

INVESTING IT

Beck's investing strategy takes a 'defensive tilt'

BY PATTY TASCARELLA

Andreas Beck isn't averse to risk-taking. After all, he recently left money management giant Federated Investors Inc., where he was an assistant portfolio manager, to turn entrepreneur when he joined Beyond Spots & Dots as CFO. He now owns a stake in the four-year-old advertising agency.

But, when it comes to his personal portfolio, Beck is taking reports of an economic recovery with a grain of salt.

"While some recent data suggests economic improvement, such as the stock market rally as well as improved consumer spending, I am skeptical of the current recovery and, as such, still maintain a defensive tilt to my holdings," he said.

Beck, who spent nine years at Federated, manages his own portfolio and has developed a long-term approach to investing.

"Investing is a lifelong marathon, not a sprint," Beck said. "As you get older, you need to take funds out of the equity markets and be a little more conservative."

In 10 years, "I'll probably be in more bond funds," he said. "Maybe I'd up that by about 10 percent, still staying aggressive."

For his long-term holdings, he seeks aggressive appreciation in small- and mid-size stocks, both U.S. and international. Not surprisingly, three of his five largest holdings are Federated funds — Federated Kaufmann Fund A, Federated Kaufmann Small Cap Fund A, and Federated International Small-Mid Co. A — which he acquired as part of his 401(k) plan.

"I believe in practice-what-you-preach," he said. "I worked at Federated, and felt it was only right to invest in those portfolios that they managed and I helped to manage."



Joe Wojcik

Beyond Spots & Dots CFO Andreas Beck is taking reports of an economic recovery with a grain of salt. "I am skeptical," he says.

Malcolm Polley, president and chief investment officer at Stewart Capital Advisors LLC, said Beck's Federated holdings are "pretty aggressive." Polley does not work with Beck.

Beck's short-term holdings include cash equivalents like money markets and gold.

"The declining dollar attracted me to gold," said Beck, who began moving investments out of the equity markets to take a more conservative position around three years ago.

Polley believes many investors buy gold

Andreas Beck

CFO, Beyond Spots & Dots

**INVESTING PHILOSOPHY:** Break portfolio into long-term and short-term holdings. Longer-term is classified as aggressive capital appreciation in small- and mid-size stocks; short-term holdings consist of cash equivalents.

**LARGEST HOLDINGS:** Federated Kaufmann Fund A, Federated Kaufmann Small Cap Fund A, and Federated International Small-Mid Co., cash equivalents and gold.

**BIGGEST INVESTING SUCCESS:** Taking a long-term approach to investing.

**BIGGEST INVESTING MISTAKE:** Trying to outsmart and time the market by getting caught up in specific single data points and losing sight of the macro-economic picture.

for the wrong reasons, but said Beck's logic is spot on.

"That's the correct reason. Gold has a good inverse correlation to the dollar," Polley said.

Eventually, Beck said he could see delving into private equity and real estate, possibly through real estate investment trusts, or REITs. Shorter term, Beck is looking to purchase his

first home.

"Now is a great time to buy real estate," he said.

Beck said his time at Federated focused heavily on understanding publicly traded companies to the point that he wanted to experience life on the other side.

Joining Beyond Spots & Dots, he said, "is a natural transition in a sense. Instead of looking from the outside in, I have the opportunity to develop a company from the inside. That's what attracted me to this position."