

FINANCIAL MANAGEMENT PROFESSIONALS, INC.

(Part 2A of Form ADV)

FINANCIAL MANAGEMENT PROFESSIONALS, INC.

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This brochure provides information about the qualifications and business practices of FINANCIAL MANAGEMENT PROFESSIONALS, INC.. If you have any questions about the contents of this brochure, please contact us at: 512-329-5174, or by EMAIL at: MAIL@FMPROFESSIONALS.COM. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about FINANCIAL MANAGEMENT PROFESSIONALS, INC. is available on the SEC's website at www.adviserinfo.sec.gov

07/10/2015

Item 2 - Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

The Previous Annual Amendment filed was dated 03-06-2015

Material Changes contained within this Other-Than-Annual Amendment Consist of the following:

- Separately Managed Accounts added to Advisory Business.
- Corresponding Separately Managed Account Fees and Compensation, Brokerage Practices, Review of Accounts, and Investment Discretion.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 512-329-5174 or by EMAIL at: MAIL@FMPROFESSIONALS.COM.

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Item 4 - Advisory Business

Firm Description

FINANCIAL MANAGEMENT PROFESSIONALS, INC., was founded in YEAR 1987.

We provide personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. is strictly a fee-only financial planning and investment management firm. We do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other products for a commission. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, at times we advise clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not act as a custodian of client assets. We place trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone at 512-329-5174, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Harry Milton Hixson is a 25% but less than 50% Stockholder

John Carroll Hixson is a 10% but less than 25% Stockholder

Kevin Edmond Hixson is a 10% but less than 25% Stockholder

Adam Palmer Todd is a 5% but less than 10% Stockholder

Marc Lester Hixson is a 5% but less than 10% Stockholder

Types of Advisory Services

FINANCIAL MANAGEMENT PROFESSIONALS, INC. provides investment supervisory services and manages investment advisory accounts. On more than an occasional basis, FINANCIAL MANAGEMENT PROFESSIONALS, INC. also furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of 12-31-2014, FINANCIAL MANAGEMENT PROFESSIONALS, INC. manages approximately \$554,273,000.00 in assets for approximately 600 clients. Approximately \$488,601,000.00 is managed on a discretionary basis, and \$65,672,000.00 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our database. We provide a tailored relationship to a client by recommending a combination of investment profiles or portfolios that reflect the stated goals and objectives. Each profile or portfolio is a combination of an investment style and risk level. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with specific areas of financial planning requested by the client.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning

review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are not provided as part of a financial plan.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee may be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Investment Supervisory Services

FINANCIAL MANAGEMENT PROFESSIONALS, INC. serves as investment manager to FMP Real Estate One, L.P., a Delaware limited partnership formed in 2009 (hereinafter "the Fund"). FMP Real Estate GP, L.L.C., a Delaware limited liability company and an entity wholly-owned by FINANCIAL MANAGEMENT PROFESSIONALS, INC., is the General Partner to the Fund.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. serves as investment manager to FMP Real Estate Two, L.P., a Delaware limited partnership formed in 2013 (hereinafter "the Fund"). FMP Real Estate Two GP, L.L.C., a Delaware limited liability company and an entity wholly-owned by FINANCIAL MANAGEMENT PROFESSIONALS, INC., is the General Partner to the Fund.

Interests in both Funds are offered in reliance upon various exemptions available under the securities laws for transactions in securities not involving a public offering. FINANCIAL MANAGEMENT PROFESSIONALS, INC. manages the Funds on a discretionary basis in accordance with the terms and conditions of the Funds' Private Placement Memorandum and organizational documents.

The Funds are each a closed-end fund, formed to pursue investments in the real estate sector through a commitment to invest capital of the Funds into one or more investment vehicles (hereinafter, "Venture Fund Partnerships"). Any capital not invested in Venture Fund Partnerships may be invested in all types of securities and other financial instruments, including, but not limited to, United States government and agency obligations, commercial paper, interest-bearing bank deposits and certificates of deposit, money market funds, mutual funds, exchange traded funds, and other fixed income securities.

