



MUHAMMAD SUBUH FOUNDATION

SUPPORTING THE AIMS OF SUBUD FOR A BETTER WORLD

2008 ANNUAL REPORT



BUILDING THE FUTURE AT MAYENNE, FRANCE

THE MUHAMMAD SUBUH FOUNDATION

MISSION

The Muhammad Subuh Foundation honors the name of the founder of Subud, Bapak Muhammad Subuh Sumohadiwidjojo. It serves to build a lasting financial capacity for the Subud community, with dedication to the long-term aims of the World Subud Association.

VISION

The Foundation envisages a Subud community that is active and effective in the world, in all fields of human endeavor. The Foundation supports this vision by providing financial and other assistance to a wide-range of activities and programs, including social and humanitarian work, cultural endeavors, youth projects, and others.

VALUES

As trustees of the Muhammad Subuh Foundation, we are guided in our work by the following values:

Openness

We are committed to working through inner guidance, combined with common sense and best practice, in making decisions and carrying out our actions.

Diversity

We value diversity of the human spirit and recognize the uniqueness of each human being.

Integrity

We base our relationships with our donors, recipients, and the community on mutual trust, candor, and transparency.

Sustainability

We believe in effecting sustainable change with transformational goals and measurable positive outcomes, recognizing that how things are done is as important as what is done.



The Muhammad Subuh Foundation is registered in the Commonwealth of Virginia, U.S.A. as a 501(c)3 Non-Profit Corporation, No. 52-1742864

Foundation Auditors:
Ernst & Young, Accountants

Foundation Bankers:
ABN AMRO Bank
Duikerlaan, Capelle/Yssel,
Netherlands
a/c 51.21.50.710
SWIFT: ABNANL2R

Photos:

Above: Outward-bound activities at the Eco Village, Central Kalimantan. Photo courtesy of the Muhammad Subuh Centre, Rungan Sari, Central Kalimantan.

Cover: Renovations to the Subud house at La Touche Bois Photos courtesy of Richard Harvey

2008 ANNUAL REPORT

The opportunity to serve

as chairperson of the Muhammad Subuh Foundation – and as a trustee – is both exciting and challenging.

Exciting because of the opportunity to bring positive changes to the organization and make it stronger; challenging due to the heavy responsibility given to MSF to promote the vision and mission of Subud.



Great strides were made in 2008 to strengthen both the organizational side of the Foundation and its communications with the Subud association.

The trustees met in Indonesia in March, then in Amanecer in August. Through these meetings major decisions were taken to improve the performance of MSF, review its mission, vision and values, and agree on an action plan for 2008 to 2011.

Though careful and constant attention was paid to MSF investments, the year proved to be extremely challenging as increasing vulnerabilities in the global financial system created a period of unprecedented instability. The Board debated the issues at length through emails and telephone conversations, heard differing views and perspectives, and sought external advice.

Given the events of 2008 and the continuing uncertainty in the global financial services industry, the Board aims to appoint an

Your continued strong support will help Subud build a better world for all.

Investment Advisory Team of financial advisors who have the necessary skills and experience required for a proper understanding of

the Muhammad Subuh Foundation's investments and associated risks.

In addition, the Foundation is in the process of selecting a Chief Executive Officer who shall be charged with the general management and direction of the operations of the Foundation.

The Strategic Plan adopted in 2008 by the MSF Board, and approved by the World Subud Council, will make our Foundation even more effective in carrying out its mission of furthering the long term aims of the World Subud Association through the provision of financial and other assistance to a wide-range of activities and programs such as the funding of Subud houses and meeting premises, as well as social and humanitarian work, cultural endeavors, youth projects and others.

Thank you for your continued support of the Muhammad Subuh Foundation.



Olvia Reksodipoetro
2007-2010 Trustee Chair
Muhammad Subuh Foundation

REVIEW OF 2008

A review of the Muhammad Subuh Foundation's Mission, Vision and Values took place during a Strategic Planning exercise that also set the Foundation's priorities for 2008 to 2011. The Action Plan proposed by the MSF trustees was approved by the World Subud Council, and resulted in the following achievements and activities for the year 2008:

IMPROVED GOVERNANCE

- Many steps were taken in 2008 to improve our administration including updating the Grant/Loan Application form for Subud houses, creating a Rental Application form for meeting premises, and updating the Project Funding Request form.
- We also developed both a Subud House Yearly Report form and a Project Yearly Report form that were sent out to all entities having received funding from MSF during the past five years.
- A Board Manual and Guidelines for national liaisons are being completed.
- A review of the role of MSF national liaison is being conducted with emphasis on coordination with relevant national committees.
- A Task Force was set up to review the terms of a Memorandum of Understanding between WSA and MSF with a view towards strengthening communications.
- Two selection committees were set up and guidelines designed for the selection of new trustees (to replace outgoing trustees), and for the hiring of a Chief Executive Officer.
- The Board is in the process of hiring a Chief Executive Officer who will be charged with the general management and direction of the operations of the Foundation.
- A donor survey was conducted towards the end of 2008 to better assess what moved donors to make contributions to MSF and to assess how they feel about MSF, as this will impact our communications' strategy.
- Terms of Reference for an Investment Advisory Team have been written and a number of potential advisors contacted. The Investment Team will be responsible for guiding the investment process to meet the fiduciary responsibilities of the MSF trustees.
- An Investment Policy Statement is being drafted.

COMMUNICATIONS

Improved communications with the Subud association through:

- Bi-monthly E-news.
- PowerPoint Presentation: A revised edition was created and was subsequently translated into Spanish and Bahasa Indonesia. These were then put on CD-roms and widely distributed to all MSF national liaisons as well as national committees around the world for presentation during congresses and other Subud venues.
- Overhaul of the Foundation's website is in progress.

COMMUNICATIONS

Memorandum Sudan Foundation
January 2008 eNEWS

Welcome to the first edition of the Sudanese monthly eNEWS. The Sudan needs the help of international donors from the Foundation. It is our hope that you will be able to help us in our mission to provide relief to the Sudanese people. The Sudan is a country in need of help and we are looking for people who are interested in helping the Sudanese people. If you are interested in helping the Sudanese people, please contact us at info@msf.org.

What is the Memorandum Sudan Foundation?
The Memorandum Sudan Foundation is a non-profit organization that provides relief to the Sudanese people. It is a registered charity in the United Kingdom and is a member of the Sudanese Relief Fund. The Foundation is a registered charity in the United Kingdom and is a member of the Sudanese Relief Fund. The Foundation is a registered charity in the United Kingdom and is a member of the Sudanese Relief Fund.

Major activities
The Foundation is a registered charity in the United Kingdom and is a member of the Sudanese Relief Fund. The Foundation is a registered charity in the United Kingdom and is a member of the Sudanese Relief Fund. The Foundation is a registered charity in the United Kingdom and is a member of the Sudanese Relief Fund.

Memorandum Sudan Foundation
February 2008 eNEWS

The "Big House" in Jakarta gets a new look



The building is a new addition to the city of Jakarta. It is a large, modern building with a glass facade. The building is a new addition to the city of Jakarta. It is a large, modern building with a glass facade.

