



FREDERICK R. MACLEAN, JR.

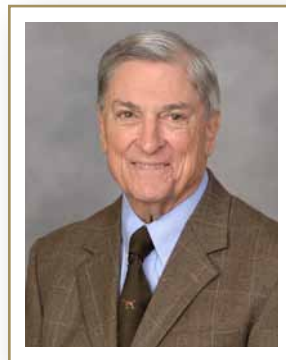
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# Heritage... *20* Years & Counting

BY LARRY TURNER

**H**eritage Investment Group, headquartered in Pompano Beach, Florida, is celebrating its twentieth anniversary this year. We were able to sit down with Fred MacLean Sr. and Fred MacLean Jr., to talk with them about the firm's founding, the importance of this twenty-year milestone, and what lies ahead.

Fred Sr. and his wife, Sherry, envisioned the concept for Heritage in the early 1990s. Heritage was formed in 1993, is owned by Fred Jr. and his partners, and currently manages \$750 million in assets for clients throughout the country. Fred Jr. and his father talked to "The Light" about what led to the success that Heritage has enjoyed over the past two decades.



FREDERICK R. MACLEAN, SR., ESQ.



ANNE B. "SHERRY" MACLEAN, ESQ.

## HERITAGE...20 YEARS & COUNTING

### **Q. HERITAGE IS CELEBRATING ITS 20TH ANNIVERSARY. CAN YOU TELL US WHY HERITAGE GOT STARTED?**

**A. (FRED SR)** By the early 1990's, our law firm, MacLean and Ema, had been in business for twenty years. Our areas of practice were, and still are, estate planning and real estate. We feel that we and our clients have a very comfortable relationship and over that time, some of our clients told us they felt overwhelmed by the amount of information they were receiving regarding the stock market. They were getting calls from brokers, receiving information through the mail, hearing information on the radio and television, reading newspaper and magazine articles, hearing conflicting recommendations from supposed experts, and they were making purchases and sales based on emotional reaction rather than objective advice. Who were they to believe? These clients were no longer comfortable making investment decisions and they asked us for our input and help regarding their situation.

### **Q. WHY DO YOU THINK THEY ASKED YOU?**

**A. (FRED SR)** Our clients are comfortable with the law firm because they understand that attorneys have a duty to put their clients' interests first and to provide them with objective advice. That duty is legally referred to as a fiduciary duty. I think they also see investments as part of estate planning; actually, the entire purpose of estate planning is to protect the assets they have accumulated. Because of our practice, we believe our clients felt that we could help them find investment advisors who had the same fiduciary duty.

### **Q. HOW DO THEY OBTAIN THAT FIDUCIARY RELATIONSHIP WITH AN INVESTMENT ADVISOR?**

**A. (FRED SR)** The answer to that question has two parts. First, they can obtain the fiduciary relationship by using a Registered Investment Advisor, who is required by state and federal law, to put a client's interest above his own interests.

### **Q. WHAT IS THE SECOND PART OF THE ANSWER?**

**A. (FRED SR)** There are two types of Registered Investment Advisors: fee-based and fee-only. A fee-based advisor charges fees and may also charge commissions on products he sells to his clients. A fee-only advisor charges only a fixed fee. By using a fee-only advisor, such as Heritage, you remove a potential conflict of interest that commissions create between the client and the advisor.

So, in answer to your original question, we got involved because our clients asked us to. It was the fiduciary concept of putting its clients' interest first and avoiding conflicts of interest with the



HERITAGE PARTNERS: R. IAN MCCARVER , FREDERICK R. MACLEAN, JR., CFA, MBA, CFP, TIMOTHY G. SLATTERY, MBA AND S. HARDY TAYLOR, CIMA, MBA, CIMC

client, that was, and continues to be, the foundation for how Heritage manages its clients' assets today.

