



## There Is Life After Death At Least in Your Investment Portfolio

*"I don't want to achieve immortality through my work; I want to achieve immortality through not dying. I don't want to live on in the hearts of my countrymen, I want to live on in my apartment."*  
- Woody Allen

Death is a topic that most of us like to avoid, for obvious reasons. However, despite the level of discomfort most of us have about the subject, it is likely that you have done something to prepare for it. On the financial side of things, this preparation typically begins with drafting a simple will to specify to whom your financial assets should be given upon your death. Your estate plan may even include trusts or more complex planning to optimize the distribution of those assets. Yet, even if you have a solid *estate* plan, if you lack an *investment* plan to go with it, your legacy could be mismanaged and easily squandered. Wealthy individuals all too often spend considerable effort in thinking about *who* should receive their financial assets and *when* they will have access to those assets, but not about *how* the assets are to be managed.

Many successful investors fail to consider this aspect of planning because they have never felt the need for expert investment help in the past.

However, while you may have considerable investment experience and knowledge, or you may work with a trusted financial advisor, your spouse and heirs may not have the same level of comfort, knowledge or expertise. In the event of your death, your wills and trusts will ensure that your assets are distributed to the appropriate individuals and organizations at the appropriate time, but without a written investment plan there is no way to guarantee that your assets will be invested in an appropriate manner. Fortunately, a proper investment plan can be put into place via some relatively simple planning techniques. You have several options:

- **Let it ride:** If all of your heirs are competent and confident in managing their own investments, or if they have selected advisors that you are comfortable with, the management of your assets after you are gone may not be a problem. Very few individuals are fortunate enough to be in this situation.

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- **Draw a treasure map:** Some individuals elect to give their heirs written instructions regarding investment management. The problem with this approach is that your heirs are not required to follow your instructions, and even if they attempt to do so, no set of instructions is flexible enough to account for every possible contingency in a constantly-evolving investment landscape.
- **Build a fortress:** The most reliable solution is to retain a trusted investment advisory firm and designate that firm as the manager of your assets after your death. In order to ensure the responsible management of the assets, you should choose a fee-only registered investment advisor who, like your attorney or accountant, has a fiduciary obligation to act in your best interest and in the best interest of your beneficiaries.

Designating a fiduciary investment advisor has many benefits. First, the advisor can help you draft a detailed investment policy statement so there will be no arguments among your heirs regarding how you would have wanted the assets to be invested. Avoiding arguments is the primary motivation for stipulating specific items in your estate planning documents. So why not do the same with investments? Second, designating an advisor prior to your death can remove a potentially stressful burden from the shoulders of your heirs. The weeks and months following the death of a loved one are difficult enough without the added difficulty of searching for a trusted advisor or attempting to manage an investment portfolio on behalf of the entire family. Third, designating an advisor now will allow you to connect the present with the future. If your family is already familiar with their future advisor, and the advisor has firsthand knowledge of your goals, the future implementation of your investment plan will be far more successful.

Death is an uncomfortable subject, and we can all agree with Woody Allen that it is preferable to live on in the comfort of our homes. The good news is, we *can* live on in the hearts of our countrymen, and more importantly, in the hearts of our families. Your own financial legacy can live on for many years if you are able to provide specific guidance to your heirs regarding its proper management. Even intelligent, hard-working and well-meaning heirs can bring a family legacy to ruin if they lack the knowledge and expertise to properly manage the assets entrusted to them. Making an investment plan part of your estate plan and, in particular, retaining a fiduciary expert to manage your investments after you are gone, will increase the likelihood that ***all*** of your goals are met.

Helping your family to prepare for life after you are gone allows all of you to enjoy life while you are still here. As Mae West so aptly put it, ***“You only live once, but if you do it right, once is enough.”***

*The original version of this article was written by Heritage for the November 2014 edition of The Light, a local magazine serving Broward County, Florida*



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