The FMP Real Estate One L.P. Fund requires an initial minimum investment of \$50,000 from investors who are clients of FINANCIAL MANAGEMENT PROFESSIONALS, INC. and \$100,000 from all other investors.

The FMP Real Estate Two L.P. Fund requires an initial minimum investment of \$150,000 from investors.

These minimum investment requirements may be lowered in the sole discretion of the General Partner.

Prospective investors in each of the Funds should be aware of additional risks, restrictions on withdrawals and redemptions and other important information associated with investment in the Funds. This information is outlined in the Funds' Private Placement Memorandum and subscription documents. Prospective investors should refer to the Private Placement Memorandum and subscription documents for information regarding these important additional considerations.

MANAGEMENT FEES: The FMP Real Estate One L.P. Fund's management fee is calculated based on the percentage of assets under management in accordance with the fee schedule below. Additionally, a base fee ranging from \$1,000 to \$5,000 is charged annually. Prospective investors in the Fund should refer to the Private Placement Memorandum for additional information regarding fees and restrictions.

Assets Under Management (\$)	Annual Fee (%)
\$1 to \$500,000	1.00%
Next \$250,000	0.85%
Next \$250,000	0.75%
Next \$500,000	0.65%
Next \$500,000	0.55%
Next \$3,000,000	0.50%
Next \$10,000,000	0.40%
Above \$15,000,000	Negotiable

MANAGEMENT FEES: The FMP Real Estate Two L.P. Fund's management fee is calculated based on the percentage of assets under management in accordance with the fee schedule below. Additionally, a base fee ranging from \$1,000 to \$5,000 is charged annually. Prospective investors in the Fund should refer to the Private Placement Memorandum for additional information regarding fees and restrictions.

Assets Under Management (\$)	Annual Fee (%)
\$1 to \$500,000	1.00%
Next \$500,000	0.95%
Next \$500,000	0.90%
Next \$500,000	0.80%
Next \$3,000,000	0.65%
Next \$10,000,000	0.50%
Above \$15,000,000	Negotiable

Manages Investment Advisory Accounts

FINANCIAL MANAGEMENT PROFESSIONALS, INC. provides investment advisory management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. We offer this service to individuals, pension and profit sharing plans, trusts, estates or charitable organizations and corporations or other business entities. Most advisory accounts are managed on a discretionary basis only. Pension and profit sharing plans may be managed on a discretionary basis or non-discretionary basis depending on the level of service desired.

Through personal discussions with the client in which the client's goals and objectives are established, we will determine which model portfolio is suitable to the client's circumstances. Once the appropriate portfolio has been determined, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). Clients will retain individual ownership of all securities.

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds or a custody fee for holding custody of a fund.

Stocks and bonds may be purchased or sold through a brokerage account when requested by the client. The brokerage firm charges a fee for stock and bond trades. FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

To ensure that our initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, we will maintain client suitability information in the client's file. On a quarterly basis, we will contact clients in writing to determine whether there have been any changes in the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions.

Initial public offerings (IPOs) are not available through FINANCIAL MANAGEMENT PROFESSIONALS, INC.

Investment Advisory Management Services to Separately Managed Accounts (hereinafter referred to as "SMA" in the remainder of this document)

FINANCIAL MANAGEMENT PROFESSIONALS, INC. provides continuous advice regarding investment of clients funds based on the individual needs of the account holder.

Once the particular goals and objectives of an account holder are established, FINANCIAL MANAGEMENT PROFESSIONALS, INC. develops a personal investment policy and manages the portfolio based on that policy. FINANCIAL MANAGEMENT PROFESSIONALS, INC. will manage advisory accounts on a discretionary basis. Account supervision is guided by account holder specific factors such as prior investment experience, current investments, income needs, risk tolerance, income objectives, and other relevant data as obtained directly from the client in the Engagement Agreement.

