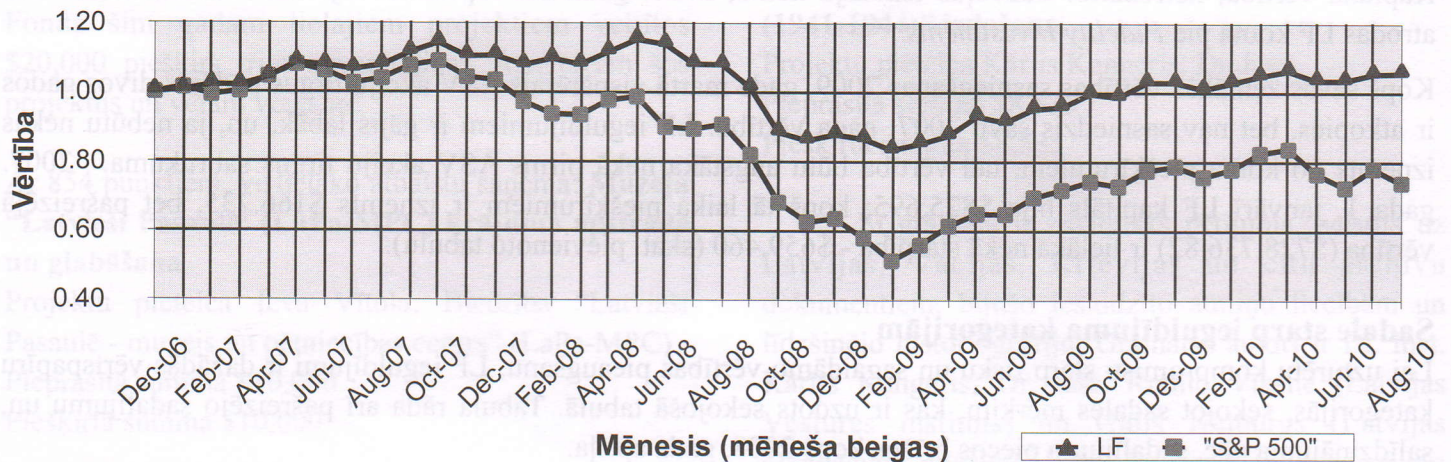


## Ieguldījumu salīdzinājums ar S&amp;P 500 indeksu

LF ieguldījumu salīdzinājums ar S&amp;P 500 indeksu



Nozīmīgākais veids, kā vērtēt LF ieguldījumu panākumus, ir salīdzinot ieguldījumu vērtību pieaugšanu un krišanos ar kādu tirgus standartu. Viens no populārākajiem standartiem ir *S&P 500* indekss, kas sastāv no 500 ASV firmu akcijām, kam ir plašs ieguldītāju apjoms un kur katra firma ir pārstāvēta proporcionāli tās tirgus vērtībai. Sekojošais grafiks parāda šādu salīdzinājumu no 2007. gada sākuma līdz 2010. gada augusta beigām, salīdzinot vērtības katra mēneša beigās. Grafika sākumā 2006. gada decembra beigās LF un *S&P 500* vērtības ir pielīdzinātas skaitlim 1.0. Katra turpmākā mēneša beigās grafika parāda relatīvās vērtības tajā brīdī.

Izdarot šādu salīdzinājumu, jāņem vērā, ka LF izņem līdzekļus no kapitāla konta LF piešķirumiem, un tāpēc LF konta vērtība nepieaug tā kā akciju indekss (LF pēdējā laikā nav ielicis jaunu kapitālu *Fidelity Investments* kontā). Grafikā šis salīdzinājums ir izdarīts ar metodiku, kas ņem vērā no konta izņemtos līdzekļus, pieņemot, ka līdzekļi ir izņemti attiecīgā mēneša beigās: katram mēnesim LF ieguldījumu vērtības maiņa ir aprēķināta, pieskaitot mēneša beigu vērtībai tajā mēnesī izņemto naudu un dalot šo summu ar mēneša sākuma vērtību.

Ko šis grafiks rāda? Salīdzinājums starp LF un *S&P 500* indeksu ir jāapskata pa laika posmiem. Šeit jāievēro, ka *S&P 500* indekss atspoguļo tikai akciju tirgu, kamēr nozīmīga daļa no LF ieguldījumiem ir naudā vai obligācijās, kas ir stabilākas un svārstās mazāk - pieaug mazāk augošā tirgū un krītas mazāk, kad akciju cenas krītas.