Memorandum Sudan Foundation
May-June 2008 eNEWS

Deadline extended for MSF 2007 award nominations

The deadline for nominations for the 2007 award has been extended. The deadline for nominations for the 2007 award has been extended. The deadline for nominations for the 2007 award has been extended.

Opening celebrations for A&P Mall



The A&P Mall is a new addition to the city of Jakarta. It is a large, modern shopping mall with a glass facade. The A&P Mall is a new addition to the city of Jakarta. It is a large, modern shopping mall with a glass facade.

Memorandum Sudan Foundation
March-April 2008 eNEWS

Opening celebrations for A&P Mall



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Memorandum Sudan Foundation
July-August 2008 eNEWS

MSF hosts "social tea" at linked USA national congress



The social tea event was held at the linked USA national congress. The social tea event was held at the linked USA national congress. The social tea event was held at the linked USA national congress.

Memorandum Sudan Foundation
September-October 2008

MSF supports Internet Travel Fund with match

The Internet Travel Fund is a new initiative that provides travel assistance to the Sudanese people. The Internet Travel Fund is a new initiative that provides travel assistance to the Sudanese people. The Internet Travel Fund is a new initiative that provides travel assistance to the Sudanese people.

Memorandum Sudan Foundation
November-December 2008

Preparing for uncertain times ahead...

The Sudanese people are preparing for uncertain times ahead. The Sudanese people are preparing for uncertain times ahead. The Sudanese people are preparing for uncertain times ahead.

The Lucienne and Francois Farkas Fund



The Lucienne and Francois Farkas Fund is a new initiative that provides relief to the Sudanese people. The Lucienne and Francois Farkas Fund is a new initiative that provides relief to the Sudanese people. The Lucienne and Francois Farkas Fund is a new initiative that provides relief to the Sudanese people.

Memorandum Sudan Foundation
2008 POWERPOINT PRESENTATION

The 2008 Powerpoint Presentation is a new initiative that provides relief to the Sudanese people. The 2008 Powerpoint Presentation is a new initiative that provides relief to the Sudanese people. The 2008 Powerpoint Presentation is a new initiative that provides relief to the Sudanese people.

2008 Communications Highlights:

- 7 issues of MSF eNEWS published
- PowerPoint Presentation created in three languages
- Donor Survey conducted

THE FUNDS

The Foundation has four established funds: The Annual Programs Fund, the Bapak Legacy Fund, the Francois & Lucienne Farkas Fund, and the Leonard & Aisah Parker Fund. Each fund has a different focus and purpose and its own specific investment and distribution restrictions.

Donations can be earmarked for any of the funds; un-earmarked donations are directed to the Annual Programs Fund.

ANNUAL PROGRAMS FUND

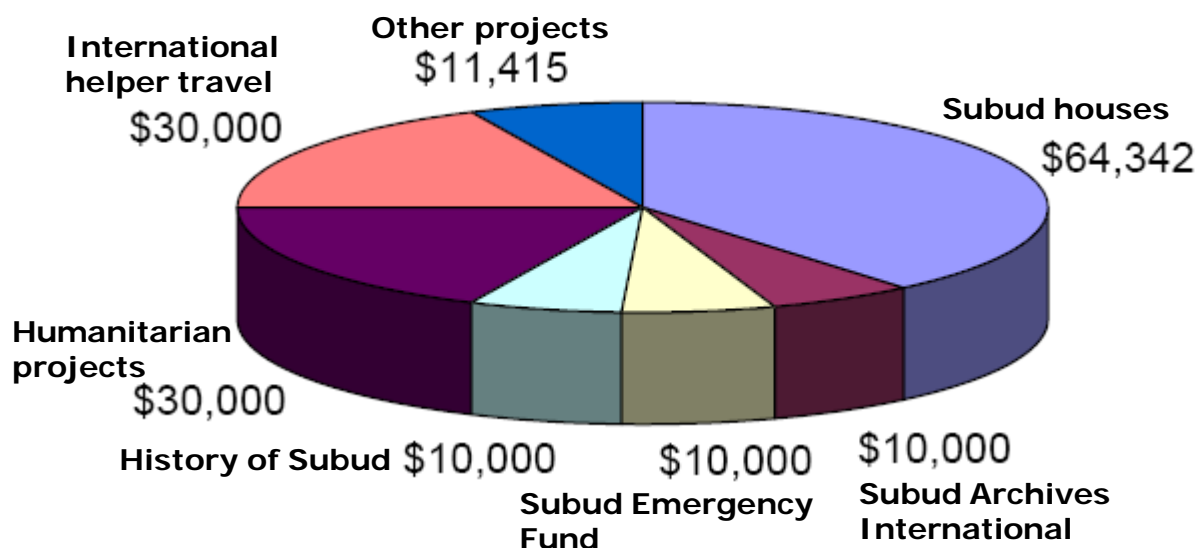
The Annual Programs Fund (also known as the General Fund) provides support for Subud premises, translations, Bapak's talks, archives, infrastructure capacity-building, helper travel, and many other worthy programs of the World Subud Association.

For 2008, the Annual Programs Fund provided financial assistance for procuring/improving Subud houses, international helper travel, social and humanitarian projects, Subud Archives International, History of Subud, and the Subud Emergency Fund.

Investment restrictions: Liquidity for a portion of these funds is essential.

Distribution restrictions: Up to 15% of the free cash assets may be distributed annually to programs of the World Subud Association. Budget and allocations are approved annually by the directors of the World Subud Association. According to USA charitable foundation laws, contributions to this fund may not be permanently restricted by the Foundation trustees.

2008 ANNUAL PROGRAMS FUND EXPENDITURES



BAPAK LEGACY FUND



Bapak Muhammad Subuh Sumohadiwidjojo
Photo by Lavasir Nordrum

The Bapak Legacy Fund is a permanently restricted fund established in 2000 by Subud USA and adopted by MSF in 2001. The fund principal is held in perpetuity and only the income and appreciation on the funds may be distributed. These funds will become available only after July 2010. Programs of the World Subud Association such as translations, Bapak's talks, archives, and others will benefit from this fund.

Investment restrictions:

U.S. Government bonds; common or preferred stocks or bonds listed on any national securities exchange; or any mutual funds listed on any national securities exchange.

Distribution restrictions:

Full distribution may only commence when the Fund reaches its target of \$1million or after July 2010, and will be allocated by decisions taken by the Subud World Congress.



Since 1996, MSF has been able to provide WSA and its projects & affiliates with over US\$ 1.6 million in financial support.

FARKAS FUND

The Farkas Fund, named in honor of Lucienne and Francois (Feri) Farkas, was established by Daniel Cheifetz in December 1995 to support educational opportunities and programs for young people and to help make Bapak's talks widely available.

Investment restrictions: None.

Distribution restrictions: This is a donor-advised endowment fund. The initial primary donor is consulted regarding allocation of any distributable budget. Only investment proceeds may be distributed; the principal remains intact.

