

Part 2B of Form ADV: Brochure Supplement

Item 1 Cover Page

Drew M. Schaefer
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Spokane, WA 99201

Financial Management, Inc.
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CRD# 117578

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This Brochure Supplement provides information about Drew M. Schaefer that supplements the Financial Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Corina Martin, Operations Manager, if you did not receive FMI's Brochure or if you have any questions about the contents of this supplement.

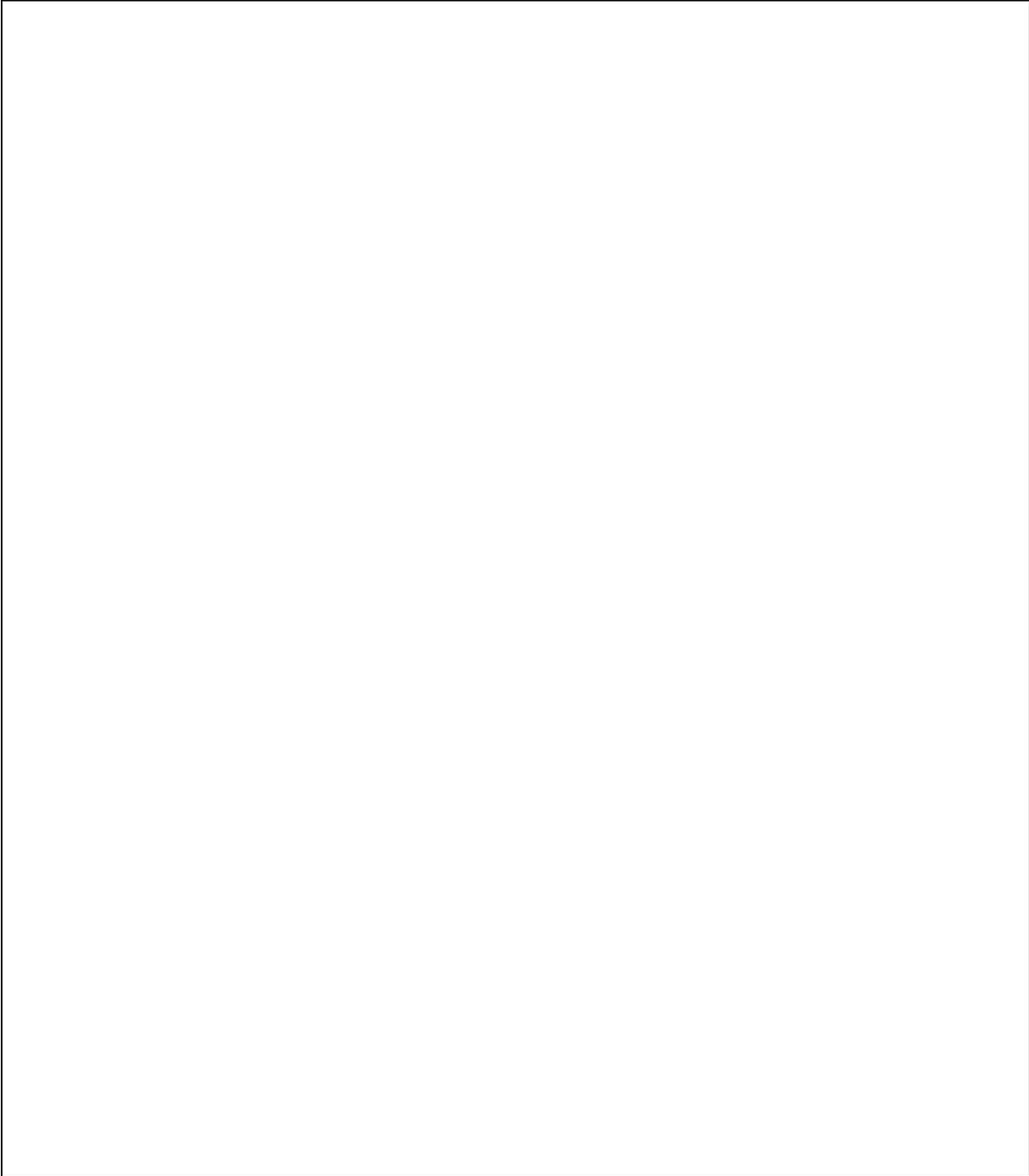
Additional information about Drew M. Schaefer is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Drew M. Schaefer

