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# Southwestern Money Management LLC

## Investment Adviser Brochure

### Form ADV Part 2A

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July 2019

This investment adviser brochure (“brochure”) provides information about the qualifications and business practices of Southwestern Money Management LLC (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (210) 344-3400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Southwestern Money Management is a Registered Investment Advisor. Being registered with the SEC or any other regulatory authority does not imply Southwestern Money Management has a certain level of skill or training.

Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2: Material Changes

The Adviser is a new investment adviser and is filing Form ADV for the first time. As a result, there are no material changes to report.

The Form ADV Part 2A should be reviewed in its entirety.

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#### Item 4: Advisory Business

The Registrant is an investment advisory company founded in 2019. The Adviser is solely owned by Biglari Capital Corp., an investment advisor registered with the SEC and owned by Sardar Biglari. Biglari Capital Corp., founded in the year 2000, has approximately \$1 billion in assets under management.

The Registrant will offer discretionary investment advisory services to a broad range of clients. Services include equity and fixed income portfolios supported by over 20 years of financial markets research.

The Adviser's advisory services are further described below under Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss."

The Adviser does not currently have any assets under management on a discretionary or non-discretionary basis.

#### Item 5: Fees and Compensation

While at times the Adviser may negotiate rates other than specified below, the following schedule lays out the basic billing rates:

<u>Market Value of Portfolio</u>	<u>Annual Rate</u>
Under \$2,000,000	1.45%
\$2,000,000 to \$5,000,000	1.25%
Over \$5,000,000	1.00%

The will not be a minimum fee assessed to an account. Client assets will be charged a fee according to the schedule in the above table. The annual investment advisory fee is based on a percentage of the market value of the assets under management. Investment fees will be based on the total market value of the account inclusive of stocks, bonds, cash equivalents, etc. The investment fees shall be paid quarterly, in advance, based on the market value of the assets on the last business day of the previous quarter. Upon meeting an asset threshold for fee discounts, the lower investment advisory fee will be effective for all assets under management.

If an account is opened or closed between quarters, the fee will be prorated based on the number of calendar days of advisory services received.

Southwestern Money Management's investment advisory agreement can be terminated by either party with 30 days prior written notice.

Clients will incur fees in addition to the management fee paid to the Adviser as stated above. Such fees can include brokerage commissions, other custodian fees, and expenses for investing in exchange traded funds or structured notes. The Adviser will not earn any of the foregoing fees.

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

The Adviser will accept performance-based fees from the clients. As a result, the Adviser will not face conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients but not from other clients.

#### Item 7: Types of Clients

Southwestern Money Management will provide investment advisory services to a broad range of individual clients. There is no minimum investment account value or annual fee to do business with the registrant.

#### Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis. The Adviser will use both qualitative and quantitative analysis when researching financial markets and investment securities.

Investment Strategies. Clients will generally be invested in an equity, fixed income, or blended account based on their individual financial goals and objectives, restrictions, or investment limitations as expressed by the client. The Adviser can adjust its investment strategy for each client as appropriate depending market conditions.

Risk of Loss. Investing in capital markets involves risk of loss that each client should be prepared to bear. There will be no assurance that the investment objectives of the clients will be achieved and that investors will not incur losses, including the potential for loss of an investor's entire investment. Prospective investors should carefully consider the risk factors.

#### Item 9: Disciplinary Information

There have been no disciplinary events and no material legal events related to the Adviser or any management person.

#### Item 10: Other Financial Industry Activities and Affiliations

The Adviser is solely owned by Biglari Capital Corp., an investment advisor registered with the SEC and owned by Sardar Biglari. Biglari Capital Corp. is an investment advisor registered with the SEC. It is not anticipated that the clients being advised by the Adviser will invest in the same investments as the clients being advised by Biglari Capital Corp.

Mr. Biglari will oversee the clients' investments in his capacity as the Principal, Chairman, Chief Executive Officer and ultimate owner of the Adviser. Mr. Biglari controls investments of two investment partnerships in his capacity as the Principal, Chairman, Chief Executive Officer and ultimate owner of Biglari Capital Corp. Mr. Biglari also controls Biglari Holdings Inc. in his capacity as Chairman of the Board of Directors and Chief Executive Officer of Biglari Holdings Inc. Biglari Holdings Inc. is a public company owning subsidiaries engaged in a number of diverse business activities, including media, property and casualty insurance, and restaurants, all of which are run by Mr. Biglari. Mr. Biglari spends time running Biglari Holdings Inc. and Biglari Capital Corp. Mr. Biglari owes duties to those entities, and their clients and public shareholders in his capacity as Chairman and Chief Executive Officer. Those commitments and duties may conflict with Mr. Biglari's commitment and duties to the Adviser and its clients.