In 2008, the Farkas Fund contributed US\$14,905 to children's scholarships via Yayasan Usaha Mulia ("YUM"), a charitable foundation located in Indonesia, with the balance of the distributable proceeds (\$5,000) pledged towards a new project to promote distribution of Bapak's talks.



Bapak chatting with Feri Farkas



Ibu Siti Sumari, Bapak's wife, greets Lucienne Farkas

Above photos courtesy of Michael and Stuart Cooke

The founder of the Farkas Fund, Daniel Cheifetz, with his wife Selah, visited YUM in March 2009 where they met Adi Firdaus, one of the university scholars funded by the Farkas Fund. Daniel and Selah are pictured at the right, in back of staff of YUM. Konrad Baerveldt is shown far left.



Photo courtesy of Hannah Baerveldt

EDUCATIONAL SUPPORT FROM THE FARKAS FUND

For the second year, the Farkas Fund provided educational sponsorships for children in Indonesia in cooperation with Yayasan Usaha Mulia:

25 sponsorships in West Java
35 sponsorships in Central Kalimantan

In addition, the Farkas Fund has provided funding for three university scholarships, and were awarded to: Adi Firdaus, Melani, and Wulan.



Above: Sponsored children in West Java
Photos this page courtesy of YUM

University Scholars



Adi Firdaus:

Studying business management at University of Putra Indonesia (UNPI). Former resident of YUM's Children's Village, West Java.



Wulan:

Studying nursing at University of STIKES "Suaka Insan", South Kalimantan



Melani:

Studying public relations at University of Interstudi, Jakarta.



Osanna Vaughn, WSA chair and ex-officio MSF trustee, meets sponsored children in Central Kalimantan

PARKER FUND

The Leonard & Aisah Parker Fund, held by the Muhammad Subuh Foundation, was established by Aisah Parker (nee Fletcher) in 2003 for the benefit of Subud Australia.

Any distributable proceeds are forwarded to Subud Australia for their use in the development and strengthening of Subud in Australia.

In 2008, the Muhammad Subuh Foundation made a grant of \$13,842 from the Parker Fund to support the Canberra Building Project. In addition, earmarked funds amounting to \$2,500 were forwarded to Subud Australia, bringing the total to \$16,342. *(All amounts given are in U.S. Dollars)*

Aisah spent the last 12 years of her life in Canberra where she found happiness growing closer to her faith while living in an Anglican home for the elderly.



Aisah & Leonard Parker



*Above: The site of the Canberra Building Project
Photos courtesy of Subud Archives International*



Left: Australian Subud members at a signing ceremony that officially launched the Canberra Building Project

Investment restrictions: None.

Distribution restrictions: An endowment fund; only the investment proceeds may be distributed. Distribution is via the national committee of Subud Australia.

2008 Annual Programs, Farkas & Parker Funds Highlights:

- Over \$80,000 granted to Subud houses/premises
- \$30,000 spent on social projects
- \$30,000 donated for international helper travel
- \$10,000 in support of Subud Archives International
- \$10,000 granted to History of Subud project
- \$10,000 awarded to Subud Emergency Fund
- 44 children received educational support
- 3 youths received university scholarships
- \$16,342 sent to the Canberra Building Project

PARTNERS

Foundation partners are nationally-based legal foundations operating in conjunction with an agreement with MSF. The Foundation has three such partners: Fundacion Amanecer in Colombia, and Yayasan Muhammad Subuh & Yayasan Subud, both in Indonesia.

MSF COLOMBIA AND FUNDACION AMANEKER

MSF COLOMBIA is the owner of the Muhammad Subuh Hall at Amanecer, a meeting venue situated in a rural setting on a hill with a view of the mountains and snow-capped peaks of the Central Andes mountain range. MSF Colombia and Fundacion Amanecer are legally registered charitable foundations in Colombia. Fundacion Amanecer is responsible for managing the Amanecer International Center which was built during 1991-1993, on land totalling 6.8 hectares, 12 kilometers from Armenia, in the center of Colombia. The Hall is owned by MSF Colombia through a grant from MSF of \$250,000.

The Hall is designed for large numbers of people and was the site of the 1993 Subud World Congress. The Hall was designed by Muchtar Martins, an architect currently serving as Foundation trustee.

Three local Subud enterprises, a school, a hostel and a restaurant, generate most of the funds sustaining Amanecer.

Several rooms of the Amanecer Hall are currently leased to an organization that works with the National Education Ministry operating a program of healthcare, education, nutrition and risk prevention, aimed at preschool children and their families. The Amanecer Restaurant serves 200 lunches for these children daily.

In 2008, the Muhammad Subuh Foundation contributed US\$11,000 towards the renovation of the Amanecer Hall.



Fundacion Amanecer Highlights:

- Improved Board management & governance
- Marketing campaign activated

YAYASAN MUHAMMAD SUBUH

Yayasan Muhammad Subuh (“YMS”) is one of the Indonesian partners of the Muhammad Subuh Foundation. YMS is a legally registered charitable foundation based in Jakarta. Assets held by YMS on behalf of the Subud association include Bapak’s house (recently renamed “Adi Puri” - formerly known as the “Big House”) and the “Archive house” in Wisma Subud, Jakarta. In addition, YMS owns other assets as well: the Muhammad Subuh Centre and Eco Village in Central Kalimantan.

YMS also oversees the maintenance of the Subud archives in Indonesia, and operates a wholly-owned business, PT Pancaran Cahaya Bahagia (PT PCB). PT PCB’s responsibilities include managing the Muhammad Subuh Centre and Eco Village in Rungan Sari, Central Kalimantan.



The Muhammad Subuh Centre (“MSC”) in Central Kalimantan (pictured above) is a meeting venue set atop a hill overlooking Rungan Sari residential compound and Eco Village. The Eco Village (pictured below) serves as rental accommodation for guests who wish to experience a natural rustic setting bordering the jungle.



The Kedung Jati Cafe (above) is located between the Rungan Sari residential compound and the MSC and Eco Village, and is operated by PT PCB on behalf of YMS.

For more information, visit: <http://www.rungansari.com>



Photos, this page, courtesy of PT Pancaran Cahaya Bahagia

YAYASAN MUHAMMAD SUBUH ADI PURI

Major renovations were undertaken in 2008 at the Big House; it was in great need of renovation and refurbishment after decades of use. The Muhammad Subuh Foundation provided a loan of US\$50,000 to YMS to undertake these renovations.

On 12 March 2008, Ibu Siti Rahayu officially opened the newly upgraded premises and named it "Adi Puri", which means "beautiful house". Several hundred people attended the event from all parts of the world.

Adi Puri is a project of Yayasan Muhammad Subuh ("YMS"), a charitable foundation dedicated to preserving and promoting the life's work of Bapak Muhammad Subuh Sumohadiwidjojo.

The ground-floor gallery has audio-visual components to acquaint people with the life of Bapak.