1. No 2007. gada janvāra līdz 2008. gada vidum LF ieguldījumi pieauga straujāk nekā *S&P 500* indekss. Šis bija augošs tirgus un varēja sagaidīt tieši pretējo, jo obligācijās ieguldītā LF nauda pieauga lēnāk nekā *S&P 500* akcijas. LF panākumu pamatā ir ieguldījumu izvēle, ieskaitot ieguldījumus ārzemēs un firmās ar nozīmīgu ārzemju tirgu, kā arī relatīvi lielāki ieguldījumi enerģētikas un izejvielu akcijās, kas 2007. gadā un 2008. gada sākumā strauji pieauga.

2. No 2008. gada vidus līdz 2009. gada martam notika katastrofālā ASV akciju tirgus krišanās. LF ieguldījumi kritās mazāk nekā *S&P 500*, jo daļa bija obligācijās un skaidrā naudā. Šis bija laika posms, kad bija sevišķi svarīgi ierobežot risku, balansējot ieguldījumu veidus. Šajā posmā enerģētikas un izejvielu akcijas strauji kritās, bet LF pārdeva daļu no šīm akcijām starp jūliju un oktobri.

(Turpinājums seko)

(Turpinājums)

3. Kopš 2009. gada marta akciju tirgus ir atkopies un pamazām pieaudzis. Sākumā *S&P 500* pieaugums bija straujš un LF pieauga lēnāk, jo daļa līdzekļu bija obligācijās un naudā.
4. Pēdējā laikā – kopš 2010. gada sākuma – akciju tirgus atkal ir svārstīgs, un *S&P 500* indekss ir krities par 2.3%. LF ieguldījumu vērtība šajā posmā ir pieaugusi par 4.7%. Viens iemesls tam ir LF ieguldījumi zeltā un sudrabā, kuru vērtība pēdējā laikā strauji pieauga.
5. Kopš 2007. gada 1. janvāra LF ieguldījumu vērtība ir pieaugusi par 5.7%, kamēr *S&P 500* indekss ir krities par 26%.



### Domas par nākotni

ASV akciju tirgus turpina būt nedrošs, un speciālistu uzskati un padomi dalās. Kaut arī vairums finansistu uzskata, ka otrreizēja katastrofāla tirgus krišana (“double dip”) nav sagaidāma, daži profesionālie padomdevēji iesaka pašlaik nemaz naudu neieguldīt akcijās. Vairums paredz lielu inflāciju lielo Amerikas parādu dēļ.

No otras puses, profesionālie finansisti ir arī vienis prāti, ka ir neiespējami paredzēt vispārējā akciju tirgus pieaugšanu un krišanos. Paturot līdzekļus obligācijās vai naudā var novērst zaudējumus, tirgum strauji krītoties, bet līdz ar to tiek arī nokavēta līdzdalība straujā virziena maiņā, ar ko vienmēr sākas jauns tirgus pieauguma posms.

LF turpinās sekot savam agrākam konservatīvam ieguldījumu sadalījumam, ieguldot daļu līdzekļu akcijās. Jaunie ieguldījumi galvenokārt būs ETF fondos. Te ir daži ticami secinājumi attiecībā uz ieguldījumiem, kurus LF ņem un ņems vērā ieguldījumu izvēlē:

1. Jāiegulda lielās stabilās firmās, kas apkalpo cilvēku nepieciešamības, kā pārtiku un medicīnisko apkalpi (aizsardzība pret ekonomijas un tirgus svārstībām).
2. Sakarā ar ierobežoto izrakteņu pieejamību, jāiegulda materiālos un raktuvēs.
3. Sakarā ar sagaidāmo inflāciju un enerģijas trūkumu, jāiegulda zeltā, sudrabā un enerģijas avotos.
4. Jāpalielina ieguldījumi ārzemju firmās, kā arī ASV firmās, kurām nozīmīga peļņas daļa nāk no ārzemju tirgus (tur sagaidāms lielāks kapitāla pieaugums, tā ir arī aizsardzība pret inflāciju ASV).