Through personal discussions and a comprehensive information gathering process, each client's investment goals and objectives are established. From this information, FINANCIAL MANAGEMENT PROFESSIONALS, INC. will work with the client to determine which portfolio is suitable to their particular circumstances. FINANCIAL MANAGEMENT PROFESSIONALS, INC. may, if appropriate, suggest modifications to the model or an allocation among two or more of the models to more adequately address the client's individual needs. FINANCIAL MANAGEMENT PROFESSIONALS, INC. provides clients the opportunity to place reasonable restrictions on the types

of investments to be held in the client's account.

However, FINANCIAL MANAGEMENT PROFESSIONALS, INC. reserves the right to refuse or decline the request. Clients will retain individual ownership of all portfolio securities. In addition to the client specific factors mentioned in the preceding paragraph, account supervision is also guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

FINANCIAL MANAGEMENT PROFESSIONALS, INC. offers SMA account management services through portfolios invested in a variety of fixed income instruments and equity securities. Periodically, FINANCIAL MANAGEMENT PROFESSIONALS, INC. may recommend purchases and sales in the account based on shifts in the market, fluctuations in interest rates, updates in customer suitability, goals, or financial objectives, and other related changes.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. develops and manages investment portfolios based on the investment policies of our clients, and these portfolios may consist of one of the following, as appropriate: individual equities, warrants, corporate debt securities, commercial paper exchange traded funds (ETFs), bonds, municipal debt securities, structured products, notes and/or other investment products. FINANCIAL MANAGEMENT PROFESSIONALS, INC. will allocate the client's assets among various investments taking into consideration the overall investment policy of the client.

In order to ensure that FINANCIAL MANAGEMENT PROFESSIONALS, INC.'s initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner fitting the client's financial circumstances, FINANCIAL MANAGEMENT PROFESSIONALS, INC. will maintain client suitability information in the client's file. On a quarterly basis, FINANCIAL MANAGEMENT PROFESSIONALS, INC. will notify Investment Advisory Management Services clients in writing to request updated information regarding the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions.

Termination of Agreement

Clients or FINANCIAL MANAGEMENT PROFESSIONALS, INC. may terminate any of the aforementioned agreements at any time and a refund will be made for the value of services paid but not yet rendered.

Item 5 - Fees and Compensation

Description

Fees for investment advisory management services (non-SMA) are negotiated in advance, and the fees are stated in the contract as the sum of

a percentage of assets and a flat fee. The flat fee amount ranges from \$0 - to - \$2,500.00 depending upon frequency of meetings, the level of the adviser's review responsibilities, and other factors. The percentage of asset range is between 1.0% to 0.15% . The percentage fee varies depending on the amount of assets managed, type of account (pooled, daily valued, 403-b, etc.) the level of the adviser's review responsibilities, and the asset mix desired. At times, group or family fee schedules providing reduced fees can be used for clients. Fees are usually paid quarterly in advance. The client or the adviser may terminate at any time and a refund will be made for the value of services paid but not yet rendered.

Fees for the SMA investment advisory management services will generally be charged as a percentage of assets under management. Annual fees for the fixed income strategies will range from 1.30% to 0.60%. Annual fees for our equity strategies range from 1.50% to 0.80%.

Note: All fees referenced above reflect our standard ranges. Some accounts may exist with fees that fall outside our standard range. FINANCIAL MANAGEMENT PROFESSIONALS, INC., in its sole discretion, may charge a lesser investment advisory management fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you on or before the beginning of three-month billing period. Payment in full is expected upon invoice presentation. All accounts, depending on the particular arrangement with each client, will be charged either by invoicing clients or directly debiting their custodial accounts. Clients should contact their custodian for more information related to the deduction of fees from client accounts. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

FINANCIAL MANAGEMENT PROFESSIONALS, INC., in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds and exchange-traded funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to FINANCIAL MANAGEMENT PROFESSIONALS, INC..