Adi Puri commenced full commercial operation and by December 2008 was covering all its direct operating costs from revenue earned, mainly from intermediate-term rentals of rooms as offices. It is anticipated that business conditions will be less favourable in 2009, so steps have been taken to minimize staff and running costs.

To learn more, visit: <http://www.yayasanmuhammadsubuh.org>

Photos, this page, courtesy of Luqman McKingley



Yayasan Muhammad Subuh Highlights:

- Opening of Adi Puri for commercial operations
- Signing of UniSadhuGuna lease & receipt of first rental
- Renovation of the Ecovillage in Rungan Sari
- Staff training and upgrading
- Improved income from, and higher usage of, MSC & Ecovillage in Rungan Sari, including its use for a Subud WSA meeting in March 2008

YAYASAN SUBUD

In 1960, Bapak

purchased several hectares of land to the south of Jakarta, Indonesia, in a suburb known as Cilandak. At that time, the area was filled with paddy fields and small farms. Wisma Subud was founded at that site and established by Bapak as an international Subud centre. Today, Wisma Subud is managed by Yayasan Subud, a legally-registered charitable foundation in Indonesia. Yayasan Subud is the owner of the Latihan Hall and other parts of Wisma Subud, including the guest house.

In 2006, Yayasan Subud came under the legal umbrella of the Muhammad Subuh Foundation through the appointment of a trustee of MSF as one of the Patrons of Yayasan Subud. Day-to-day work of Yayasan Subud continues to be carried out by its own Board of Management. Currently, three trustees of MSF live in Indonesia and are able to meet regularly with Yayasan Subud to ensure effective communication.



The main hall at Wisma Subud

Photo courtesy of Hannah Baerveldt

2008 Partner Highlights:

- **Improved governance and reporting**
- **\$11,000 grant for renovations for Amanecer**
- **\$50,000 loan for renovations at Bapak's house**

SUBUD HOUSES



Foundation-sponsored Subud facilities circle the globe

Since 1996, the Muhammad Subuh Foundation has provided financial support for Subud-owned facilities around the world. Foundation funds are available via grants or loans for the purpose of acquiring and/or refurbishing facilities. In 2008, the MSF trustees extended this support to also include rental grants for smaller groups to assist them in renting meeting facilities. Including rental support, the Foundation contributed over \$64,000 to Subud premises in 2008.

Over time, MSF has provided more than \$540,000 in grants and \$164,000 in loans for Subud meeting facilities

Rental Support

In March 2008, the MSF trustees met with Lateef Dada-Bashua, Representative for Zones 5 & 6, to consider various ways to assist groups in Africa with meeting facilities. Following these discussions, a new scheme of funding the rental of meeting premises was agreed to, and a simple form, to be filled by groups, was designed both in English (for Nigeria) and in French (for DR Congo). Unfortunately, perhaps due to communications problems, no group in Africa has so far applied. However, thanks to international helpers' travels to Lebanon and Bosnia, at their recommendation, MSF was able to assist both Subud Lebanon and Subud Bosnia.

RENTAL SUPPORT

Rental support: Lebanon (grant \$2,000)

The Subud group in Beirut grew significantly in 2007 and 2008 and its members were looking for a place where all could gather regularly together. MSF provided a grant of \$2,000 to support the rental of meeting facilities, and during their recent visit to Lebanon, the international helpers reported that the meeting room (around 30m²) presently rented by the Beirut group is nicely furnished and comfortable. However, a more permanent solution is considered necessary by the group.



Lebanon group with visitors Sharif & Tuti Horthy, Garrett Thomson (ISC), Simon Guerrand-Hermes, and Iwan Syamsuddin

Rental support: Bosnia and Herzegovina (grant \$300)

The group in Banja Luka, newly-formed in 2007, did not have any premises to meet together. As a result, members were practising Subud in their own homes. One member - Iskandar - who had travelled to Belgrade and seen how beneficial meeting regularly together could be, was determined to try to emulate his Serbian counterparts and form a solid group who would practice Subud together rather than separately.

During their October visit to Bosnia, the international helpers called on MSF to assist the group through the provision of \$300 to cover the first three months' rent.



Banja Luka women with Josephine Bacikin and international helpers Farah Czwiertnia and Lora Bilger



Banja Luka men with international helpers Andrew Holloway and Saroni Bassi

SUBUD HOUSE SUPPORT

Malang Subud house, Indonesia (loan \$10,000)

The Malang Subud house in Indonesia was officially inaugurated in July 2008 and serves as a meeting venue and enterprise location. The total cost of construction was \$46,850 and, with land, is now valued at a total of \$58,000. With a loan from MSF of \$10,000, the Foundation played a significant financial role in developing this property and achieving the dreams of the members.

As a direct result of the new Malang house, fifteen men recently joined Subud and three men and one woman are applying for membership.

The enterprise activities help to contribute towards the costs of electricity, water, and sanitation services.



La Florida Subud house, Chile (grant \$15,000 + loan \$15,000)

After many years of changing venues for meetings, the La Florida Subud group has finally acquired a property with the help of many members in Chile as well as the Muhammad Subuh Foundation. To fundraise for the purchase of the facilities, the group organized a musical concert at a nearby school where several Subud members are teachers.

Renovations are planned that will provide for two decent-sized meetings areas and a large patio at the back.



Surabaya Subud house, Indonesia (grant \$15,000)

The Surabaya Subud house was originally established in 1972-4, and was opened by Bapak at its inauguration ceremonies. By 2008, however, Subud Surabaya was on the verge of losing its property due to the cost of re-extending its ownership rights. The location had become a valuable property, located at the centre of town which had significantly developed into a thriving city. The cost of extending the land certificate amounted to \$50,000. The local members were able to raise \$35,000 of this cost, but another \$15,000 was critically needed to complete the certification. The balance of \$15,000 was provided by MSF to preserve this property for Subud.

HUMANITARIAN PROJECTS

Usaha Mulia Abadi, Mexico (grant \$12,000)

Usaha Mulia Abadi ("UMA") is a registered charity in Mexico, helping disadvantaged people in the area with better nutrition, educational initiatives, and raising awareness of sound ecological practices.

To assist in becoming a more sustainable project, a lodging cabin was proposed to encourage the development of eco-tourism in the area. Fundraising commenced to achieve the \$22,000 necessary to build the cabin, which can also be used to house volunteers when needed. MSF provided a grant of \$12,000 and international donors and their own board of directors contributed the balance.



Photos courtesy of Mariamah Flores

The new lodging cabin will enable UMA to host educational workshops and camps for children and youth in an atmosphere of harmony and respect. Income from eco-tourism activities will enable UMA to continue offering free or low cost workshops for the community and provide up to 16 sleeping spaces for weekend volunteers.

UMA distributes monthly nutrition packages (Fortiplus) to 1,500 children in nearby San Miguel Atlautla, provides presents for 300 children at Christmas celebrations, and seeks donations to fund special medical needs such as operations/treatments and also special educational needs such as computers for local schools. Forest care and cleaning is a regular service provided by UMA.