### **Q. THAT CERTAINLY MAKES SENSE. WHAT HAS CHANGED ABOUT INVESTING TODAY VS. 20 YEARS AGO?**

**A. (FRED JR)** Over the past twenty years, the greatest change has been the development of new and more efficient tools that give us better access to global markets. We now have the ability to establish a world-wide investment portfolio for our clients that captures global market returns with less risk than past investment opportunities. Our clients are looking for a way to realize the returns of the market, not just in the U.S., but around the globe. Technology has allowed Heritage to implement a strategy that has enabled us to capture those returns for our clients and help them build or increase their wealth over time.

### **Q. WHAT HAS NOT CHANGED?**

**A. (FRED JR)** I would say two things:

**First:** "Noise." In the financial industry, that is what we call the constant barrage of information that comes from Wall Street, the financial media and even people's neighbors. It's what my father referred to earlier—the absolutely incredible amount of information that's out there. Human nature still causes most investors to act on that noise in the short-term, and that is detrimental to long-term performance.

**Second:** The Need for a Plan. Markets have historically produced excellent long-term results; however, to have captured those results an investor needed to have a logical investment process

in place and the conviction and patience to have stuck with it, particularly during times of volatility. Instead of reacting to the noise, it's better – but often more difficult – to block out that noise and stick with a disciplined approach. Heritage has employed such an approach for the past twenty years and it's allowed us to weather the ups and downs of the markets and help our clients meet their investing goals.

### Q. WHAT ADVICE WOULD YOU GIVE AN INVESTOR TODAY?

A. (FRED JR) There are five key steps we feel investors should take:

**ASSESS PERFORMANCE:** Be honest with yourself as to whether or not you have an investment plan in place and how your investments have actually performed. When asked to do this, the vast majority of people realize that they do not have an actual investment plan and very few can quantify their results.

**CHOOSE AN OBJECTIVE ADVISOR:** If you want professional management, select an independent, fee-only Registered Investment Advisor, one that is not owned by, nor affiliated with, a firm that buys, sells, creates, or otherwise brokers investment products for a profit.

**UNDERSTAND COMPENSATION:** Make sure you have a clear understanding of how your advisor is compensated. Ask the appropriate questions to determine if there are any hidden fees.

**EDUCATE YOURSELF:** Educate yourself on the benefits of establishing and maintaining a globally diversified portfolio. It should improve your investment results and lower your portfolio's volatility.

**STICK TO THE PLAN:** Once you have an established investment plan, block out the "noise" that you hear every day regarding short-term market projections.

### Q. WHAT WOULD YOU MOST LIKE PEOPLE TO THINK OF HERITAGE 20 YEARS FROM NOW?

A. (FRED JR) I hope twenty years from now, people can say that Heritage continues to be a successful firm that holds its

investment process, its employees and its policies to the highest of standards, always putting our clients' interests first and never compromising our values, ethics, or business principles. We think that our clients feel that way now, and that would be a wonderful way to still be thought of in another twenty years.

### Q. FRED SR., ANY LAST THOUGHTS?

A. (FRED SR) Over the last twenty years we have seen the very high level of comfort that our clients who are with Heritage have with regard to their investments. They understand that Heritage has a fiduciary duty to put their interests first and to render advice with total objectivity. The fee-only method of compensation has put their clients at ease. Heritage has turned out to be everything that we had hoped it would be for all of its clients.

### Q. FRED JR., ANY LAST THOUGHTS FOR US?

A. (FRED JR) On behalf of everyone at Heritage, I would like to thank all of our clients who have made the last twenty years possible. Without them, we would not have a business. So, we're grateful to them for their support and their confidence in us, especially when we were getting started. We have a great team in place, and we are committed to continuing our "clients first" approach to investing. It's an exciting time to be in the business and we'd like nothing more than to have our approach to investing become the foundation for every investor's portfolio.

### THE LIGHT™

Thank you both, for taking the time out of your schedules to sit down with us. Heritage is a very impressive company and we are grateful to have had the opportunity to work so closely with you over the years. Happy 20th Anniversary! All the best for the next twenty years.

