.

II. SHARES AND SHAREHOLDERS

3. Shares.

On 31 December 2001, the share capital of the Fund was 1,266,316 Litas (LTL). It was divided among 1,421 shares.

The general downward trend markets the beginning of public distribution of the Fund shares. However, starting 19 September 2001, the Fund share price increased by 12.54%.

High	LTL	1014.18	7 March 2001
Low	LTL	791.84	19 September 2001
Start of public distribution	LTL	955.68	9 April 2001
Year-End	LTL	891.14	

4. Shareholders.

The total number of shareholders of *NSEL 30 indekso fondas* as of 31 December 2001 was 15.

The following shareholders hold more than 5 per cent of the Fund's share capital as of 31 December 2001:

Name and surname of persons (name of enterprise)	Number of shares owned by the right of ownership	Part in the share capital (%)	Part of votes given by the shares owned by the right of ownership (%)	Part of votes held together with persons acting together (%)
Max Edward Zavanelli	1120	78.82	78.82	91.98
ZPR International Inc.	167	11.75	11.75	91.98

Persons acting together:

Name and surname of persons (name of enterprise)	Number of shares owned by the right of ownership	Part in the share capital (%)
Max Edward Zavanelli, Chairman of the Supervisory Board	1,120	78.82
ZPR International Inc., one of its owners is Max Edward Zavanelli	167	11.75
Marijonas Ročius, Director General of the Management Company	10	0.70
Dainius Minelga, Accountant in Chief of the Management Company	5	0.35
Aurelija Mužaitė, Member of the Supervisory Board	5	0.35
Total:	1,307	91.98

III. PORTFOLIO OF INVESTMENTS

5. Portfolio statistics.

Characteristics*	12/31/2000	12/31/2001
Net Assets (NAV) (Litas)	1,002,903	1,266,316
Annual average NAV (Litas)		1,049,918
NAV per Share (Litas)	1002.90	891.14
Stocks	0 %	97.46 %
T-Bills	98.33 %	0 %
Cash	1.68 %	2.99 %

Top Ten Holdings*	12/31/2001
Ekranas	11.76 %
Lietuvos telekomas	11.64
Rokiškio sūris	9.08
Lietuvos dujos	6.58
Pieno žvaigždės	5.79
Lietuvos draudimas	5.32
Mažeikių nafta	5.24
Snaigė	4.18
Lisco Baltic Service	3.83
Šiaulių bankas	3.31
Total:	63.42 %

Top Five Sectors*	12/31/2001
Dairy Products	19.66 %
Electric and Optical Equipment	18.48
Telecommunications	11.64
Banking	7.01
Natural Gas Supply	6.58
Total:	63.37 %

* Weightings represent percentages of net assets of the Fund as of the dates indicated. The Fund's portfolio is passively managed; its composition will vary every quarter.

6. Composition of Investment Portfolio.

As of 23 January 2001, the Fund composed its investment portfolio of 30 biggest free float capitalization stocks listed in the National Stock Exchange of Lithuania.

As of 31 December 2001, the Fund's investment portfolio was as follows:

Common stocks - 97.46%.

Number of Shares		Value (Litas)	Weight*
<u>Dairy Products - 19.66%</u>			
3,681	Rokiškio sūris	112,086	9.08 %
46,985	Pieno žvaigždės	71,417	5.79 %
2,923	Žemaitijos pienas	31,861	2.58 %
16,025	Panevėžio pienas	27,243	2.21 %
<u>Electrical and Optical Equipment - 18.48%</u>			
24,818	Ekranas	145,185	11.76 %
1,393	Snaigė	51,541	4.18 %
7,939	Vilniaus vingis	31,359	2.54 %
<u>Telecommunications - 11.64%</u>			
114,974	Lietuvos telekomas	143,718	11.64 %
<u>Banking - 7.01%</u>			
817	Šiaulių bankas	40,850	3.31 %
9,802	Ūkio bankas	30,386	2.46 %
3,334	Bankas Snoras	15,336	1.24 %
<u>Natural Gas Supply - 6.58%</u>			
45,091	Lietuvos dujos	81,164	6.58 %
<u>Insurance and Holding - 6.22%</u>			
320	Lietuvos draudimas	65,600	5.32 %
445	Naftos terminalas	11,125	0.90 %
<u>Oil and Petroleum Products - 5.24%</u>			
107,750	Mažeikių nafta	64,650	5.24 %

* Weightings represent percentages of net assets of the Fund as of the dates indicated. The Fund's portfolio is passively managed; its composition will vary every quarter.