Future plans of UMA include fundraising for an additional \$5,000 for a water system, furniture, septic tank and a garden, to better provide for eco-tourism programs and volunteers.

HUMANITARIAN PROJECTS

Subud Youth Travel (grant \$1,600)

In July 2008, three young Subud members, all from Mexico, were sponsored by MSF to attend the youth activities at the "Gathering of the Americas" event held in Amanecer, Colombia. Héctor Rivera Rojas, Rasjidah Flores, and Emmanuel volunteered for translation services at the various meetings, assisted helpers in their duties, and participated in youth activities during the Gathering.

At the Gathering, the Foundation trustees met with the three youths to discuss various ways the Foundation can better assist the needs of young people in Subud.



Left to right: Hannah Baerveldt (MSF), Simone Paige (MSF), Emmanuel, Olivia Reksodipoetro (MSF), Berta, Héctor Rivero Rojas, Muchtar Martins (MSF), and Hamilton Manley (SYA)

Yayasan Usaha Mulia (grant \$14,905)

With the funds awarded by the Farkas Fund and the Muhammad Subuh Foundation, Yayasan Usaha Mulia ("YUM") was able to provide 60 children living in Java and Kalimantan with a chance to receive a primary level education. In addition, three university scholarships were continued from the previous year under YUM's Talent Development Scholarship program.



For more information on this, and other programs of Yayasan Usaha Mulia, visit:
<http://www.yumindonesia.org>



The children's sponsorships include coverage of school fees, uniforms, and supplies, and the Talent Development Scholarship program covers all expenses associated with the vocational training or higher education course, as well as living allowances if necessary. This program forms part of an integrated YUM educational scholarship program, and incorporates a two-year internship at one of YUM's projects, or a project of Susila Dharma Indonesia, after successful completion of their studies.

Funding also provided for the purchase and maintenance of a motorbike for social workers who need to regularly visit families to check on the family life of the sponsored child, a key component of YUM's School Sponsorship Program.

HUMANITARIAN PROJECTS

Susila Dharma International Association (grant \$18,000)

In 2008, the Muhammad Subuh Foundation agreed to provide funding for selected activities of Susila Dharma International Association ("SDIA"). This funding assisted SDIA with programs in the Democratic Republic of Congo ("DR Congo"), helped to continue SDIA's representation at the United Nations ("UN"), and improved the website of SDIA.

SDIA's Action Plan for DR Congo had the following objectives:

- ❑ address conflicts that had been noted between the national committee and SD DR Congo on the previous visit by international helpers;
- ❑ build a shared understanding of needs and challenges and a common approach to working in DR Congo;
- ❑ begin to implement elements of the DR Congo Action Plan;
- ❑ strengthen the role of WSA/ISC in supporting Subud within the country;
- ❑ build the capacity of both SD project leaders and all Subud members in project management, with a focus on achieving results, transparency and accountability.

MSF funding also enabled SDIA to register its UN representatives, develop briefing materials, and provide travel support for UN and related meetings.

With assistance from MSF, SDIA redesigned its website to include many new features, including a Tools and Resources section, a Get Involved Section for volunteering for social projects, and expanded its Resource base to accommodate people of all ages.

For more information, visit SDIA's website:
<http://www.susiladharma.org>



Students of Lemba Imbu, Kinshasa



Albadi school



*Nandora Vunguta clinic
Photos this page courtesy of SDIA*

2008 Subud house & project support highlights:

- **Rental support launched; \$2,300 disbursed**
- **Over \$46,500 provided for humanitarian needs**
- **\$105,000 in grants and loans for Subud facilities**

THE MUHAMMAD SUBUH FOUNDATION

FOR THE FUTURE

“The Muhammad Subuh Foundation must be prepared to anticipate changing needs in the world and to improve its services accordingly...”

The 2008 Donor Survey gave the trustees insight into several aspects of the Foundation's momentum. A majority of donors revealed that tax benefits were only partially responsible for their decision to contribute to the Foundation; more compelling for donors was an understanding of, and wish to support, the aims of Subud and the Foundation's work.

Donors surveyed confirmed the primary function of the Foundation is to provide support for Subud houses, as well as the long-term strengthening of the aims of Subud, including specific projects like Bapak's talks.

Donors reported that news of the Foundation's activities came through a wide variety of sources, from personal communications to publications of the Association and Foundation (Subud World News, MSF eNEWS, etc) and presentations at congresses or meetings. The majority of respondents agreed that Foundation communications should be improved.

The donors requested more information from the Foundation regarding reports on what happened to their donations, and additional assistance with estate planning, planned giving programs, and tax advice. Foundation national liaisons, in general, were seen as not being fully utilized and effective in their role.

Respondents were encouraged to give their views. Comments offered included:

“Two perceived deficiencies are (a) an apparently rather listless group of national liaisons and (b) a video DVD explaining the raison d'être of MSF and its work in the Subud world. The narrator in this video DVD should be a good speaker and well acquainted with the aims and achievements of the Muhammad Subuh Foundation. Perhaps the new CEO would take this on as one of his or her responsibilities.”

“In my view, MSF has been like a rock in the turbulent waters that have swelled around the Subud body for many years. A large part of this steadfastness is, in my opinion, attributable to the truly excellent team of trustees that have held MSF so well together over the years. This view is shared by many like myself.”

“I believe the initial intention was to provide funding for Subud Houses and [meeting] premises. But in the last couple of years or so it would seem that the remit has widened to fund various projects, including help for WSA projects. I believe this is the right way to go and I would like to see the Foundation become the primary vehicle of project funding, especially for the expansion of Subud.”

“[The Foundation needs] more dissemination of news of its successful operations.”

“More information [is] needed about how individual people could participate in fundraising for MSF...now I am becoming interested in the work of MSF because not only does it help charitable community projects it also helps to provide [meeting] premises for people who would otherwise find this difficult to achieve.”

“I think the Newsletter is excellent and is a good way of introducing new members to the work of MSF. Since the Newsletter was improved I think it is really good. The problem in [our group] is [that] the work of MSF seems to be something that happens on the other side of the world so we have an awareness problem that it is relevant to every member. No one in our group seems to know much about MSF and I would like to try to raise awareness about it.”

“I suggest you send a little MSF update to every issue of national Subud newsletters. That seems to be the one I read most consistently as it comes in hard copy. I have to spend so much time online, I don't read all Subud things that come my way via electronics. A good PowerPoint to show Subud houses supported [and] other work supported would be good at national and international gatherings too in a plenary.”

“Encourage estate planning via national Subud organizations and earmarked for MSF to be tax effective.”

“I believe the MSF is a crucial component of maintaining and developing Subud in the world.”

Survey responses confirmed the Foundation's strategic planning is on track: Improve professionalism, communications, and increase support to the Subud association. The trustees appreciate this feedback and will endeavor to address the issues raised throughout their term of office.



Photo courtesy of Emmanuel Aronie

FINANCIALS

What the Foundation Received

The Muhammad Subuh Foundation received substantial support, once again, for the Annual Programs Fund and for Subud Houses. Although not achieving previous donation levels, 2008 was just \$25,607 shy of 2007 donation totals. This was thanks, in large part, to donations emanating from investors in PT S Widjojo.