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

FINANCIAL MANAGEMENT PROFESSIONALS, INC. reserves the right to stop work on any account that is more than 180 days overdue. In addition, we reserve the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information which in our judgment is important to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

Item 6 - Performance-Based Fees and Side-By-Side Management

Not applicable.

Item 7 - Types of Clients

Description

FINANCIAL MANAGEMENT PROFESSIONALS, INC. generally provides advisory to individuals, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

We serve as the investment manager to both FMP Real Estate One, L.P., a Delaware limited partnership formed in 2009 (hereinafter “the Fund”), FMP Real Estate GP, L.L.C., a Delaware limited liability company and an entity wholly-owned by the Adviser, is the General partner to the Fund and FMP

Real Estate Two L.P., a Delaware limited partnership formed in 2013 (hereinafter “the Fund”), FMP Real Estate Two GP, L.L.C., a Delaware limited liability company and an entity wholly-owned by the Adviser, is the General partner to the Fund.

Interests in the Funds are offered in reliance upon various exemptions available under the securities laws for transactions in securities not involving a public offering. We manage the Funds on a discretionary basis in accordance with the terms and conditions of the Funds’ Private Placement Memorandum and organizational documents.

Each of the Funds is a closed-end fund, formed to pursue investments in the real estate sector through a commitment to invest capital of the Funds into one or more investment vehicles (hereinafter, “Venture Fund partnerships”). Any capital not invested in Venture Fund Partnerships may be invested in all types of securities and other financial instruments, including, but not limited to, United States government and agency obligations, commercial paper, interest-bearing bank deposits and certificates of deposit, money market funds, mutual funds, exchange traded funds, and other fixed income securities.

Client relationships vary in scope and length of service.

Account Minimums

FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not require a minimum account size for investment advisory accounts.

FMP Real Estate One, L.P., (hereinafter “the Fund”) requires an initial minimum investment of \$50,000 from investors who are clients of the Adviser and \$100,000 from all other investors. This minimum investment requirement may be waived in the sole discretion of the General Partner.

FMP Real Estate Two, L.P., (hereinafter “the Fund”) requires an initial minimum investment of \$150,000 from investors. This minimum investment requirement may be waived in the sole discretion of the General Partner.

Interests in the Funds will generally be sold only to qualified investors who are “accredited investor” as that term is defined in Rule 501(a) of the General Rules and Regulations under the Securities Act of 1933, as amended (the “Securities Act”), a “qualified eligible person” as that term is defined in Commodity Futures Trading Commission (“CFTC”) Regulation 4.7 and a “qualified purchaser” as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Interests in the Funds are intended for experienced and sophisticated investors. Prospective investors in the Funds should refer to the Private Placement Memorandum and subscription agreement of the Funds for detailed information regarding restrictions applicable to investment in the Funds.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information we may use include Ned Davis Research, Steele Mutual Fund Expert, Charles Schwab & Company's "SchwabLink" service, and the World Wide Web.

Investment Strategies

The adviser's investment strategies are designed to evaluate most areas of investment risk by combining his advisory services with those of no-load mutual fund managers. The majority of investment products the adviser recommends are no-load mutual funds or exchange-trade funds that pay no commissions. No investment strategy can guarantee a client will outperform the market or make money but it is important to evaluate risk. Our service is intended to evaluate the client's exposure to market risk, business cycle risk, interest rate risk, and financial risk. By using mutual funds and exchange-trade funds the client receives the following additional services:

1. Professional investment management directed to reduce the business and financial risk associated with specific stock or bond securities.
2. Diversification of securities.

Our investment strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

By its nature financial planning looks at the long term. After making sure that a client's short term needs, emergency funds, and insurance needs are covered, we design investment strategies to help achieve his or her financial goals.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors

face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 - Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary

events related to past or present investment clients.

Item 10 - Other Financial Industry Activities and Affiliations

Affiliations

FINANCIAL MANAGEMENT PROFESSIONALS, INC. has arrangements that are material to its advisory services or its clients with a person who is a pension consultant and a related entity that creates or packages limited partnerships.