Common Stocks (Continued)

Number of Shares		Value (Litas)	Weight*
<u>Transport - 6.01%</u>			
66,983	Lietuvos jūrų laivininkystė (LISCO)	6,698	0.54 %
1,513	Klaipėdos jūrų krovinių kompanija (KLASCO)	6,234	0.51 %
127,839	Lisco Baltic Service	47,300	3.83 %
42,225	Klaipėdos transporto laivynas	13,934	1.13 %
<u>Brewery - 3.91%</u>			
5,425	Kalnapolis	32,821	2.66 %
1,795	Ragutis	15,401	1.25 %
<u>Chemicals and Chemical Products - 3.57%</u>			
6,216	Lifosa	29,837	2.42 %
5,679	Sanitas	14,198	1.15 %
<u>Furniture - 3.41%</u>			
7,741	Vilniaus baldų kombinatas	31,506	2.55 %
8,770	Klaipėdos baldai	10,612	0.86 %
<u>Beverages - 2.71%</u>			
24,108	Alita	15,429	1.25 %
29,950	Anykščių vynas	11,980	0.97 %
2,926	Stumbras	5,998	0.49 %
<u>Light Industry - 2.55%</u>			
8,073	Utenos trikotažas	31,485	2.55 %
<u>Electricity - 2.34%</u>			
7,3940	Lietuvos energija	28,837	2.34 %
<u>Manufacture of Cement - 0.68%</u>			
11,462	Akmenės cementas	8,367	0.68 %

* Weightings represent percentages of net assets of the Fund as of the dates indicated. The Fund's portfolio is passively managed; its composition will vary every quarter.

IV. FINANCIAL STATEMENTS

The following financial statements of *NSEL 30 indekso fondas* are prepared in accordance with the General Accounting Principles and audited by the auditors.

Statements are in Lithuanian currency Litas.

7. Balance Sheet.

The Fund started its activities in second half of 2000.

Assets	12/31/2001	12/31/2000
Long-term Assets		
Short-term Assets:	1,281,588	1,001,030
Prepaid expenses	9,616	
Value of investment portfolio	1,234,158	984,157
Cash at bank and in hand	37,814	16,873
Accrued Income and Deferred Charges		2,037
Total Assets	1,281,588	1,003,067
Shareholders Equity and Liabilities		
Shareholders Equity:	1,266,316	1,002,903
Long-term liabilities		
Short-term liabilities:	5,656	164
Accounts payable	5,656	11
Taxes		153
Total Liabilities:	5,656	164
Accrued expenses and other liabilities	9,616	
Total Shareholders Equity and Liabilities	1,281,588	1,003,067

Comments to Balance sheet:

Fund has no physical assets of its own. Management Company *Investicijų portfelijų valdymas* is running the Fund.

8. Statement of Changes in Net Assets.

The Fund started its activities in 2000, so there is no 3-year comparison table.

	12/31/2001	12/31/2000
1. Operating expenses:		
1.1. Marketing	30,384	
1.2. Organization cost	6,993	
1.3. Legal fees and expenses	8,520	
1.4. Audit	4,720	
1.5. Investment management fee	8,746	
1.6. Brokerage fee	4,015	
1.7. Custodian fees and expenses	3,026	
1.8. Other expenses	86	33
Total operating expenses	66,490	33
2. Investment income:		
2.1. Bank deposit interest	164	1,052
2.2. T-Bill interest	3,081	2,037
2.3. Dividends	18,997	
Total investment income	22,242	3,089
3. Net investment income (loss)	(44,248)	3,056
4. Tax paid on investments		153
5. Net profit (loss)	(44,248)	2,903
6. Investment activity		
Securities sold	160,130	
Cost of securities	170,498	
Net gain from T-bills	10,474	
Net gain from investment activities	106	
8. Net change in unrealized appreciation		
Cost	1,270,634	
Market Value	1,223,498	
Total net change in unrealized appreciation	(47,136)	
Net realized and unrealized gains	(47,030)	
Net decrease in net assets resulting from operations	(91,278)	

Comments to Statement of Changes in Net Assets

All start-up costs are listed in points 1.1. and 1.2.; they represent 56.21% of all the operating expenses for the reporting period (12/31/00-12/31/01). The start-up costs were paid before starting public distribution of the Fund's shares. This way they didn't reduce Fund's NAV for new shareholders.