-Andris Padegs, LF ieguldījumu lietvedis

**Latvian Foundation, Inc.**  
**Statements of Financial Position**  
 As of April 30, 2009 and 2010 and August 31, 2010

	April 30, 2009	April 30, 2010	Aug. 31, 2010
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
Banks and Credit Unions	\$ 8,977.32	\$ 9,404.46	\$ 12,161.73
Fidelity -Money Market fund	94,454.32	57,514.81	55,766.67
<b>Total Checking/Savings</b>	<b>103,431.64</b>	<b>66,919.27</b>	<b>67,928.40</b>
<b>Other Assets</b>			
Marketable Securities (at market value) (Note 1)	522,622.80	657,693.13	649,655.56
<b>TOTAL ASSETS</b>	<b>\$ 626,054.44</b>	<b>\$ 724,612.40</b>	<b>\$ 717,583.96</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Grants Payable (Note 3)	\$ 86,183.85	\$ 49,261.93	\$ 54,011.93
Expenses Payable	1,895.20	564.40	
<b>Total Current Liabilities</b>	<b>88,079.05</b>	<b>49,826.33</b>	<b>54,011.93</b>
<b>Long Term Liabilities</b>			
Member Loans Payable (Note 2)	291,353.42	307,712.54	306,007.36
<b>Total Liabilities</b>	<b>379,432.47</b>	<b>357,538.87</b>	<b>360,019.29</b>
<b>Net Assets</b>			
<b>Funds Classified as Unrestricted:</b>			
General Fund-Unrestricted Beginning of Year	12,366.69	(199,329.81)	(84,674.94)
Prior year adjustments			1,569.00
Endowment and Bierina fund increases/adj.	(3,147.66)	(10,216.69)	(4,700.00)
	9,219.03	-209,546.50	-87,805.94
<b>Net Income (loss) end of period</b>	<b>(208,548.84)</b>	<b>124,871.56</b>	<b>-8,549.42</b>
<b>General Fund-Unrestricted Period End</b>	<b>(199,329.81)</b>	<b>(84,674.94)</b>	<b>(96,355.36)</b>
<b>Funds treated as endowments:</b>			
Member endowment donations (Note 2)	402,659.83	408,569.83	413,269.83
<b>Total Funds Classified as Unrestricted</b>	<b>203,330.02</b>	<b>323,894.89</b>	<b>316,914.47</b>
<b>Funds Classified as Temporarily Restricted:</b>			
Bierina Memorial Fund (Note 5)	21,471.00	24,287.69	24,287.69
Karlis Irbitis Scholarship Fund (Note 4)	21,820.95	18,890.95	16,362.51
<b>Total Funds Classified as Temporarily Rest.</b>	<b>43,291.95</b>	<b>43,178.64</b>	<b>40,650.20</b>
<b>Total Net Assets</b>	<b>246,621.97</b>	<b>367,073.53</b>	<b>357,564.67</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 626,054.44</b>	<b>\$ 724,612.40</b>	<b>\$ 717,583.96</b>

**Latvian Foundation, Inc.**  
**Statement of Activities**  
**Budget vs. Actuals**  
**Year Ending April 30, 2009 and 2010 and Four Months ended August 31, 2010**