CRD #5710256

- Born: 02/01/1985
- BA in Finance from Eastern Washington University, 2007-2009
- Investment Advisor Representative since June 2010 for Financial Management, Inc., an independent Registered Investment Advisor
- Registered Assistant of LPL Financial since June 2010.
- Investment Advisor, 2009-2010, for Investment Advisor International, Inc.
- Registered Representative; 2009, World Group Securities, Inc.
- Intern; 2008-2009, Northwest Farm Credit System
- Outside Services; 2006-2008, The Club at Black Rock
- Specialist; 2003-2006, Washington Army National Guard
- **Registered Paraplanner (RP)** received in 2011
Individuals who hold the RP® designation have completed a course of study encompassing the financial planning process, the five disciplines of financial planning and general financial planning concepts, terminology and product categories. Individuals also complete a three-month long internship. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 1 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.
- **Accredited Investment Fiduciary (AIF)** received in 2016
Investment fiduciaries are constantly exposed to legal and practical scrutiny — it comes from multiple directions and for various reasons. It is likely that complaints and/or lawsuits alleging investment mismanagement will continue to increase. Although some of these allegations may be justified, many can be avoided by having clear knowledge of who constitutes a fiduciary and what is required of one.
The AIF training and designation help mitigate this liability by instructing in practices that cover pertinent legislation and best practices. The Accredited Investment Fiduciary® (AIF®) designation represents a thorough knowledge of and ability to apply the fiduciary Practices. Through fi360's AIF Training programs, AIF designees learn the Practices and the legal and best practice framework they are built upon. AIF designees have a reputation in the industry for the ability to implement a prudent process into their own investment practices as well as being able to assist others in implementing proper policies and procedures.



Item 3 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No information is applicable to this Item. The BrokerCheck link is www.finra.org/brokercheck; the IAPD link is www.adviserinfo.sec.gov.

Registered Representative with LPL Financial

Drew M. Schaefer is separately licensed as a registered representative with LPL Financial (LPL), a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his separate capacity as a registered representative of LPL, Drew M. Schaefer may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Drew M. Schaefer may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL account in addition to a Financial Management, Inc. advisory account.

The receipt of commissions creates an incentive for Drew M. Schaefer to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Drew M. Schaefer controls for this potential conflict of interest by discussing with clients the advantages and disadvantages of establishing a fee-based account through Financial Management, Inc. versus establishing a commission-based account through LPL. Financial Management, Inc. does not require its advisor representatives to encourage clients to implement investment advice through LPL.

Clients are never obligated or required to establish accounts through Financial Management, Inc. or LPL. However, if a client does not choose to accept Drew M. Schaefer's advice or decides not to establish an account through LPL, Drew M. Schaefer may not be able to provide management and advisory services to the client. Clients should understand that due to certain regulatory constraints, Drew M. Schaefer, in his capacity as a LPL registered representative, Drew M. Schaefer must place all purchases and sales of securities products in commission-based brokerage accounts through LPL or its other approved institutions.

Independent Insurance Agent

Drew M. Schaefer is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Drew M. Schaefer will receive commissions for selling insurance and annuity products.

Drew M. Schaefer may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of Drew M. Schaefer when recommending products to his clients. While Drew M. Schaefer endeavors at all times to put the interest of his clients first as a part of Financial Management, Inc.'s overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect Drew M. Schaefer decision making process when making recommendations.

Clients are never obligated or required to purchase insurance products from or through Drew M. Schaefer and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

In addition to the description of additional compensation provided in Item 4, Drew M. Schaefer can receive additional benefits.

Certain product sponsors may provide Drew M. Schaefer with other economic benefits as a result of her recommendation or sale of the product sponsors' investments. The economic benefits received by Drew M. Schaefer from product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Drew M. Schaefer in providing various services to clients.

Although Financial Management, Inc. and Drew M. Schaefer endeavor at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives ("affiliated persons"), these arrangements could affect the judgment of Drew M. Schaefer when recommending investment products. These situations present a conflict of interest that may affect the judgment of affiliated persons including Drew M. Schaefer.

Drew M. Schaefer receives additional compensation separate from his activities as a solicitor for Financial Advocates Investment Management. This is a separate activity from his planning and advisory activities.

Financial Management, Inc. is a registered investment advisor with the U.S. Securities and Exchange Commission. Clark Permann is the Chief Compliance Officer of Financial Management, Inc. and ultimately responsible for supervising activities and services provided by the firm including the services provided by Ms. Berdar. Mr. Permann can be contacted at 509-965-5654.