

Financial Management Inc

www.fmiardmore.com

Disclosure and Acknowledgement of Fiduciary Status

This disclosure is provided to you regarding investment advice provided to you in connection with assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or a plan described in Section 4975(e)(1)(A) of the Internal Revenue Code (“Code”). This disclosure may supplement other agreement(s) we have entered into with you in connection with your account(s) (“Account”) including, without limitation, any insurance or annuity contract or application, account opening agreement, investment program agreement or similar document.

References in this disclosure to “you” or “your” refer to the beneficial owner of an IRA, Roth IRA, Archer Medical Savings Account, or a participant in a Plan subject to ERISA, or a Retail Fiduciary of a Plan or IRA (or a Roth IRA). References to “FMI”, “Company”, “Financial Institution”, “us”, “our” or “we” refer to Financial Management, Inc. and references to your “Advisor” refer to your individual Financial Advisor, and any other Advisor who we may from time to time assign to your Account.

This disclosure includes information that is required to be provided to you pursuant to the U.S. Department of Labor’s Best Interest Contract Exemption, 81 Fed. Reg. 21002 (April 8, 2016) (“Best Interest Contract Exemption”). That exemption permits FMI to receive compensation for services in connection with recommendations that we or your Advisor may from time to time make to you concerning the purchase, sale or holding of investments for your Account, including any related rollover or distribution recommendations, recommendations on investment policies or strategies, portfolio composition, the selection of other persons to provide investment advice or investment management services, or the selection of investment account arrangements (e.g., brokerage or advisory), without violating the prohibited transaction provisions under ERISA that might otherwise apply.

This disclosure is effective only with respect to investment recommendations described in Section 2 that we or your Advisor may provide during the period of April 10, 2017 through December 31, 2017. In no event, will this disclosure apply to investment recommendations we or your Advisor may provide prior to this period.

1. Fiduciary Acknowledgement and Statement of Impartial Conduct Standards

We and your Advisor act as “fiduciaries” under ERISA or Section 4975 of the Internal Revenue Code (the “Code”) (to the extent applicable) with respect to any investment advice we or your Advisor provide in connection with your Account and its holdings. When providing any such fiduciary advice to you, we and your Advisor will adhere to the standards of care described below (the “Impartial Conduct Standards”):

- A. When providing investment advice to you, we and your Advisor provide investment advice that is, at the time of the recommendation, in your “Best Interest.” Advice meeting the “Best Interest” standard is advice that reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on your investment objectives, risk tolerance, financial circumstances, and needs, without regard to the financial or other interests of us or the Advisor.
- B. Transactions that we or your Advisor recommend will not cause us, your Advisor, or our Affiliates or Related Entities to receive, directly or indirectly, compensation for their services

that is in excess of reasonable compensation within the meaning of ERISA Section 408(b)(2) or Section 4975(d)(2).

- C. Statements by us and your Advisor to you about transactions subject to this disclosure, fees and compensation, Material Conflicts of Interest, as defined and described in this disclosure, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

2. Services Provided Subject to This Disclosure

We and your Advisor will from time to time provide recommendations to you for your Account concerning one or more of the following matters:

- A. The purchase, sale, exchange, or holding of investments for your advisory Account
- B. Rollovers, distributions, or transfers from your Account
- C. Investment policies, strategies, or portfolio composition

For the avoidance of doubt, only recommendations that constitute investment advice under regulations issued by the U.S. Department of Labor at 29 C.F.R. § 2510.3-21(a) shall be treated as services under this Section 2 and shall be subject to this disclosure.

For more information on our products and services, please visit our website or request a copy of our Form ADV from Allen Bynum, our BIC Officer.

3. Material Conflicts of Interest

In the regular course of business FMI may have situations, some of which are considered material that place our best interests and our clients' best interests in conflict with one another. FMI policy is that your interests take precedence over our interests, and the interest of FMI and our Advisors. Accordingly, we will disclose any material relationships that they have with respect to any investment recommended to you. In addition, FMI and the Advisor will make recommendations based upon your suitability and objectives without regard to FMI benefit. The following outlines our material conflicts of interest.

Our code of ethics specifically outlines the process by which Advisors, and FMI purchase investments recommended to you. A copy of our code of ethics and our policies regarding conflicts of interest is available upon request. The important determinant by which we ensure your interests come before our own is our supervision of our Advisors. We limit the manner in which an Advisor may trade for his or her own benefit and we closely monitor the activity of our Advisors on a day to day basis to limit the impact of any existing conflicts.

- A. Insurance Products** - Mike Whitson, Allen Bynum, Kayla Tweedy and Bregan Heitz are licensed insurance agents. In this capacity, they have the ability to effect transactions in insurance products for clients and will earn insurance commissions on insurance products through various carriers. The fees you pay FMI for advisory services are separate and distinct from commissions.

When determining the best insurance or annuity product for a client, the client should understand that FMI does not receive any compensation from annuity or insurance transactions.

As with conflicts of interest, the firm monitors activity to limit the impact of these third-party payments. If you have any questions, please contact Allen Bynum, our BIC Officer.