

# The Journey of a Disciplined Advisor

Her practice of karate, among other things, guided her.

By : [Richard Cloutier](#) | Source : Finance et Investissement | May 8, 2023 | 00:11



*Mary Hagerman, photo : Louis-Charles Dumais*

Mary Hagerman, portfolio manager and investment advisor at Raymond James in Montreal, made her mark among other things as a pioneer in the use of exchange-traded funds (ETFs). Guided by her convictions, she was one of the first women to create discretionary ETF portfolios for her clients. Her career bears witness to this; she has never hesitated to break glass ceilings.

A follower of Shotokan karate, Mary Hagerman is a 3rd dan black belt. She has participated in regional tournaments until recently, winning medals in the kumite and kata categories. She integrates the teachings of karate into all aspects of her life, whether professional or personal.

"Without the sense of self-discipline that the practice of karate gave me - I started when I was in my thirties - I would never have succeeded in obtaining all that I have: a solid marriage, healthy relationships with my three wonderful children, material affluence and a successful investment advisory profession built on thirty years of close

relationships with my clients,” wrote Mary Hagerman in her book *The Black Belt Investor – A martial arts-inspired guide to feeling rich and good about yourself!*, published in English and French by Lionscrest Publishing in 2017.

The book evokes her learning in financial management. They deepened her “understanding of what prosperity really means,” she says. Each of the book's chapters is presented in the color of a different belt and illustrates the progress an investor must make to achieve a healthy relationship with money.

The Mary Hagerman Group's investment approach is guided by the philosophy of her book. For example, she incorporates principles specific to the wellness movement in her approach to her clients in order to alleviate their financial anxiety.

According to her, people cannot be completely happy if they have an unhealthy relationship with their finances, which is often the case, laments Mary Hagerman. “I talk to my clients about the importance of doing mindfulness exercises to get to know what really makes them happy. We work to grow money, create a financial plan, but to do what in the end?”

"If we don't help the client work on their emotions about money, we're not really going to help them achieve financial happiness," she says.

This approach has gained followers in recent years, especially when the pandemic hit, says Mary Hagerman. “There was an awareness of the importance of having good mental resilience, and the tools to develop it. This is a need not only for clients, but for managers as well. She cites the example of CFA Montreal, which offered meditation sessions to its members at that time. Mary Hagerman, who has been interested in meditation for more than 40 years, has also developed various webinars on wellness during the pandemic, in addition to hosting the podcast *The Prosperous and Happy Life*, which promotes these precepts.

### **In Love with Quebec**

Mary Hagerman has led her career by relying on her convictions, despite the difficulties encountered. With Raymond James since November 2019, after spending nearly 20 years at Desjardins Securities, she now works with around 60 households, each with an average of approximately \$2 million in assets.

The journey of this Ontario native is anything but ordinary. Especially since she was not destined to become a consultant, and even less to be one in Quebec.

“I fell in love with Quebec as a teenager, taking a summer course to learn French,” says Mary Hagerman. Then, in 1978, while studying at Queen's University in Kingston, Ontario; she had the opportunity to continue part of her studies in La Belle Province, which led her to the Université du Québec in Chicoutimi (UQAC).

Her experience enchants her. To the point where she extended her stay and finished her baccalaureate studies in Chicoutimi, then did an MBA at UQAC. Settled in the region, Mary Hagerman began working in communications, earned a good living and soon became interested in the stock market. “I was doing business with Lévesque, Beaubien, in Chicoutimi, and the branch manager became a friend. He was the one who encouraged me to do my course in securities trading, even though I did not want to work in this field.”

Mary Hagerman was then earning her living in the news industry, notably for the CBC, which led her to move to Quebec City, then to Montreal. "One day, I said to myself, 'You can write about the people who make the news or you can make the news yourself doing your job. "I started in the financial sector.