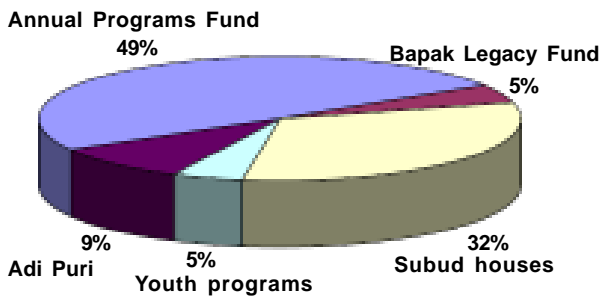
The USA, Indonesia, UK, and The Netherlands remained the top four donor countries.

ANNUAL GIVING BY COUNTRIES

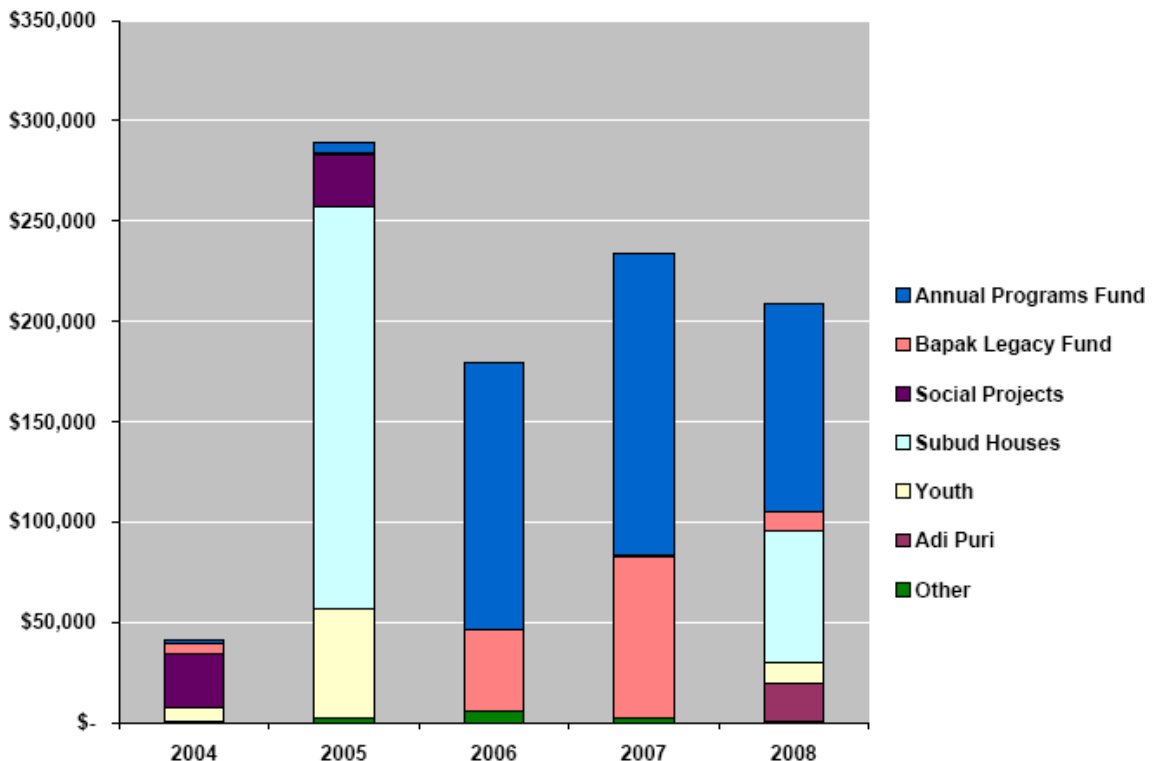
in US Dollars

| Rank | | Country | Year | |
|--------------|------|-------------|----------------------|----------------------|
| 2008 | 2007 | | 2008 | 2007 |
| 1 | | Anonymous | \$ 59,128.00 | |
| 2 | 3 | U.S.A. | \$ 30,177.00 | \$ 5,100.00 |
| 3 | 4 | Indonesia | \$ 26,740.00 | \$ 1,500.00 |
| 4 | 2 | U.K. | \$ 19,195.00 | \$ 107,562.00 |
| 5 | 1 | Netherlands | \$ 13,334.00 | \$ 119,386.00 |
| 6 | | Sweden | \$ 11,958.00 | |
| 7 | | Morocco | \$ 9,800.00 | |
| 8 | | Spain | \$ 7,401.00 | |
| 9 | | Canada | \$ 6,864.00 | |
| 10 | | France | \$ 5,300.00 | |
| 11 | | Australia | \$ 5,905.00 | |
| 12 | | New Zealand | \$ 2,550.00 | |
| 13 | 5 | Japan | \$ 2,400.00 | \$ 607.00 |
| 14 | | Norway | \$ 1,074.00 | |
| 15 | | Singapore | \$ 1,000.00 | |
| 16 | | Malaysia | \$ 550.00 | |
| 17 | | Chile | \$ 500.00 | |
| 18 | 6 | Portugal | \$ 300.00 | \$ 100.00 |
| 19 | | Austria | \$ 200.00 | |
| 20 | | Colombia | \$ 100.00 | |
| 21 | | Cuba | \$ 36.00 | |
| Total | | | \$ 204,512.00 | \$ 234,255.00 |

2008 Fund Donations

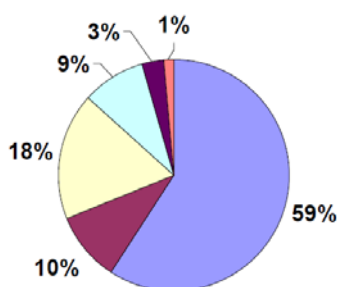


Contributions to the Muhammad Subuh Foundation

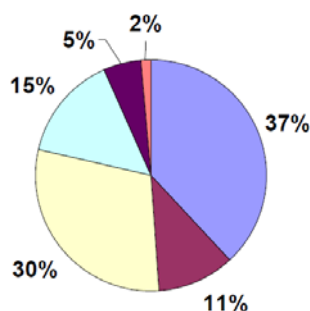


Asset Allocations as of May 2009

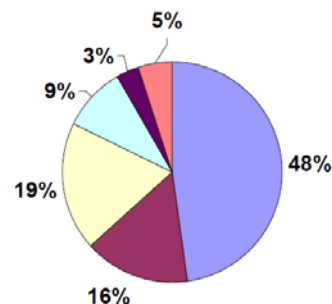
Annual Programs Fund



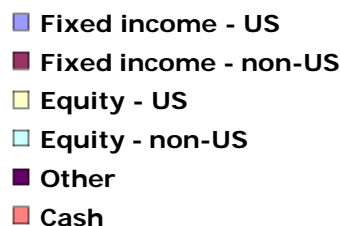
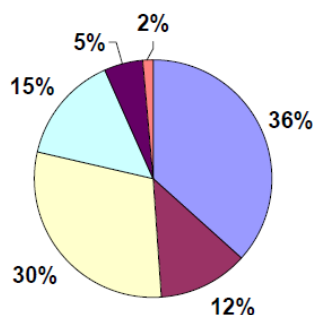
Bapak Legacy Fund



Farkas Fund



Parker Fund



Investment Notes

The 2008 worldwide economic downturn has impacted every phase of every financial market and has created the most challenging environment for investing since the Great Depression. All of the MSF accounts, which had grown steadily at healthy rates for five years, suffered declines in the last four months of 2008.

