

# HERITAGE PERSPECTIVE



**HIG** HERITAGE  
INVESTMENT GROUP

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## Heritage Update

### Financial Planning with Heritage

The CERTIFIED FINANCIAL PLANNER® practitioner designation is an important industry credential. It recognizes professionals who have met rigorous standards related to planning, investing and client service. Our eight-person portfolio management team currently has four members with CFP designations and one member who will complete the program in the coming year.

### Community Involvement

Heritage is proud to support Cardinal Gibbons High School and recently participated in their annual golf tournament. The tournament is one of the school's major fundraisers and allows us to support local students.

### EMPLOYEE PROFILE

#### Nick Mattingly, MSA, Wealth Manager



Nick is in our Tampa office and works directly with clients and other professionals. Nick is originally from Indianapolis and received his graduate degree from Notre Dame. Nick joined Heritage in April 2014 and says, "My favorite part of my job is meeting with clients. It allows me an opportunity to help them reach their goals, cultivate their knowledge of finance and learn about their hobbies and interests."

### ABOUT HERITAGE

Heritage Investment Group provides wealth management and investment guidance to high-net-worth individuals, families, charitable foundations and qualified plans. We provide seasoned financial guidance backed by a disciplined investment process. Since 1993 we've built our firm on a strong foundation of family and friendships with guiding principles of ethics and integrity.

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**"Market forecasters will fill your ear but will never fill your wallet."**

— WARREN BUFFETT



## Holiday Traditions

As the holidays draw near, your thoughts may begin to turn towards your favorite year-end traditions. The music, food, clothing, and decorations of the holidays all evoke pleasant images of our childhood and remind us how wonderful life is. The warm feeling we get from our holiday traditions is something we want to repeat every year; and so despite the fact that it takes an hour to pile all the kids in the car, you



do it each year to drive around the neighborhood and view the holiday lights. You agonize over finding perfect gifts for everyone and you invite your extended family to your home for huge meals that take hours to prepare.

These revered holiday traditions bring much satisfaction, so we are willing to accept the work that they require. Likewise, there are several year-end financial traditions that you should adopt that will allow you to reap some benefits as you move into the new year.

### The season of planning

While we are willing to admit that eggnog, Christmas trees, and menorahs do not typically induce you to call your accountant, there are a few financial topics that should be on your mind at this time of the year. For instance, much of your tax planning needs to be completed before the end of December. If you have generated any capital gains during the year, you should

work with your accountant and your financial advisor to determine whether you have any investments that are worth less than the original purchase price so they can be sold at a loss to offset those gains. Also, if you are age 70 1/2 or older, you are usually required to make minimum distributions from any qualified retirement accounts that you have before December 31. If you miss this New Year's Eve deadline you may be subject to penalties from the IRS.

**“Thanksgiving dinners take eighteen hours to prepare. They are consumed in twelve minutes. Half-times (in football) take twelve minutes. This is not coincidence.”**

– ERMA BOMBECK

You should also consider your company retirement plan at this time of year. If you make contributions to a 401(K), 403(B), or other employer-sponsored plan, the deadline for making contributions to these is usually December 31. You should review the Federal contribution limitations and your own budget for the current year to see if you have any room for additional contributions to these plans: Think about this as a holiday tax-deduction gift to your future self.

### The season of giving

Ebenezer Scrooge learned that it was better to give than to receive, and for most of us charitable giving is a holiday tradition that generates warm feelings. And even the Grinch-like IRS gets into the holiday spirit by allowing a tax deduction: For most taxpayers, contributions to a favorite charity are deductible from 2015 taxes if they are made before December 31.

If you prefer to keep your charitable efforts closer to home, the holiday season is an ideal time to present a child, grandchild, or other family member with the gift of a college savings plan. While a brand new prepaid tuition plan or a 529 college savings account may not evoke the same immediate joy as a new iPhone, your future college graduate will thank you for it later.