She joined Laurentian in the mid-1980s when the institution had just created the Carrefour financier, in the wake of the decompartmentalization of the distribution of financial services carried out by the Quebec government in 1983-1984. Le Carrefour financier, located in downtown Montreal, is made up of branches and offices of several member institutions of the Laurentian Group. “It was the first financial hub in Canada and the objective was to bring together all the disciplines that investors needed, such as insurance, investment funds and securities,” says Mary Hagerman.

She worked there for a few years as a financial planner, before joining an independent broker to work on her own account. Mary Hagerman obtained the title of Pl. Fin from the Institut québécois de planification financière in 1997. In 2001, Desjardins offered her the management of a new branch at the Complexe Desjardins.

Mary Hagerman accepts and reconciles the roles of director and investment advisor until 2007. She joins the first Desjardins Group financial hub, which then opens its doors. Like the one set up by Laurentian a decade earlier, the institution presents itself as a one-stop shop for personal services bringing together financial planners, personal insurance representatives and investment advisors.

Then came the economic crisis of 2008. “It was the event that changed the way I practice,” says Mary Hagerman. “Like the majority of advisors and clients, I have found that almost all active managers do little better than index performance”.

### **Important turning points**

This observation prompted her to adopt a strategy based on index funds. “Using ETFs was ultimately better than a lot of active management solutions. Why pay additional fees when it was possible to use indices and end up, very often, in the first quartile?”

Mary Hagerman then took steps to become a portfolio manager. She developed portfolio models based on ETFs. She hired a person to help her introduce them to her customers. In the process, she converted her management model and switched to fee-based pricing.

Four portfolio models were thus constructed, namely conservative, balanced, growth and dynamic growth, each being associated with a benchmark index created according to the asset allocation of several major mutual funds. Each portfolio contains “core investments and satellite investments for asset class allocation and geographic allocation,” says Mary Hagerman in a post published by Finance et Investissement.

“In each of my portfolios, the core equity investments are a mix of ETFs that match the S&P/TSX Composite Index for Canadian stocks, the S&P 500 Index for US stocks, and the MSCI EAFE Index for international stocks. For fixed income, core ETF investments replicate the FTSE TMX Canada Universe Bond Index,” she says.

"In 2023, I celebrate my 10 years of portfolios in discretionary management", rejoices Mary Hagerman. She reports that all or most of the assets of 95% of her clients are invested in her discretionary portfolios.

Mary Hagerman is named “Canadian ETF Champion” in 2019 by Wealth Management Professional, and she is proud of it. Despite this, she does not hesitate to refer to the period when she became a portfolio manager as “a very disheartening and humiliating time”.

Her first attempt to become a portfolio manager within his firm was refused. “I was told: ‘You are a good Pl. Fin, maybe you should work with someone else, a man, who would do the management, when you could do development.’ It was an option I had explored, but I wanted to be the manager of my own portfolios. So, I came back to the charge and this time, I was told: ‘OK, we will let you manage portfolios, but you will be on probation for a year’, which is something that is not done anymore.”

This period could have discouraged her, but rather angered her. “It almost cost me my career as a portfolio manager. It stung me and today it is part of the message I send to women who want to enter the industry. You have to persevere and be strong, be ready to stand up to people and nurture your convictions,” she says.

It was her convictions that led her to change firms in 2019. “I particularly wanted to develop tools for managing emotions for our clients and I knew that I was going to face another period of confrontation”, she says.

Mary Hagerman also regrets that the number of women acting as portfolio managers, which she estimates at less than 20%, is still as low today as when she obtained this title.

According to her, either women are reluctant to go down this path because they are intimidated by this scenario will improve over time if she remains in the workforce.

Mary Hagerman nevertheless believes that "firms are beginning to recognize that the financial power of women is about to explode and that in a few years they will have a lot of money and will be a major force in the investment world."

She says firms will develop ways to allow consultants to move up the ranks within organizations so that there are more of them able to serve these clients.

Mary Hagerman, who regularly supports interns, leads by example. "I tell them how I enjoy doing my job, that we have unlimited potential to dream, create things and achieve through our work. I talk about the fascinating conversations we have about markets, the world, politics, geopolitics, which make every day interesting and allow us to travel the world."