The accounts were originally structured using a balanced conservative investment model that set ratios between income and equity. The goal has always been to minimize risk while attempting to provide for stable growth and income.

The slump not only wounded global stock markets but fixed income, real estate, currency, banking and commodities as well.

To deal with this decline and to position the accounts for a stable and healthy recovery, the

Foundation implemented a number of adjustments that align with certain basic concepts: Safety of principal, management of risk, reduction of volatility, monitoring of time frames, cash flow needs and overall returns.

The trustees kept the ratio between income and stock conservative and continue to use quarterly rebalancing as a fundamental tactic. Each of the holdings behaves differently in different types of markets. The Foundation's blend is designed to minimize volatility while providing long term positive returns. When rebalancing takes place each quarter, the Foundation is essentially selling some of the gains and buying more of those areas that have underperformed. In essence, the Foundation is in a constant process of buying low and selling high - and that is one way to create gains over time beyond the individual indexes.

What the Foundation Spent

Program Spending

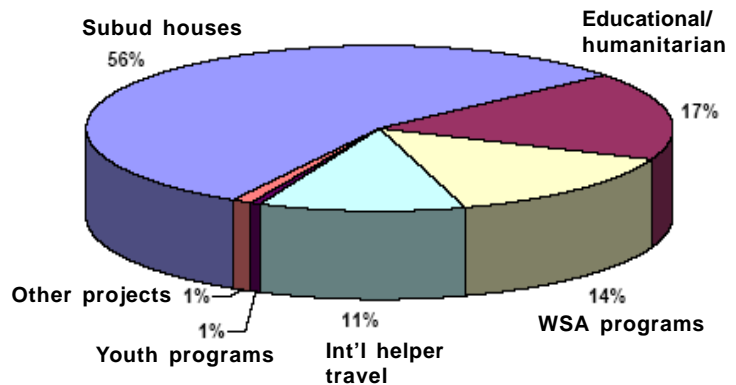
Program spending in all categories increased in 2008 over the previous year with the exception of Youth programs which decreased by \$2,350. 2008 was a good year for funding of Subud houses, an increase of \$59,534 from 2007. Total program support amounted to \$261,386 for 2008. Member contributions funded humanitarian projects, Archives, History of Subud, Subud Emergency Fund, International Helper Travel, youth programs, and Subud houses.

Fund development expenses (including communications, publications, public relations, supplies, and recognition items) and general administration expenses (including audit fees, personnel, services, and trustee travel) totalled \$38,426, up \$9,331 from 2007 primarily due to the increase in travel costs and website re-design services. Trustee travel expenses are incurred to promote the Foundation's programs,

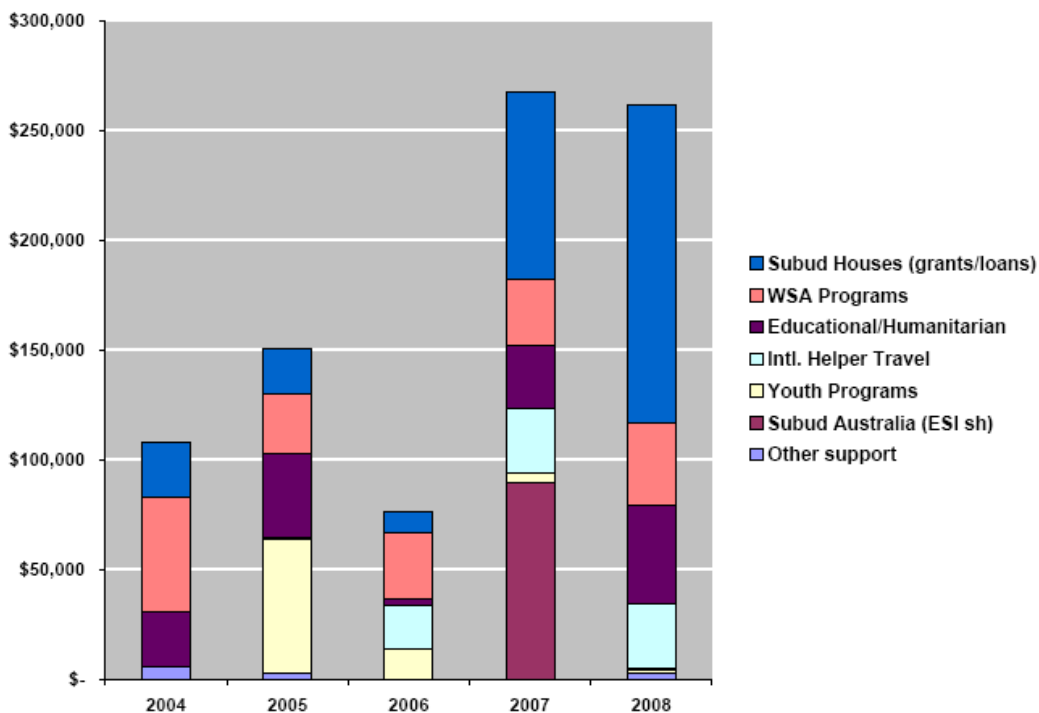
raise awareness of the Foundation, and enable attendance at the required meetings with the directors of the World Subud Association.

Over the past five years, 85 percent of the Foundation's total spending was for programs, 6 percent for trustee travel, and 9 percent for fund development and general administrative expenses. The 85 percent program spending compares favorably with the minimum industry standard of 65 percent.

2008 Program Spending



Program Grants and Loans



Foundation Economic Review

Investments

The turmoil in the financial markets at the end of 2008 meant, as for most similar organizations, a severe blow for the financial position of the Foundation.

Net Assets decreased by about \$1.2million, wiping out the record result of 2007. A contributing cause of this was the (unrealized) losses of about US\$463,000 on the Morgan Stanley portfolio (reported under Cash in the statements of financial position). In addition, the value of the Kalimantan Investment Corporation ("KIC") shares and the Kalimantan Gold Corporation ("KGC") shares (reported under Investments) declined about US\$646,000. The KIC and KGC shares were donated to the Foundation, and both investments relate to mineral exploration efforts in Central Kalimantan, Indonesia. The losses of the Morgan Stanley portfolio and the KIC/KGC shares, however, have seen a fair increase again in 2009. Reported Investments further decreased because management decided to keep the \$660,000 proceeds from the sale of PT S. Widjojo in cash equivalents (reported under Cash) and not to reinvest until market conditions have stabilized.