Financial Management Professionals is affiliated with David Theobald, CPA. David is an advisor for Financial Management Professionals as well as an independent pension consultant. As an advisor he is compensated by Financial Management Professionals. When he serves as an advisor his services are billed by Financial Management Professionals based on its normal fee schedules. As an independent pension consultant his firm bills clients directly.

As disclosed under Investment Supervisory Services we serve as the investment manager to FMP Real Estate One, L.P (hereinafter “the Fund”). FMP Real Estate GP, LLC, an entity wholly-owned by FINANCIAL MANAGEMENT PROFESSIONALS, INC., is the General Partner to the Fund. We also serve as the investment manager to FMP Real Estate Two, L.P. (hereinafter “the Fund”). FMP Real Estate Two GP, LLC, an entity wholly-owned by FINANCIAL MANAGEMENT PROFESSIONALS, INC., is the General Partner to the Fund.

As appropriate, clients may be solicited to invest in the Funds. The General Partner, for separate and typical compensation or in lieu of compensation, may engage in customary activities of a General Partner such as seeking qualified and desirable investors to participate in the Funds.

The General Partner and/or related persons of Adviser may have invested or may invest a portion of their personal net worth in the Funds.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

FINANCIAL MANAGEMENT PROFESSIONALS, INC. representatives and all employees maintain a strict Code of Ethics based upon the principal of our fiduciary duty to our clients to conduct affairs, including personal securities transactions, in such a manner as to avoid (i) serving our own personal interests ahead of our clients, (ii) taking inappropriate advantage of our position with the firm and (iii) any actual or potential conflicts of interest or any abuse of our position of trust and responsibility. Financial Management

Professionals, Inc. has an affirmative duty of utmost good faith to act solely in the best interests of our clients.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. is committed to our Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

FINANCIAL MANAGEMENT PROFESSIONALS, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the FINANCIAL MANAGEMENT PROFESSIONALS, INC. Compliance Manual.

Personal Trading

The Chief Compliance Officer of FINANCIAL MANAGEMENT PROFESSIONALS, INC. is Milton Hixson. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Item 12 - Brokerage Practices

Selecting Brokerage Firms

FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct us as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of one of several custodians and/or broker dealers including, but not limited to Charles Schwab and Co., Inc. ("Schwab"), Jefferson National Securities Corporation ("Jefferson National"), LincolnTrust Company, Online 401k and Aspire. Our clients must evaluate these brokers before opening an account. The factors we consider when making this recommendation are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. is independently owned and operated and not affiliated with the custodians and/or brokers it recommends. Which custodian and/or broker is recommended depends on if the client is an individual or an institutional retirement plan. Schwab provides us with access to their institutional trading and custody services, which are typically not available to retail investors. Lincoln Trust, Online 401k and Aspire charge their fees directly to institutional retirement plans. Schwab offers these services to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's assets are maintained at Schwab Institutional. For our client accounts maintained with Schwab, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. These custodians provide services which include trading, custody, research (Schwab only) and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Lincoln Trust, Online 401k, Aspire and Schwab also make available to FMP other products and services that benefit us but may not benefit our client's accounts. Some of these other products or services assist us in managing and administering client's accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research (Schwab only), pricing information and other market data; facilitate payment of our fees from our client's accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at either of these custodians. These custodians also make available to us other services intended to help us manage and further develop its business enterprise.

These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition the custodians may make available, arrange and /or pay for these types of services or pay all or a part of the fees of a third party providing these services to us.

