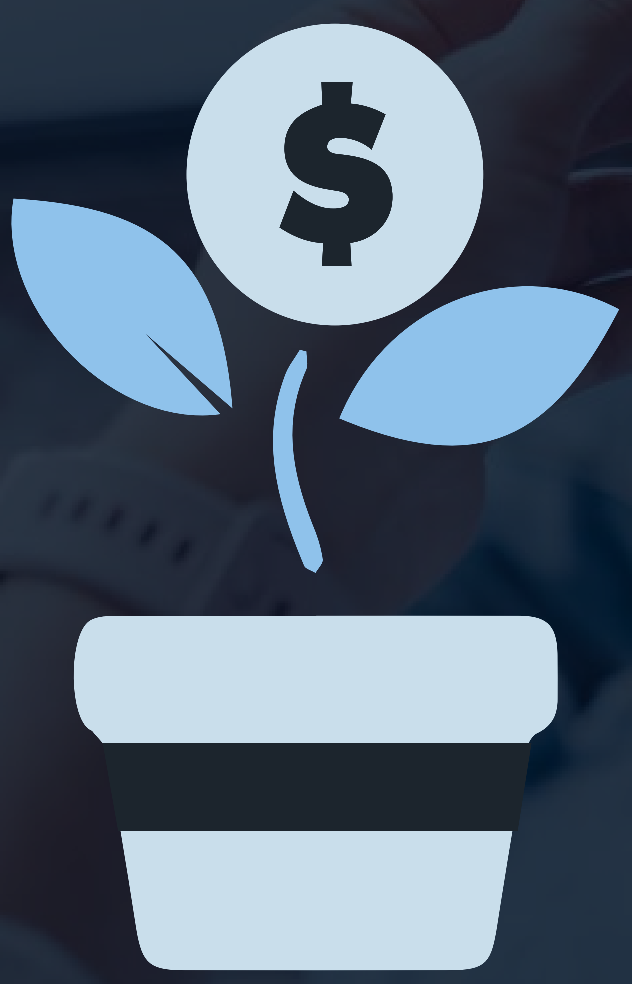
How Pekin Hardy Strauss Tries to Simplify Wealth Management



Choosing to work with a wealth manager can come with many unknowns. Some advisors perform thorough due diligence and regularly vet potential investments before making a recommendation. Others might simply look at how ETFs and mutual funds performed in the past before investing.

At Pekin Hardy Strauss Wealth Management, our clients empower us to make investment decisions that are consistent with their financial goals and future plans. Here's how we help investors build well-rounded portfolios by researching and committing our clients' capital to individual companies using a Warren Buffett-style value investing approach:

1. Crunch the numbers.

Are the company's revenues likely to grow in the future, and what will be driving that growth? What will the profit margins be? Does the business appear to be highly leveraged, or is the balance sheet strong? Is the company generating significant levels of free cash flow? We try to invest in leading companies where we expect profits and cash flows are likely to grow in the future.

2. Assess the leadership team.

Are management incentives aligned with shareholders? Are insiders personally buying or selling the company's shares? Has management made good capital allocation decisions in the past? These questions demonstrate whether leaders will look out for shareholders' best interests and make wise capital allocation decisions.

3. Look at the competitive landscape.

What is the company's source of sustainable competitive advantage? How will consumer, regulatory, and technology trends affect that advantage? It's important to determine whether the return on capital of a prospective portfolio company is likely to remain high or decline in the future as competitors arrive or disappear.

4. Analyze ESG ramifications.

How much does the company manage its business with respect to environmental, societal, and governance (ESG) considerations? Are environmental sustainability, human rights, or labor relations important to the firm's management and board? If not, off-balance-sheet liabilities for that investment could be a risk.

5. Consider the margin of safety in the share price.

Is the stock currently trading at an attractive price, below the company's fair value by a reasonable margin of safety? If it's trading at a price that is well below its intrinsic worth, we feel good about committing capital on behalf of a client.

6. Find value alignment.

Long-term earnings are crucial, but does each share align with clients' values? If not, reassess the suitability of the investment.

The choice in a wealth management firm is crucial, and it's a decision we at Pekin Hardy Strauss take seriously. Learn more about our investing philosophies, or visit our homepage to set up a consultation.

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