

# DONATING SUSTAINABILITY TO THE INDIGENOUS

Q4  
2010

“ I have learned to never doubt that God can move mountains. And when He clearly presented the opportunity to start a foundation doors began to open. By God’s grace I have had the opportunity to work with wonderful colleagues to form and serve on the board of a public charitable foundation, the Virtua Foundation. Through some tough work, challenges, and many constraints, the foundation was granted 501 c3 status July, 2010.



- 4. Environ-ment
- 5. Education
- 6. Health
- 7. Social Finance

This also goes for our direct community impact goals as well. By empowering the people and community to take ownership in the project we work side-by-side the people building relationships and helping them to succeed. Through collaborative involvement, local shareholders, and the community; direct contributions will be made to the project’s development through investment of their time and talents.

The Virtua Foundation’s goal is to share the love and message of Christ. We are focused on partnering with the indigenous people in impoverished areas to help build and support children centers, like orphanages and preschools in developing countries. With Christ at the core we desire to build relationships, educate people, and empower sustainable peace.

We are currently working on short-term and long-term goals. Our short-term mission, Hugs for T.UG. (Tanzania & Uganda) involves in collecting funds to build an sustainable orphanage with 80-100 beds for the Tuleeni Orphans center, in Tanzania, Africa. Plans are also in progress for a preschool in Uganda, Africa at the Amani Baby Cottage.

Currently in Tanzania, Mama Faraji is using her English teaching salary to take care of over 50 orphans. They have quickly become one big family at the Tuleeni Orphan Center, we would like to raise funds to build her a sustainable orphanage with coffee trees to generate income, gardening and a cistern that will generate gas from animal and human waste to fire the stove. These are just a few of the ideas being drawn up by developers, architects and engineers that have volunteered their time to the project.

Our second goal with this mission, is to witness the love of Christ through the provi-

sions of a home, education and security. Offering them a foundation in Christ to help them find hope, love, and a real sense of peace. Examples of the plan include opportunities for the orphans to participate in bible studies, educational programs, to grow and prosper with land for livestock/animals, farming, and renewable energy sources. Designed to perpetuate future sustainability by providing them with the spiritual and physical tools they need to fulfill their potential to stand on their own.

Our greatest strengths we can give them we can give them, is opportunity. The opportunity to stand on their own

While developing this short-term mission it has easily merged the foundation into a great outlook in its goals for the long-term mission, which is to share the love and the message of Christ through personable relationships. Again, partnering with indigenous people groups by helping them create sustainable processes, instead of relying on donations but rather, being set up for success in their culture. We will be focusing on seven key ares of humanitarian, economic , legal and social impact:

- 1. People
- 2. Family
- 3. Community



*As always, it is our mission to develop life-long relationships with each of our clients, helping them protect, accumulate, and conserve their assets. Integrity is the cornerstone of our business and those companies we choose to do business with - truly empowering our clients to achieve their goals and dreams both financially and in life. God’s blessings, Duy R. Beck.*

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# THE Bears & Bulls Finding Diversity in your Portfolio, Internationally

As our markets continue to make big swings, many are wondering where to put their investment and retirement accounts. Traditional theory would recommend asset allocation as the primary discipline to pursue. Many people strategically align their portfolio's and 401K's across a variety of asset categories and fund managers are able to provide strategic recommendations in the allocation of funds for a client's investment holdings (which generally accounts for over 90% of a portfolio).

But what about the international market? Over the past ten years, international emerging markets have had the highest consistent returns, **9.3%**

- Real Estate 6.8%
- Long & Short Equities 7.0%
- Bonds 5.6%
- Absolute Return 4.7%
- High Yield 2.0%
- Int'l Developed Markets 1.2%
- Growth -4.0%
- Large & Mid Caps 1.1%
- High Yield 2.0%

Although emerging markets have performed very well this last 10 years, it could be expected that their might be some pullback due to their current bullish performance. Economist and Yale finance professor Roger Ibbotson, suggests "the components of return should be divided into three: asset allocation and stock selection, plus market movement. Once this third factor is taken into account, the other two factors turn out to be about equal – and moves in the overall market are far more important than either...."

(source: Financial Times "There's money in them stockpicking hills", John Authors).

## Magic Carpets and the Abu Dhabi Investment Authority

After my Ethiopia trip in April, I had the opportunity to spend some time in Dubai, Abu Dhabi, and New Delhi, India and be exposed to the investment and business climate of the regions.

Our executive MBA class from Thunderbird had the opportunity to visit the Abu Dhabi Investment Authority (ADIA), which currently handles the largest Sovereign debt fund in the world of over \$800 B. Their portfolio mix focuses on different asset classes and world regions. Due to the increasing globalization of our world, and interdependencies of our market economies we need to continue to look at opportunities internationally to hedge our asset mix from domestic market exposure. ADIA's regional exposure mix consists of **North America (35 – 50% weighting), Europe (25 – 35%), Developed Asia (10 – 20%), and Emerging Markets (15 – 25%)**. Many people are wondering about interest rates and if they will rise or fall. One way to look at it is to better understand how our



interest rates are determined. "...a large number of countries (35), including Australia, Canada, Japan, the United Kingdom, euro area, and the United States, allow their currencies to float independently against other currencies; the exchange rates of these countries are essentially determined by market forces...with any foreign exchange intervention aimed at moderating the rate of change and preventing undue fluctuations in the exchange rate rather than at establishing

### This Quarter's Investment Tip:



#### Exchange Traded Funds (ETF)


- An ETF is a security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange.
- Are generally less expensive than mutual funds.
- Allow the investor to move between different groups of stocks without paying penalties or fees.
- By owning an ETF, you get the diversification of an index fund as well as the ability to sell short, buy on margin and purchase as little as one share.
- When buying and selling ETFs, you pay the same commission to your broker that you'd pay on any regular order

Source: [investopedia.com/terms/e/etf.asp](http://investopedia.com/terms/e/etf.asp)

a level for it." (Pg 34. Eun, Cheol. International Financial Management).

It is important to understand that due to the independent floating currency based upon world markets and a basket of currencies, the US's domestic policy must reflect adjustments in domestic interest rates and US treasuries in order to keep our exchange rates stable.

Consequently, due to the amount of debt our government has incurred in response to our recent economic decline, US policy needs to raise interest rates in the future to attract foreign direct investment to pay off our large debt."

 I would like an opportunity to sit down with you and review your asset allocations and answer questions for you in emerging markets and more regionally diversified options. If you have any more questions, please do not hesitate to contact us!