Due to the nature of FMP Real Estate One, L.P., and FMP Real Estate Two, L.P., we may not recommend the use of retail broker dealers to invest in Venture Fund Partnerships or other private placement vehicles. Depending on the specific circumstances surrounding an investment opportunity, we may either subscribe to a private placement fund through direct solicitation of its general partner or by responding to a solicitation by a finder. Typically, due to the limited nature of the investment opportunities sought, multiple subscription sources or multiple finders will not be available, and we may not be able to

negotiate finder fees, if any.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. may have limited brokerage discretion in rare situations where it purchases a large amount of Exchange Traded Funds on a trade-away basis or directly from the issuer of such a security in order to obtain a better price for the client. Schwab may charge client accounts trade-away fees in such situations. In cases where we have such limited brokerage discretion, we will endeavor to select those brokers or dealers which will provide the best services at the lowest price and commission rates possible (if commissions are applicable). The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help us in providing investment management services to clients.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. will not have brokerage discretion in SMAs. The sub-advisor shall have full investment and brokerage discretion in the selection of a broker or dealer for transactions. The sub-advisors to FINANCIAL MANAGEMENT PROFESSIONALS, INC. have been delegated certain responsibilities related to portfolio management and may have soft dollar arrangements and may receive soft-dollar benefits. The sub-advisor may aggregate purchase or sale orders with other accounts as permitted by the Investment Advisers Act and will seek to allocate such investment opportunities fairly and equitable over time. However, the sub-advisor is under no obligation to aggregate orders.

Soft Dollars

Adviser does not intend to enter into any soft-dollar arrangements.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Item 13 - Review of Accounts

Periodic Reviews

While the underlying securities within investment advisory accounts and investment supervisory services accounts are continuously monitored, accounts are also formally reviewed semi-annually or annually, based on the agreement with each client. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. FMP Real Estate One, L.P. and FMP Real Estate Two, L.P. positions are reviewed in the overall context of the investment objectives and guidelines as set forth in the Private Placement Memorandum.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. will continuously monitor the underlying securities in SMA client accounts and perform at least annual reviews of account holdings for all clients. Accounts are review for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark.

Review Triggers

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Reviews of past performance are done by either Harry Milton Hixson, Owner; Kevin Edmond Hixson, Owner; John Carroll Hixson Jr., Owner; Adam Palmer Todd, Owner; Michael Lloyd Carr, Representative; Marc Lester Hixson, Owner; Daniel W. Frick, Representative; or David Harmon Theobald, Jr., Representative. The review is focused on the performance of the account and does not involve a comprehensive review of a client's financial condition or plan.

If a client wants to consider changing the style of management or risk level of his account, the client may be provided a risk assessment questionnaire and is told to consider completing it at a later time. If the client returns the questionnaire to the Adviser, then the Adviser reviews the questionnaire and determines if a change should be made in the handling of the account.

More frequent reviews of SMA accounts may be triggered by changes in an account holder's personal, tax or financial status. Economic and macroeconomic specific events may also trigger reviews.

Regular Reports

Clients are provided reports on a quarterly frequency. The reports provided are (1) a Current Value Report showing the value of each security held in the account, (2) a Change in the Value of the Account during the current calendar year, and (3) an internal rate of return report.

FMP Real Estate GP, L.L.C. and FMP Real Estate Two GP, L.L.C. furnishes to its limited partners, as soon as practicable after the end of each taxable year (or as otherwise required by law), annual reports containing financial statements audited by the Funds' independent auditors as well as such tax information as is necessary for each Partner to complete federal and state income tax or information returns, along with any other tax information required by law. FMP Real Estate GP, L.L.C. and FMP Real Estate Two GP, L.L.C. may also furnish unaudited quarterly reports reviewing the Fund's performance. The General Partner also selects an independent auditor in its sole discretion.

In addition to the monthly statements and confirmations of transactions that SMA clients receive from their broker dealer, FINANCIAL MANAGEMENT

PROFESSIONALS, INC. will provide quarterly performance reports.

Item 14 - Client Referrals and Other Compensation

Incoming Referrals

FINANCIAL MANAGEMENT PROFESSIONALS, INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

Harry Milton Hixson in years prior to 1994 had a life insurance license and served as an agent or broker with several life insurance companies. Starting in 1994, he discontinued his life insurance license and no longer serves as an agent or broker for the sale of life insurance products. However, as the result of sales products in prior years, he continues to receive renewal year commissions when a policyholder pays his premium. This commission income is compensation for services he provides to the remaining policyholders. Adviser does not consider these commissions to be material to its business since they represent less than 1% of the total annual revenue.