Action taken

For funds already invested, the trustees adjusted to the changing market conditions by redistributing some of the income dollars into other funds that they believe will both generate better returns and should recover more quickly. On the equity side, the Foundation reduced the exposure to large company stocks and added small positions in Global Commodities, Global Agriculture, and Australian Currency.

As at the printing of this report, September 2009, although we are not out of the woods yet, the changes have already begun to have a positive impact. The markets hit an apparent bottom in late February and early March of 2009. Despite this further slippage, the MSF accounts are now up about 20% on average from that bottom and have returned to levels not seen since mid-December of 2008.

The Foundation retains an independent investment consultant to counsel the trustees on investment matters and to monitor the Foundation's investments. All Foundation funds are managed by experienced, professional investment managers appointed by the trustees.

The Muhammad Subuh Foundation 2008 Financial Results

US\$

| | Unrestricted 2008 | Temporarily Restricted 2008 | Permanently Restricted 2008 | Total 2008 |
|--|----------------------|-----------------------------------|-----------------------------------|----------------------|
| REVENUES | | | | |
| Contributions from Individuals | \$ 103,325 | \$ 95,893 | \$ 9,430 | \$ 208,648 |
| Contributions from Enterprises | \$ - | \$ - | \$ - | \$ - |
| Grants | \$ - | \$ - | \$ - | \$ - |
| Legacies & Bequests | \$ - | \$ - | \$ - | \$ - |
| Dividends and Realized Gains (Losses) | \$ 67,017 | \$ -31,913 | \$ 2,105 | \$ 37,209 |
| Interest Revenue | \$ 14,972 | \$ - | \$ 4,185 | \$ 19,157 |
| Miscellaneous | \$ 219 | \$ - | \$ - | \$ 219 |
| Total Contributions | \$ 185,533 | \$ 63,980 | \$ 15,720 | \$ 265,233 |
| Net Assets Released from Restrictions | \$ 154,786 | \$ -154,786 | \$ - | \$ - |
| TOTAL REVENUES | \$ 340,319 | \$ -90,806 | \$ 15,720 | \$ 265,233 |
| PROGRAM AWARDS AND EXPENSES | | | | |
| Program Awards | | | | |
| Grants for Subud houses | \$ 80,066 | \$ - | \$ - | \$ 80,066 |
| Grants to World Subud Association | \$ 66,978 | \$ - | \$ - | \$ 66,978 |
| Grants - Other | \$ 49,342 | \$ - | \$ - | \$ 49,342 |
| Depreciation Expense on Long-Term Assets | \$ 6,715 | \$ - | \$ - | \$ 6,715 |
| Total Program Awards | \$ 203,101 | \$ - | \$ - | \$ 203,101 |
| Operating Expenses | | | | |
| Management and General | \$ 38,425 | \$ - | \$ - | \$ 38,425 |
| Total Program Awards and Operating Expenses | \$ 241,526 | \$ - | \$ - | \$ 241,526 |
| Other Gains/Losses | | | | |
| Unrealized (Gain)/Loss on Investments | \$ 966,316 | \$ - | \$ 283,217 | \$ 1,249,533 |
| (Gains)/Losses on Currency differences | \$ 18,957 | \$ - | \$ - | \$ 18,957 |
| TOTAL AWARDS, EXPENSES, and LOSSES | \$ 1,226,799 | \$ - | \$ 283,217 | \$ 1,510,016 |
| INCREASE/DECREASE IN FOUNDATION ASSETS | \$ -886,480 | \$ -90,806 | \$ -267,497 | \$ -1,244,783 |

The Muhammad Subuh Foundation Statement of Financial Positions
as of 31st December 2008 and 2007
US\$

| | 2008 | 2007 |
|---|---------------------|---------------------|
| MUHAMMAD SUBUH FOUNDATION ASSETS | | |
| Cash Available for Current Use | \$ 2,244,196 | \$ 2,090,836 |
| Accounts Receivable & Prepayments | \$ 98,614 | \$ 54,361 |
| Investments | \$ 144,301 | \$ 1,559,123 |
| Notes Receivable Long Term | \$ 266,518 | \$ 367,865 |
| Notes Receivable from Subud Organisations | \$ 44,825 | \$ 27,919 |
| Land and Buildings Net of Accumulated Depreciation | \$ 161,561 | \$ 168,276 |
| TOTAL ASSETS | \$ 2,960,015 | \$ 4,268,380 |
| MUHAMMAD SUBUH FOUNDATION LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Loans from Trustees | \$ 15,000 | \$ 24,800 |
| Euro loan | \$ 95,200 | \$ 100,198 |
| Distributable grants | \$ - | \$ 20,000 |
| Accounts payable | \$ 31,697 | \$ 60,480 |
| TOTAL LIABILITIES | \$ 141,897 | \$ 205,478 |
| Net Assets | | |
| Unrestricted - Capital Use Fund | \$ 1,073,888 | \$ 1,383,867 |
| Unrestricted - Designated as Capital Preservation Fund | \$ 793,837 | \$ 1,368,739 |
| Unrestricted - Designated as Bapak's Talks Fund | \$ - | \$ - |
| Unrestricted - Designated as Youth Support Fund | \$ 11,000 | \$ 12,600 |
| Total Unrestricted Net Assets | \$ 1,878,725 | \$ 2,765,206 |
| Temporarily Restricted | \$ 261,160 | \$ 351,966 |
| Permanently Restricted - Permanent capital Fund | \$ 678,233 | \$ 945,730 |
| Total Net Assets | \$ 2,818,118 | \$ 4,062,902 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 2,960,015 | \$ 4,268,380 |

THE MUHAMMAD SUBUH FOUNDATION

TRUSTEES & LIAISONS

Foundation trustees are appointed by the directors of the World Subud Association to manage all business of the Foundation and hire support staff as required. Trustees are appointed to serve four-year terms. The trustees appoint MSF national liaisons, in conjunction with respective national committees, to aid and support the work of the Foundation within their country.

2008 FOUNDATION TRUSTEES & STAFF



Olivia Reksodipoetro
Chair



Leonard van Willenswaard
Treasurer



Ismana Haryono



Simone Paige



Muchtar Martins



Osanna Vaughn
Ex-officio



Hannah Baerveldt



Rusdi Bustillo
retired mid-year



Dahlan Foah
replaces Rusdi Bustillo



Lillian Shulman
Administrator

2008 FOUNDATION NATIONAL LIAISONS



Lester Sutherland
Canada



Lucas Roldan
Colombia



Viktor Boehm
Germany



Pak Kuswanda
Indonesia



Saodah Kimiko Hayashi
Japan



Hamid da Silva
Portugal



Taufik Waage
Norway



Freeman Wyllie
Australia

Not pictured:

- France: Faustine Le Roy
- Malaysia: Sarinder Kaur
- New Zealand: Rosario Moir
- U K: Stephen Gonsalves
- USA (East coast): Rohana Alkaitis
- USA (West coast): Renata Robb

MUHAMMAD SUBUH FOUNDATION
www.msubuhfoundation.org