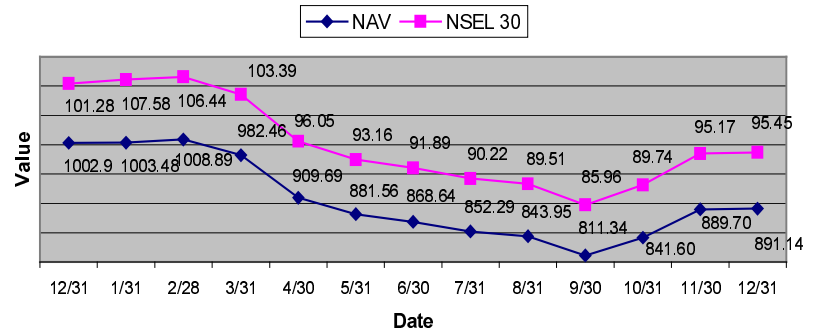
Investment management fee (8,746 Litass) is calculated as 1% of average annual NAV.

There is no profit tax on reinvested profit. On the last business day of 2000, the Fund got 1,019 Litass interest from bank deposit and the Management Company did not invest it for avoiding income tax. This way the small income tax (153 Litass) had to be paid.

THE FUND'S PERFORMANCE GRAPHS

NSEL 30 Index and the Fund's share price in 2001

	LITIN G	NSEL 30
1997	40.33%	34.51%
1998	-41.56%	-37.05%
1999	0.01%	8.97%
2000	-3.85%	9.75%
2001	-18.30%	-5.75%



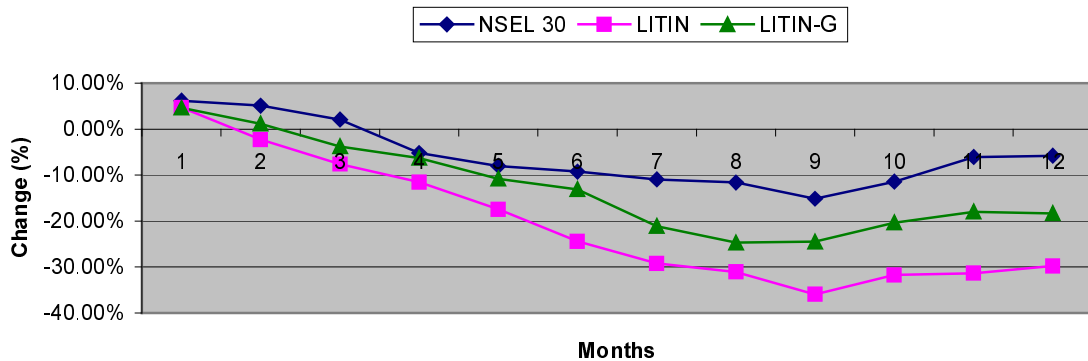
Monthly Index Values

Date	LITIN-G	LITIN	NSEL 30
12/29	1046.8884	457.8027	101.28
1/31	1095.7962	479.3756	107.58
2/28	1059.3946	447.2996	106.44
3/30	1007.2835	422.9479	103.39
4/30	981.5952	404.9962	96.05
5/31	933.6846	377.8979	93.16
6/29	909.692	346.1311	91.89
7/31	825.8459	324.0105	90.22
8/31	788.1913	315.5607	89.51
9/28	790.7163	293.21	85.96
10/31	833.5571	312.3714	89.74
11/30	858.4605	314.3518	95.17
12/29	855.3442	321.5072	95.45
1/31	875.3814	318.4597	97.11

Monthly Change (%)

	LITIN-G	LITIN	NSEL 30
1/31	4.67%	4.71%	6.22%
2/28	-3.32%	-6.69%	-1.06%
3/30	-4.92%	-5.44%	-2.87%
4/30	-2.55%	-4.24%	-7.10%
5/31	-4.88%	-6.69%	-3.01%
6/29	-2.57%	-8.41%	-1.37%
7/31	-9.22%	-6.39%	-1.81%
8/31	-4.56%	-2.61%	-0.79%
9/28	0.32%	-7.08%	-3.97%
10/31	5.42%	6.54%	4.40%
11/30	2.99%	0.63%	6.05%
12/29	-0.36%	2.28%	0.30%
1/31	2.34%	-0.95%	1.74%

NSEL 30 Index Comparison to LITIN ir LITIN G in 2001



NSEL 30 Index and the Fund's share price in 2001