Item 15 - Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by FINANCIAL MANAGEMENT PROFESSIONALS, INC..

Item 16 - Investment Discretion

Discretionary Authority for Trading

FINANCIAL MANAGEMENT PROFESSIONALS, INC. accepts discretionary authority to manage securities accounts on behalf of clients. FINANCIAL

MANAGEMENT PROFESSIONALS, INC. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

FINANCIAL MANAGEMENT PROFESSIONALS, INC. requires its SMA clients to grant discretionary authority to determine the sub-investment adviser to retain on behalf of the client. FINANCIAL MANAGEMENT PROFESSIONALS, INC. will engage certain investment management service providers to provide the management services and the service provider will have investment and brokerage discretion and the right to make all decisions with respect to the investment and reinvestment of the cash, securities, and other assets in client's accounts and may hold, trade, purchase, sell, invest, divest, reinvest, or exchange such investments for an account as deemed appropriate without prior consultation with FINANCIAL MANAGEMENT PROFESSIONALS, INC. subject to investment objectives and guidelines.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades.

Item 17 - Voting Client Securities

Proxy Votes

FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not vote proxies on securities. Clients will receive proxies directly from custodians and are expected to vote their own proxies.

When assistance on voting proxies is requested, FINANCIAL MANAGEMENT PROFESSIONALS, INC. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Item 18 - Financial Information

Financial Condition

FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because FINANCIAL MANAGEMENT PROFESSIONALS, INC. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more

than \$1,200 per client, and six months or more in advance.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

FINANCIAL MANAGEMENT PROFESSIONALS, INC. requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

CERTIFIED FINANCIAL PLANNER (CFP®): Certified Financial Planners are licensed by the CFP® Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP® Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Harry Milton Hixson, CFP®

Educational Background:

- Date of birth: 10/12/1950
- Institutions: Baylor University, Waco, TX-BBA Accounting.

Business Experience:

- Financial Management Professionals, Inc. (1987–PRESENT)

Disciplinary Information: Not Applicable

Other Business Activities:

- Brookshire Brothers, LLP-Chairman of the Board

Additional Compensation:

- None

Supervision:

Milton Hixson is the President/Owner/Chief Compliance Officer of Financial Management Professionals, Inc.

Milton Hixson is responsible for supervision of all employees.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

John C. Hixson, Jr., CFP®

Educational Background:

- Date of birth: 05/15/1961
- Institutions: Baylor University, Waco, TX.-BBA Marketing & Business Management; Georgia State University, Atlanta, GA.-Masters Insurance

Business Experience:

- Financial Management Professionals, Inc. (1993–PRESENT)
- Hixson Properties Financial Company (1992-PRESENT)
- Magnolia Life Insurance Co. (1985-1992)

Disciplinary Information: Not Applicable

Other Business Activities:

- Partner of Hixson Properties LLC- The purpose is to invest in marketable and non-marketable securities.
- Hixson Investments LLC- The purpose is to hold and acquire real estate.
- Little River Real Estate LLC-The purpose is to hold and acquire real estate.
- S L Properties LLC- The purpose is to hold and acquire real estate.
- RJJ Properties LLC- The purpose is to hold and acquire real estate.

Each of these entities is a personal investment. John Hixson does not receive personal earned income from these investments.