	FY09 Budget	FY09 Actuals	FY10 Budget	FY10 Actuals	FY 11 Proposed Budget	Aug. 31,2010 FY11 Actuals
<b>Revenues and Gains</b>						
Member dues and donations (Note 2)	\$ 5,000.00	\$ 6,386.68	\$ 18,500.00	\$ 19,211.52	\$ 20,000.00	\$ 7,926.49
Interest, Dividends and account capital gains (losses)	35,000.00	18,204.08	16,500.00	18,608.82	18,000.00	5,320.35
Capital gains (losses) on redeemed securities (Note 1)		56,079.13		26,023.30	15,000.00	
Unused grant balances (cancelled projects) (Note 3)				12,283.00		
Bierins Funds Release for Award (Note 5)	2,000.00	1,000.00	2,000.00	1,500.00	1,500.00	
Irbitis Funds Release for Award (Note 4)	2,000.00	2,812.38	2,950.00	2,930.00	3,300.00	2,528.44
<b>Total Income</b>	<b>\$ 44,000.00</b>	<b>\$ 84,482.27</b>	<b>\$ 39,950.00</b>	<b>\$ 80,556.64</b>	<b>\$ 57,800.00</b>	<b>\$ 15,775.28</b>
<b>Expenses and Losses</b>						
Grants committed (Note 3)	41,200.00	41,200.00	10,500.00	10,500.00	30,000.00	10,000.00
Awards Committed (Notes 4 and 5)	4,000.00	3,611.50	4,500.00	4,221.00	4,500.00	2,347.84
<b>Total Grants and Awards</b>	<b>45,200.00</b>	<b>44,811.50</b>	<b>15,000.00</b>	<b>14,721.00</b>	<b>34,500.00</b>	<b>12,347.84</b>
<b>Operating Expenses:</b>						
<b>Member and project related:</b>						
Printing and copying	2,500.00	2,324.54	2,500.00	2,083.59	2,250.00	1,296.53
Postage and mailing services	2,600.00	2,848.41	3,000.00	2,049.24	2,250.00	952.10
Promotion and advertising	1,000.00		1,100.00	1,204.68	1,100.00	45.00
Semi-annual meetings	1,000.00	629.55	2,000.00	879.12	2,000.00	0.00
Meeting travel	7,000.00	5,848.64	7,000.00	6,065.34	7,000.00	266.00
	14,100.00	11,651.14	15,600.00	12,281.97	14,600.00	2,559.63
<b>Administrative expenses:</b>						
Operations consultant (Note 6)					4,200.00	
LF archives - LaPa Museum					1,350.00	
Accounting and legal related	2,000.00	2,750.00	500.00	239.40	500.00	
Website management	580.00	583.68	600.00	174.00	600.00	
Computer, office, and telephone	1,055.00	657.64	1,100.00	443.95	1,100.00	214.56
Bank charges	400.00	350.57	400.00	376.11	400.00	109.94
Taxes: Federal, state and foreign	465.00	291.31	420.00	130.98	300.00	30.59
Irbitis Fund Administration	200.00	200.88	650.00	209.00	250.00	180.60
Other				69.95		
	4,700.00	4,834.08	3,670.00	1,643.39	8,700.00	535.69
<b>Total Operating Expenses</b>	<b>18,800.00</b>	<b>16,485.22</b>	<b>19,270.00</b>	<b>13,925.36</b>	<b>23,300.00</b>	<b>3,095.32</b>
<b>Total Grants and Operating Expenses</b>	<b>64,000.00</b>	<b>61,296.72</b>	<b>34,270.00</b>	<b>28,646.36</b>	<b>57,800.00</b>	<b>15,443.16</b>
<b>Net Ordinary Revenues/Losses before investment and currency fluctuations</b>	<b>\$ (20,000.00)</b>	<b>\$ 23,185.55</b>	<b>\$ 5,680.00</b>	<b>\$ 51,910.28</b>	<b>\$ 0.00</b>	<b>\$ 332.12</b>
Investment market gains (losses) unrealized (Note 1)		(245,302.01)		85,217.68		(10,069.88)
Currency valuation fluctuations		13,567.62		(13,632.40)		2,757.34
<b>Total investment market and currency fluctuations</b>		<b>(231,734.39)</b>		<b>71,585.28</b>		<b>(7,312.54)</b>
<b>Other Revenues/Losses</b>						
Prior year expense adj.				1,376.00		
<b>Net Ordinary Revenues/Losses</b>	<b>\$ (20,000.00)</b>	<b>\$ (208,548.84)</b>	<b>\$ 5,680.00</b>	<b>\$ 124,871.56</b>	<b>\$ 0.00</b>	<b>\$ (6,980.42)</b>

## Notes to financial statements

The August 31, 2010 financial statements are internal statements. The year-end April 30, 2009 balances were audited on July 22, 2009 and a report issued by Juris Petriceks. Year-end April 30, 2010 balances were audited on July 14, 2010 by Kristina Simane-Laimina in consultation with accountant Zinta Pone.

Some adjustments have been made to the financial statements presented at the annual member meeting on September 25, 2010 in Garezers. Based on the vote of the membership, the FY2011 budget was revised to include seed money for the LaPa Museum to begin preliminary work to archive the 40 years of Latvian Foundation documents. A prior year account adjustment was made based on subsequently received documents. The investment portfolio is updated to show the most recent month end market values.

The financial statements were reformatted in the April 30, 2010 reports in order to condense data and focus on major asset, liability and activity categories. The effect of the severe economic downturn on the market value of the Latvian Foundation's investments and the currency fluctuations is now shown in a separate category at the bottom of the Statement of Activities.

### Note 1: Marketable Securities, Capital Gains (Losses)

Marketable Securities investments are stated at the current market value. The separate detailed schedule of all investments is included.

The market fluctuations are shown as Unrealized Gains (Losses) at the bottom the Statement of Activities. The first four months of FY11 shows a market value loss of \$10,069.88. However, value increases in October have so far covered these losses. Market values as of October 31, 2010 are included on the investment schedule. In FY2010 the portfolio value increased by \$85,217.68. This, fortunately, is a partial recoupment of the FY 2009 loss of \$245,302.

