

## Introduction

HM Capital Management, LLC ("HMCM") is an investment advisory firm registered with the Securities and Exchange Commission. Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. Our firm and financial professionals' registration information are also publicly available on the [Investor.gov](https://www.investor.gov) website.

## Relationships & Services

### **Q: What investment services and advice can you provide me?**

**A:** We offer customized investment advisory and financial planning services to retail investors (i.e individuals and families). Our services are generally provided on a discretionary basis, which means that we have the power to buy and sell securities in your account without your prior consent. This authority is usually unlimited and remains in effect until you revoke it. For financial planning services, we do not exercise discretionary authority or require you to use certain investment managers.

We provide advice on the most common types of securities described in Item 8 of our Form ADV Part 2A (our "**Disclosure Brochure**"), and we do not give advice on any proprietary investment products. We typically review portfolios at least quarterly and monitor accounts on a continuous basis. We will conduct ad hoc reviews if you change your objectives or risk tolerance, or upon significant market and economic events, or if we change our investment strategy.

HMCM does not require a minimum account size. You can find additional information about our services under "Items 4/4(A)/5/7" (Advisory Business and Fees and Compensation) sections of our Disclosure Brochure, available at [www.hmcm.com](https://www.hmcm.com).

### **Q: Given my financial situation, should I choose an investment advisory service? Why or why not?**

**A:** Advisory services are usually appropriate when you have a portfolio of securities for which you require ongoing advice. Investors who maintain one or two securities and are not inclined to make changes to their portfolio are likely best suited for a traditional brokerage account with a FINRA-registered firm.

### **Q: How will you choose investments to recommend to me?**

**A:** We recommend investments based upon your individual circumstances, financial situation, expectation of current and future cash needs, investment objective, and risk tolerance. In addition, we attempt to identify those investments in which we expect to yield an acceptable level of return given the amount of risk you're willing to assume, taking into account the level of diversification and how different securities and asset classes may complement one another.

### **Q: What is your relevant experience, including your licenses, education, and other qualifications?**

**A:** Our professionals have been in the financial services industry for many years and generally have applicable securities licenses such as the Series 65, as well as advanced degrees, and professional certifications such as CFP®, CPA and CPWA®. While a securities license is usually required to provide investment advice, the CFP® and other professional designations are not. You can find information on the licensure and any professional designations of your advisor in the Form ADV Part 2B ("**Brochure Supplement**") we provide you at the onset of the advisory relationship.

### **Q: What do these qualifications mean?**

**A:** These qualifications assure that our professionals have met specific regulatory exam requirements required to conduct investment activities (e.g., Series 65). In the case of professional certifications, recipients have passed in-depth industry certification requirements and they have continuing education requirements in order to maintain their certification.

## Fees, Costs, Conflicts & Standard of Conduct

### **Q: What fees will I pay?**

**A:** HMCM generally charges a flat annual fee for our Family Advisory and Wealth Management Services. HMCM has a few clients that pay fees calculated as a percentage of the assets under our management, so our fees will rise and fall with the value of the assets we manage. In these situations, we are economically incentivized to recommend that the client place more assets in the account in order to increase the value of your portfolio, because as the value increases, so do our fees.

In addition to our fees, you will be charged transaction fees by your custodian for its services as described in Exhibit A of our Brochure. These fees vary depending on the custodian. Under a transaction fee arrangement, the more transactions effected in your account, the more fees you will pay, and high activity in your account does not assure positive portfolio performance. In addition to advisory and transaction fees, there are additional fees such as postage and handling, transfer taxes, SEC fees for sales of securities, and similar fees. These additional fees are not material, but like advisory fees and custodian fees, they do have an adverse impact on the value of your portfolio over time.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. You can find more information about our fees and costs under the Fees & Compensation section of our Brochure, available at [www.hmcm.com](http://www.hmcm.com).

**Q: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

**A:** We generally charge a flat annual fee for our Family Advisory and Wealth Management Services, however HMCM has a few clients that pay asset-based fees, so our fees are calculated as a percentage of the value of the portfolio we manage. For example, a \$10,000 investment at a 1% annual fee results in an annual deduction of \$100 from the portfolio (meaning only \$9,900 ends up invested). This means that it will take longer for the client to realize positive returns than if no fees were charged. In this example, if the client generated a 3% return, the net return would be 2%. Assuming nothing changes, it could take 18 months to realize a \$300 return on the \$10,000 investment.

**Q: What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**A:** When we act as your investment adviser, we must act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts of interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide. Here are some examples to help you understand what this means. We may utilize solicitors to solicit business on our behalf. We pay the solicitor a percentage of our fee, and although this does not represent an increase in your fees, it does present a conflict of interest in that the solicitor may be recommending you establish an advisory relationship with us because of the payment we make to the solicitor and not because the solicitor feels that we're the best firm for your needs. In addition, HMCM serves as the general partner to a Private Fund and is entitled to receive performance-based fees. As such, there is a potential conflict of interest in that we may have an economic incentive to take risks in the management of the Private Fund which may be inconsistent with the fund's objectives and risk profile.

**Q: How might your conflicts of interest affect me, and how will you address them?**

**A:** Conflicts of interest can incentivize us to put our interests ahead of yours. We manage these conflicts through disclosures and employing supervision procedures to ensure our advisors are acting in your best interest. Any HMCM advisors participating in outside business activities, will be disclosed in the HMCM Brochure Supplement. See Item 5 (Fees & Compensation) in our Brochure for additional information about conflicts of interest.

**Q: How do your financial professionals make money?**

**A:** Our financial professionals (i.e. Relationship Managers) are paid a salary and bonus.

## Disciplinary History

**Q: Do you or your financial professionals have legal or disciplinary history?**

**A:** Yes. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

## Additional Information

**Q: Who is my primary contact person?**

**A:** Your HM Capital Management Relationship Manager will be your primary point of contact. However, administrative and/or other requests may be handled by any client service professional.

**Q: Is he or she a representative of an investment adviser or a broker-dealer?**

**A:** He/She is a representative of a Registered Investment Advisor

**Q: Who can I talk to if I have concerns about how this person is treating me?**

**A:** In the event you have issues to be addressed, you may contact Matt Kopsky, President & CEO or Karen Gloriod, CCO at 314-746-1700.

**You can find additional information about our investment advisory services at [Investor.gov](http://Investor.gov). You may also request a printed copy of this Relationship Summary by contacting Karen Gloriod at 314-746-1701, [kgloriod@hmcm.com](mailto:kgloriod@hmcm.com) or c/o HM Capital Management, 8235 Forsyth Blvd., Suite 540, Clayton, MO 63105.**