Additional Compensation: None

Supervision:

John Hixson is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews John Hixson's work through frequent office interactions as well as remote interactions. He also reviews John Hixson's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

Kevin E. Hixson, CFP®

Educational Background:

- Date of birth: 01/17/1967
- Institutions: Baylor University, Waco, TX.-BBA Financial Planning

Business Experience:

- Financial Management Professionals, Inc. (1989–PRESENT)

Disciplinary Information: Not Applicable

Other Business Activities: None

Additional Compensation: None

Supervision:

Kevin Hixson is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews Kevin Hixson's work through frequent office interactions as well as remote interactions. He also reviews Kevin Hixson's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

Adam Palmer Todd, CFP®

Educational Background:

- Date of birth: 09/06/1974
- Institutions: Baylor University, Waco, TX.-BBA Financial Planning

Business Experience:

- Financial Management Professionals, Inc. (1997–PRESENT)

Disciplinary Information: Not Applicable

Other Business Activities: None

Additional Compensation: None

Supervision:

Adam Todd is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews Adam Todd's work through frequent office interactions as well as remote interactions. He also reviews Adam Todd's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

Marc Lester Hixson, CFP®

Educational Background:

- Date of birth: 12/20/1975
- Institutions: Baylor University, Waco, TX.-BBA Management Information Systems

Business Experience:

- Financial Management Professionals, Inc. (1998–PRESENT)

Disciplinary Information: Not Applicable

Other Business Activities: None

Additional Compensation: None

Supervision:

Marc Hixson is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews Marc Hixson's work through frequent office interactions as well as remote interactions. He also reviews Marc Hixson's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

Casey Clay Hall, CFP® CRPC®

Educational Background:

- Date of birth: 12/13/1983
- Institutions: Baylor University, Waco, TX.-BBA Financial Services & Planning

Business Experience:

- Financial Management Professionals, Inc. (2006–PRESENT)

Disciplinary Information: Not Applicable

Other Business Activities: None

Additional Compensation: None

Supervision:

Casey Hall is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews Casey Hall's work through frequent office interactions as well as remote interactions. He also reviews Casey Hall's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

David H. Theobald, CPA

Educational Background:

- Date of birth: 04/27/1949
- Institutions: Lamar University, Beaumont, TX.-BBA Accounting

Business Experience:

- Financial Management Professionals, Inc. (1997–PRESENT)
- Benefits Management Group (1995-PRESENT)

Disciplinary Information: Not Applicable

Other Business Activities:

Benefits Management Group

Additional Compensation:

Financial Management Professionals is affiliated with David Theobald, CPA. David is an advisor for Financial Management Professionals as well as an independent pension consultant. As an advisor he is compensated by Financial Management Professionals. When he serves as an advisor his services are billed by Financial Management Professionals based on its normal fee schedules. As an independent pension consultant his firm, Benefits Management Group, bills clients directly.

Supervision:

As an advisor and affiliate of Financial Management Professionals, David Theobald is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews David Theobald's work through frequent office interactions as well as remote interactions. He also reviews David Theobald's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

Michael Lloyd Carr

Educational Background:

- Date of birth: 06/12/1967
- Institutions: Abilene Christian University, Abilene, TX.-BA English

Business Experience:

- Financial Management Professionals, Inc. (2012–PRESENT)
- Southwest Securities (2009-2012)
- UBS Financial Services (2001-2009)

Disciplinary Information: Not Applicable Other

Business Activities: None

Additional Compensation: None

Supervision:

Michael Carr is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews Michael Carr's work through frequent office interactions as well as remote interactions. He also reviews Michael Carr's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM

Daniel W. Frick, CFP®, CFA

Educational Background:

- Date of birth: 11/02/1984
- Institutions: Loyola University, New Orleans, LA. - Bachelor of Business Administration

Business Experience:

- Financial Management Professionals, Inc. (2012–PRESENT)
- Merrill Lynch (2007-2012)

Disciplinary Information: Not Applicable

Other Business Activities: None

Additional Compensation: None

Supervision:

Daniel Frick is supervised by Milton Hixson, President of Financial Management Professionals, Inc. He reviews Daniel Frick's work through frequent office interactions as well as remote interactions. He also reviews Daniel Frick's activities through our client relationship management system.

SUPERVISOR'S contact information:

512-329-5174 MAIL@FMPROFESSIONALS.COM