



Valuing the Future, Living Our Values

At HCM, we take our responsibility to our future very seriously, from our families, to our workplace, and our community.

Every big decision we make at HCM, no matter what area of our business it impacts, is vetted by our management team through our core values matrix. This is true from how we handle planning and investment strategies, to who we hire, who we take on as clients, the vendors we work with, and how we invest our own resources.

One of our core values is “**Keeping a Future Focus**”.

And while a **Future Focus** is critically important for a Firm whose main reason for existing is helping people plan for their financial future, the first big milestone for us this quarter was throwing the switch (literally) on our new solar power generation system. This is a classic example of doing well by doing good. With this commitment, we are taking better care of those who come after us. In our view, that is what designing a good legacy plan is all about! You will find more details about our new solar array in our newsletter.

The second milestone we crossed this quarter was also based on our core value of **Keeping a Future Focus**. We celebrated the one-year anniversary and public release of HCM's new ESG Portfolio Strategy. If that is a new acronym for you, ESG stands for Environment, Social and Governance. The purpose of HCM's ESG portfolio is to give our clients an outlet to allow their money to support their values.

- The ESG portfolio is constructed primarily of individual securities and strives to identify leaders in various industries that are distinguishing themselves by making progress in the areas of Environmental Sustainability, Social Impact and Corporate Governance.
- We buy good businesses when we believe their share prices are undervalued relative to their long-term earnings potential.
- We use a valuation-sensitive approach to select investments from a universe of over 1,500 companies with market capitalizations generally greater than \$1.1 billion.
- Our initial screening process uses social policy guidelines to screen out stocks with exposure to tobacco, alcohol, gambling, nuclear power and weapons.
- We then apply our value-sensitive criteria to the remaining universe to identify firms with strong balance sheets, favorable valuation, and profitability metrics.

If you are interested in knowing more about HCM's ESG portfolio and how it may fit into your wealth management strategy, please contact your Advisor for more details.

Bringing these projects to life has given us more than a little satisfaction. There are plenty of detailed numbers supporting both decisions. However, as we have learned from working with

our client families over three decades, numbers seldom tell the entire story. We're proud to put our values into action and to pay it forward when we can!

Invitation to Contact Your HCM Advisor

We want to hear from you. If you have experienced any changes in your life that may impact your financial situation, be sure to let us know. It's always best to meet regularly so we can discuss any changes that may affect your planning or investment objectives. It is always nice to hear from an old friend. We'd love to meet in person or schedule a conference call, whatever works best for your busy schedule.

As always, we appreciate the opportunity to work with you and we thank you for your confidence.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Hengehold", written in a cursive style.

Michael T. Hengehold, CPA/PFS MST RICP

P.S. Make sure to look for HCM's Quarterly Investment Review Webinar in your email inbox in mid-July.