### Note 2: Membership loans and donations

Membership loans and donations are accepted and recorded in three currencies: United States, Canadian and Australian. The Canadian and Australian loans payable are shown in US dollars. Fluctuations between these currencies have been volatile in the past several years. Net currency fluctuations are shown on the bottom of the Statement of Activities.

#### MEMBER LOANS

	<u>April 30, 2009</u>	<u>April 30, 2010</u>	<u>Aug. 31. 2010</u>
Loans Payable-USA	\$218,459.53	\$219,419.53	\$220,739.53
Loans Payable-Canada	67,120.51	80,843.96	78,042.85
Loans Payable-Australia	<u>7,536.91</u>	<u>7,449.05</u>	<u>7,224.98</u>
	<u>\$291,353.42</u>	<u>\$307,712.54</u>	<u>\$306,007.36</u>

Donations are segregated as Endowments in the Net Assets, Unrestricted Funds section, in the Statement of Financial Position. The amounts are shown in US, Canadian, Australian currencies. Adjustments for currency fluctuations were calculated as revenue or loss in the year the donation was made. The amounts correspond to the donations by country in the member data base.

## MEMBER DONATIONS TREATED AS ENDOWMENTS

	<u>April 30, 2009</u>	<u>April 30, 2010</u>	<u>Aug. 31, 2010</u>
Endowment-USA	336,072.94	340,982.94	345,682.94
Endowment-Canada	49,315.15	50,315.15	50,315.15
Endowment-Australia	17,271.74	17,271.74	17,271.74
	<u>402,659.83</u>	<u>408,569.83</u>	<u>413,269.83</u>

While a significant portion of the Foundation's income is derived from the investment of member loans and donations, the Foundation must receive yearly contributions, "fresh money," in order to maintain the Latvian Foundation's public charity status in the United States. The Foundation has been near the minimal required contribution levels for a number of years.

So far in FY 2011, four new members have provided \$200 in initiation fees. Existing members have provided loan funds of \$1,320 and donations of \$7,726.49: \$4,700 in endowment loans and \$3,026.49 in general donations. All donations are gratefully acknowledged particularly in light of the decrease in interest and dividend income from investments the last two years.

### Note 3: Grants Payable, Unused Grant Balances, Grants Committed

Board members have been working diligently to urge recipients to complete grants. As a result, the number of outstanding grants has been reduced. Last year LF's Grants Payables account was \$86,183; by the end of FY2010 it decreased to \$49,262. Nine projects were completed and closed during FY2010. Three projects were designated as closed but incomplete, and the remaining funds transferred to Unused Grant Balances account. The 2004 grant, "Latvian History on the Internet for Youth", had already received partial payment before it was closed as incomplete; as a result, individuals and organizations associated with this project are currently not eligible for LF support.

\$30,000 of grants committed for FY11 was approved by the members at the annual meeting in Philadelphia, October 2009. Of this amount \$10,000 was granted for small projects in May of 2010.

### Note 4: Irbitis Scholarship Fund

Karlis Irbitis Scholarship Fund for aeronautic and aviation studies is administered by the Vitols Foundation in Latvia since 2007. The funds were segregated as temporarily restricted funds in FY2007. In FY2011, \$2,528 was transferred to the Vitols Foundation for a one year scholarship distribution and administration of the grant.

### Note 5: Bierins Fund

Janis Bierins Memorial Fund is intended to perpetuate and stimulate further development of Latvian culture and life outside the geographic boundaries of Latvia. The annual grant fund is administered by a five member committee and awarded to individuals or organizations active and competent in fields such as language, journalism, literature, performing arts, education of youth. In FY 2010, the fund awarded \$1,500. Bierins Fund value was \$24,287.69 on April 30, 2010. The increase from last year is primarily the result of an increase in the investment market value. The FY2011 grant amount is yet to be awarded.

### Note 6: Proposed Budget – Operations Consultant

To increase the all-volunteer board's capacity to fulfill its many duties and address challenges, particularly in the areas of fundraising and reporting, a recommendation has been made to utilize a paid part-time consultant. A preliminary description of duties has been drafted and is currently being reviewed. In preparation for this new development, a line item has been added in the Statement of Activities and \$4,200 budgeted, which is an estimate of a 6-month part time consultant's fee. In addition, in the event that such a person is engaged in FY11, the proposed goal for Membership Dues and Donations has been increased to \$20,000.