

LATVIAN FOUNDATION INC:

We have made a fundamental change in the direction of investment of the Latvian Foundation's assets. This decision was predicated by our feelings that the U.S. banks' prime rate was being pressured upward by European currency unrest. This, Canadian economists suggest, will be reflected in higher coupons on future debt issues. Obviously, this expectation tends to reduce existing bond prices.

Therefore, we have endeavored to reduce straight bond holdings and increase holdings in convertible and warrant bonds. This will reduce our interest income but should result in greatly increased capital appreciation.

On May 15th, 1972, we will receive interest payments totaling \$1,312.50. Also on May 15th, 1972 the 150 Richard Costain warrants will be removed from debentures and our expectations is that they will be worth approximately \$750.00.

The entire portfolio should be worth approximately \$50,732.00 (plus accrued interest) on May 15th 1972.

Eric Savics
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April 26th ,1972