A note about the founding of Maclura Investments:

For the past two decades, the world economy has seen legacy companies yielding the market to new innovative companies that have disrupted the status quo. The disruptors’ overarching characteristic was their ability to recognize a need in the marketplace and implement a creative solution that the legacy companies were unwilling to consider. Simply put, the disruptors tended to focus on their customers’ needs, while the legacy companies focused on the survival of their business infrastructure. Over the past decade, as technology migrated from the corporate desktop to full integration into a digitalized economy, legacy companies, unwilling to evaluate and adapt to the changing environment, have floundered.

Since entering into the investment industry in 1992, I’ve seen these same parallels within the investment industry. The large legacy investment firms are trying to figure out how to survive in the ultra-competitive market of investment management. The mindset of the industry is, “How do we survive in this industry?” instead of, “How do we best serve our clients’ needs?” The recent market volatility resulting from the worldwide coronavirus pandemic is only accentuating that the one-size fits all mentality of mutual or index funds isn’t the solution for individual investors.

I believe that the best way to build and preserve wealth for individuals is by direct investing, where the individual has direct ownership in companies versus having “mutual” collective ownership with other shareholders. This solution is not offered by most investment firms; instead, they outsource the investment decisions to fund managers or indexes, further distancing the knowledge of the client’s investment goals from the investment decision maker. After spending nearly 20 years in the mutual fund industry, I’ve seen the inefficiencies this produces first hand: higher costs, tax inefficiencies, dilution of income growth, over diversification of client’s assets, and mandates constraining fund managers’ flexibility. Of the investment firms offering direct investing services, minimum account size requirements are unreachable by most individuals. So, in the midst of the worldwide lockdown from the coronavirus, I resolved to create a firm that is a disruptor to the investment industry: recognizing a need, implementing a creative solution, and focusing on my clients instead of corporate infrastructure.

At Maclura Investments, we use direct investing to customize portfolios for individuals with account sizes as low as $100,000, passing tax efficiencies and lower costs on to our clients while implementing a wealth building plan that other firms don’t offer. Essentially, each client has their own personalized “mutual” fund of which they are the only shareholder, eliminating the hidden cost burden that investors have when working through an advisor. The investment process implemented in each client’s portfolio construction is a fine-tuned process that has been successfully implemented over my career of managing over $2 billion in assets.

My goal in starting Maclura Investments from the ground up was to establish the culture, process, and integrity that should be core to investing while maintaining one central focus: helping individuals build and preserve wealth, the right way.

Clay E. Brethour, CFA

President and Chief Investment Officer