“Year’s end is neither an end nor a beginning, but a going on, with all the wisdom that experience can instill in us.” – HAL BORLAND

## The season of redemption

The holidays are a time to be thankful for your past prosperity and to prepare for the new year and beyond. By including a short financial checklist in your year-end tradition, you can help others who are less fortunate, provide more prosperous future holidays for your own family, and make the dreaded onset of tax season easier to handle. And, if you are someone who has always avoided financial planning during this time of year, keep in mind that the holidays are a time of forgiveness and redemption. In the beginning of Dickens’ story, Scrooge was a bitter and stingy man, but after he received some prudent financial advice from beyond the grave and did a bit of future planning, his holiday tradition took a dramatic turn for the better.

As we at Heritage celebrate our year-end traditions, we sincerely hope you enjoy yours. From all of us at Heritage, we wish all of you the very best this holiday season.

*The original version of this article was written by Heritage for the November 2015 edition of The Light, a local magazine serving Broward County, Florida.*

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## Seven Roles of an Advisor

What is a financial advisor for? One view is that advisors have unique insights into market direction that give their clients an advantage. But of the many roles a professional advisor should play, soothsayer is not one of them.

The truth is that no one knows what will happen next in investment markets. And if anyone really did have a working crystal ball, it is unlikely they would be plying their trade as an advisor, broker, analyst, or financial journalist.



The real value a professional advisor brings is not dependent on the state of markets. Indeed, their value can be even more evident when volatility and emotions are running high. The best of this new breed of advisor play multiple and nuanced roles with their clients, beginning with the needs, risk appetites, and circumstances of each individual and irrespective of what is going on in the world.

None of these roles involve making forecasts about markets or economies. Instead, the roles combine technical expertise with an understanding of how money issues intersect with the rest of people’s complex lives. Indeed, there are at least seven hats an advisor can wear to help clients without ever once having to look into a crystal ball:

**The Expert:** Now, more than ever, investors need advisors who can provide client-centered expertise in assessing the state of their finances and developing risk-aware strategies to help them meet their goals.

**The Independent Voice:** The global financial turmoil of recent years demonstrated the value of an independent and objective voice in a world full of product pushers and salespeople.

**The Listener:** The emotions triggered by financial uncertainty are real. A good advisor will listen to clients’ fears, tease out the issues driving those feelings, and provide practical, long-term answers.

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**The Teacher:** Getting beyond the fear-and-flight phase often is just a matter of teaching investors about risk and return, diversification, the role of asset allocation, and the virtue of discipline.

**The Architect:** Once these lessons are understood, the advisor becomes an architect, building a long-term wealth management strategy that matches each person's risk appetites and lifetime goals.

**The Coach:** Even when the strategy is in place, doubts and fears inevitably arise. At this point, the advisor becomes a coach, reinforcing first principles and keeping the client on track.

**The Guardian:** Beyond these experiences is a long-term role for the advisor as a kind of lighthouse keeper, scanning the horizon for issues that may affect the client and keeping them informed.

These are just seven valuable roles an advisor can play in understanding and responding to clients' wide-ranging life needs, which are a world away from the old notions of selling product off the shelf or making forecasts. For instance, a person may first seek out an advisor purely because of their role as an expert. But once those credentials are established, the main value of the advisor, in the client's eyes, may be as an independent voice.

Knowing the advisor is independent—and not selling a product—can lead the client to trust the advisor as a listener or sounding board, someone to whom they can share their greatest hopes and fears. From this point, the listener can become the teacher, architect, coach, and, ultimately, the guardian. These are all valuable roles in their own right and are not dependent on outside forces such as the state of the investment markets or the point of the economic cycle.

However you characterize these various roles, good financial advice ultimately is defined by the patient building of a long-term relationship founded on the values of trust and independence and knowledge of each individual. And you do not need a crystal ball for that.

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In accordance with rule 204-3(c) of the Investment Advisors Act of 1940, Heritage Investment Group, Inc., hereby offers to deliver without charge, a copy of its brochure (ADV Part 2) upon request. In addition, upon request, Heritage will deliver, without charge, a copy of its corporate Code of Ethics.

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*Heritage Investment Group would like to thank all of our clients for their continued support. We are here to help you plan for the future. If you have any family members or friends who might benefit from our help, we would welcome the opportunity to speak with them. Please contact us at 954-785-5400.*

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