HCM | Hengehold Capital Management LLC

YOUR PARTNER IN FINANCIAL INDEPENDENCE

April 6, 2015

As an Ohio native, like most of our clients, I have a real appreciation for the beginning of Spring. I enjoy the smells, the sounds and the hints of warm, sunny sailing days ahead. It is a time for new beginnings and opportunities. As we move into Spring, there have been many changes and new opportunities at HCM.

We are very pleased to announce that two new members have joined the HCM team. Peggy Gruenke recently joined HCM to help manage our growing Firm. Peggy will help us maintain our high standard of care while we increase our planning services through the HCM Brighter Future™ Program. Peggy has a great deal of experience managing professional service companies. She is a nationally recognized speaker and consultant.

Jim Eutsler will be joining HCM this summer as a Wealth Advisor. Jim has a diversified background that ranges from, research & development, brand management and corporate finance. Jim has a true passion for Wealth Management. He comes to us from Procter & Gamble where his detailed knowledge of the company's benefit programs will help us serve our P&G clients even more effectively.

After taking additional space to accommodate our Firm's growth, our Western Hills office is getting a much deserved facelift. The next time you visit you will see our newly decorated conference rooms and reception area.

**1ST Quarter Highlights**

We will be publishing our First Quarter Investment Commentary in a few weeks. Until then, we are providing a brief overview of some of the first quarter's highlights.

Markets were certainly more active in the first quarter, as compared to previous quarters. In fact, the S&P 500 moved either up or down more than 1% on 19 different trading days. That is almost a third of the time! However, with all that activity the S&P only gained 0.4% during the first quarter. The Dow actually lost about 0.3% during the same period.

Some of the biggest economic news for the quarter came from advances in the dollar and declines in the price of oil. The declining dollar should help foreign stocks relative to US stocks as foreign goods will be cheaper and US multinational profits will be depressed. During the quarter, HCM began reallocating equity exposure away from the US to foreign markets.

Assuming the lower oil prices hold, corporate profits should see a boost later in the year as petroleum-based input prices decline and consumers begin to spend the extra money they have left over after visiting the gas pump. This could help offset some of the dangers we see in the stretched stock market valuations for US equities. As a result of these high valuations, our five-year forward view of US equity returns is below average. Relative to US stocks, foreign equities are more favorably valued and, as mentioned above, we have made reallocation moves during the quarter to take advantage of the valuation discrepancies.

HCM Strategic Models continue to hold their long-term target weightings to both equities and non-equities. HCM Advance and Defend portfolios remain tactically overweight equities as they have been for some time. That could change in the next month or so as the seasonal cycle turns against stocks.

We will provide more detailed information in our First Quarter Investment Commentary to be released later in April. As always, thank you for your confidence in HCM and if you have any questions, please feel **free to contact us at your convenience, (513)598-5120.**

**Annual Notice of our 2015 ADV Part 2 and 2B**

As a registered investment adviser, we provide certain important information to you on an annual basis, which is included in this Annual Notice.

Our most recent disclosure statement as set forth on Form ADV Part 2 and 2b is now available. There have been no material changes since the February 25, 2014 Form ADV Part 2 brochure. If you need a copy at any time throughout our relationship, please call us (513)598-5120 or toll free at (877)598-5120. You can also send an email to info@hengeholdcapital.com. A copy is available on the Internet at our website, www.hengeholdcapital.com. Additional information regarding our firm is also available at www.adviserinfo.sec.gov.

**Invitation to Contact Your HCM Advisor**

We strive to meet with all of our ongoing clients regularly to review our previous recommendations and to discuss the impact of any changes in your financial situation or investment objectives. Please feel free to contact us to set up a meeting or to notify us of any changes in your financial situation, investment objectives, email address or if you wish to add or modify restrictions to the management of your account.

Sincerely,

Michael T. Hengehold, CPA/PFS MST