



Advantages of the Heritage Funds

The Heritage Funds have established an excellent performance track record since inception over 20 years ago and as well as providing a tax efficiency, they also have a number of features which continue to provide advantages over most other funds.

Size - Whilst allowing individual investors to benefit from the fund structure, the Heritage Funds do not face the size related constraints of larger, heavily marketed funds. This flexibility, which being able to deal in smaller amounts and smaller companies brings, is an important aspect of the Fund's competitive advantage. Furthermore, because the majority of investors in the Fund are individuals it does not need to take account of the differing and at times conflicting objectives of large institutional investors.

Independence - As we are not part of a large investment house we are free to select the best investments from a truly independent perspective rather than being restricted to in-house research and funds.

Fees - As we do not employ a large sales force or spend large amounts on advertising and marketing we do not need to charge initial fees to recover these costs as most larger retail funds do (typically they charge 5% up-front) and our annual management fees are also below average.

Management participation - We believe that investors should be cautious of funds that are managed by individuals who are not prepared to commit a significant proportion of their own wealth to the fund that they manage, as is often the case. Investors in Heritage's Funds on the other hand can take some comfort from the knowledge that the individual managers have aligned their own interests with those of the funds' investors by having the bulk of their family capital within the Heritage Funds.

Stability - A further advantage of having a manager with a personal interest in both the Fund and the management company is that it provides better risk management and stability. Too often, fund managers, who are simply employees of a large company, may be tempted to take excessive risks with investors' money. Furthermore they often lack the commitment and loyalty to stay with a fund for more than a few years as they can be easily tempted by better offers from rival firms.

Important note

Heritage is an investment manager and not a financial advisor so if a client requires any advice as to the suitability the Heritage Funds and how this may fit into an overall financial plan, they should seek appropriate financial advice – which we are happy to arrange through an association we have with a well established regulated advisor.