

## State of the Union January 2021

2020 was quite an emotional roller coaster of a year and a wild ride for investors. As a result of the pandemic and global economic shutdown, equity markets around the world tumbled during the first quarter (the MSCI ACWI fell more than 30%) and then quickly recovered in the spring and summer on the hopes of a short-lived downturn. Markets, always forward-looking, subsequently hit new highs at year end on a plethora of positive vaccine news and hopes of a robust economic global recovery in the second half of 2021 and beyond. Years like this cause us to pause and reflect on what is most important in our lives, and all of us at Heritage are extremely grateful for the trust our clients and partners have placed in us. With that in mind, I am pleased to share this brief update on our business and thoughts for what the future may bring.

### **AS 2020 BEGAN, WE LEARNED TO ADAPT**

In the early months of the 2020 stay-at-home orders, our staff immediately shifted gears and adapted to a work-from-home environment. Our internal technologies were enhanced, tested, and implemented. Our staff proved to be just as efficient in communicating with clients and team members via Zoom video conferencing in their new virtual offices.

Perhaps the biggest test we faced during the early months of 2020 was navigating the wild swings in the market from our new home offices. We are so proud of our Investment Team for the proactive trades they made within our clients' accounts – increasing stock exposure and buying equities as prices fell in February and March (buying low), and then rebalancing back to target allocations as prices rose later in the year (selling high and taking gains).



During this turbulent time in the markets, we were very proactive with client communications and had many discussions with clients looking for updates and insight. Most found it reassuring to hear of the plan we had in place and the trades we had executed on their behalf.

While we had to quickly get used to working from home, it was harder to adjust to not seeing our clients in person. We had several events planned for 2020, all of which had to be cancelled of course. One of the events we were most excited about was the book launch of our very own [Sammy Azzouz, JD](#).

[CFP®](#), President of Heritage Financial. Sammy's first book, [Beyond the Basics, Maximizing, Allocating, and Protecting Your Capital](#), hit the shelves in April of 2020, quickly receiving multiple 5-star reviews. We couldn't be more proud of the work Sammy does to further the financial well-being of his clients, colleagues, and friends.

## **DESPITE THE PANDEMIC, WE CONTINUED INVESTING IN THE BUSINESS**

This past summer we made a [significant investment in our research capabilities](#), hiring nationally recognized DiMeo Schneider & Associates. This top-ranked investment consultant with 25 years of experience and 60+ investment professionals provides our in-house Investment Team with access to independent investment research on topics that include asset allocation, portfolio construction, manager selection and more.

In addition, we added several individuals to the Heritage team over the course of 2020. In May we welcomed [Kristin Castner, CFA](#) as our Chief Marketing Officer. With a background in both finance and marketing and more than 20 years of experience in the investment business, Kristin has been tasked with increasing the depth and breadth of our overall communication with clients and business partners as well as creating outreach programs to engage prospective clients. Make sure to read our [blog](#) and [follow us on LinkedIn](#) to see the content that Kristin has been working on to educate our clients and prospective clients about investments, planning, and the Heritage story.

We also welcomed several other new staff members in 2020. [Julia LeGacy](#) joined our Marketing department as well, while [James Ribero](#) and [Lori Vacaro](#) became the newest members of our Operations Team.

## **A FALL CELEBRATION IN AN OTHERWISE SOMBER YEAR**



While we were surprised to still be working primarily in our stay-at-home environment when the Fall arrived, we were determined to celebrate a significant milestone for our firm. This past October marked [25 years](#) of Heritage being in business! While we couldn't celebrate face-to-face (the above picture was

taken in December 2019), we honored the milestone with a [video documentary of our 25-year history](#) and special messages to our clients and partners.

Speaking of anniversaries, several staff members also celebrated significant milestones with the company during 2020. [Kenzie Ferris](#) marked her 10-year anniversary with Heritage, while [Ann Smith](#) and [Yuliya Rakava](#) both celebrated 5 years with the firm. Karen Cox, one of our Client Service Managers, rode off into the sunset and is now enjoying retirement.

2020 was also a year to recognize and promote those that went above and beyond. I'm pleased to share that [Karen Keefe](#), our Director of Client Services, and [Paul Higgins](#), Senior Wealth Manager, recently joined the ranks of our Heritage shareholder base. Also of note, [Kenzie Ferris](#), [Joseph Waters Jr.](#), and [Timothy Winn](#), were promoted to Senior Wealth Advisors.

Higher education and advanced industry designations are strongly encouraged at Heritage. This past year, Research Analyst [Andreane Bolduc](#) earned the Chartered Alternative Investment Analyst (CAIA) designation. Also, our Director of Financial Planning, [Edward Jastrem](#), added the Master of Science in Personal Financial Planning degree to his credentials.

Heritage is a firm built upon the values of teamwork, integrity, and excellence, and each of these employees are shining examples of these core values. I am proud that we continue to attract and retain remarkable talent at Heritage.

## A STRONG CLOSE TO 2020

While many investors were focused on the Presidential Election in early November, our team was focusing their efforts on finishing the year strong and positioning our clients for the future.

In early December, our Investment Team made enhancements to the international equity portion of our clients' portfolios, making room for new ideas that we believe will be important as the global economy continues to recover.



The final months of the year are always festive, with ample opportunities to socialize and give back. I'm proud of our team for giving both their time and resources to various charitable organizations like [My Brother's Keeper](#), [Cradles to Crayons](#), [Toys for Tots](#), and [Bags of Hope](#) (in a socially-distanced way, of course), in addition to the donation made by the firm and its employees to the Massachusetts COVID Relief Fund earlier in the year.

## AND NOW, ON TO 2021!

With 34 employees and \$1.7 billion in assets under management, Heritage is as strong as ever after 25 years in business. We are excited for what the future holds for the Heritage family, including our clients, business associates, and colleagues.

We are optimistic about the potential for global equity markets in the future. We believe the recent rotation from large cap domestic growth and technology stocks to more value and international-oriented stocks is the next logical step in the progression of this new bull market. I believe our clients' portfolios are positioned well for this next phase.

In addition, we are all anxious to get back to "normal". We are continuing to monitor state and federal guidelines and look forward to the day when we can fully re-open. We will continue to update you on this topic via email and our [blog](#).

In closing, we want to sincerely thank our clients for their continued business, and we greatly appreciate ongoing introductions to those who might benefit from our services.

From all of us at Heritage, we wish everyone much happiness and good health in the New Year!

Sincerely,

A handwritten signature in black ink, appearing to read 'CSB III', written in a cursive, stylized font.

Charles S. Bean III, CLU®, ChFC®  
Founder & CEO