The clients may enter into agreements, or “side letters,” with certain prospective investors whereby such investors may be subject to terms and conditions that differ from those set forth in the offering memorandum. The modifications will be solely at the discretion of the investor. Benefits accorded to certain investors will not necessarily be available to all investors.

### Item 11: Code of Ethics, Participation or Interest in Client Transactions And Personal Trading

Code of Ethics. The Adviser has adopted a code of ethics (“Code of Ethics”), which is designed to ensure compliance with applicable federal statutes and regulatory requirements, minimize circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. Among other things, the Code of Ethics governs personal securities trading by the Adviser’s personnel. Supervised persons of the Adviser may personally trade or own any security, including various types of limited offerings, but will be required to clear such trades in advance with the Adviser’s Chief Executive Officer (with the exception of certain securities such as shares issued by open-ended mutual funds, money market funds, U.S. Treasury bonds, commercial paper, etc., that do not have to be pre-cleared). Supervised persons will be required to disclose their personal securities holdings and transactions to the Adviser on a periodic basis, which will be reviewed by the Chief Compliance Officer.

The Adviser will maintain insider trading policies and procedures (the “Insider Trading Policies”) that are designed to prevent the misuse of material, non-public information.

The Adviser’s supervised persons will be required to certify their compliance with the Code of Ethics and the Insider Trading Policies on a periodic basis.

Clients may request a copy of the Code of Ethics by contacting the Adviser at the address or telephone number listed on the first page of this document.

The Adviser or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to clients. The Adviser will require its related persons to pre-clear transactions in their personal accounts with the Chief Executive Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on clients. All of the Adviser's related persons will be required to disclose their securities transactions on a quarterly basis and holdings on an annual basis.

## Item 12: Brokerage Practices

The Adviser will consider a number of factors in selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation. Such factors include the full range of brokerage services provided by the broker, as well as its capital strength and stability and the quality of the research and the research services provided by the broker. In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It will not be the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which will be included in the commission rate.

The Chief Executive Officer will evaluate brokerage firms according to, among other things, order execution capabilities and back-office operations.

Soft Dollars. The Adviser does not plan to obtain research and brokerage services with a client's commissions. In the event that the Adviser determines to commence such practice, the Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)").

Trade Aggregation and Allocation. The Adviser will not make investments which require aggregating trades.



### Item 13: Review of Accounts

Sardar Biglari, the Chairman and Chief Executive Officer of the Adviser, will review the client's accounts on an ongoing basis.

Investors will be furnished with an Annual Report containing financial statements examined by independent auditors within 120 days after the end of each calendar year.

### Item 14: Client Referrals and Other Compensation

The Adviser does not intend to enter into referral or similar arrangements pursuant to which it would compensate third parties for referrals that result in a potential client becoming an investor.

### Item 15: Custody

The Adviser is not a broker-dealer and will not take possession of client assets. The client's assets will be housed in nationally recognized brokerage firms, otherwise known as custodians. The Adviser will have a limited power of attorney to place trades on the client's behalf. The custodian will issue trade confirmations and monthly statements directly to clients, while the client's account will be managed by the Adviser. Clients are urged to compare the information in their quarterly statements from the Adviser with the statements provided by their custodian.

The Adviser will work with the client and custodian to open and establish a custodian account. It is possible a prospective client will be assigned to a new custodian even if their existing account is at a custodian the Adviser uses.

Direct Debit of Fees. The Adviser will have the ability to directly debit fees from clients' accounts. The Adviser will have policies and procedures in place to ensure fees are calculated correctly and in accordance with clients' agreed upon rates.

### Item 16: Investment Discretion

The Adviser will have a limited power of attorney to act on a fully discretionary basis on behalf of the clients.

### Item 17: Voting Client Securities

The clients will be responsible for voting the proxies for portfolio securities in their accounts.

### Item 18: Financial Information

The Adviser will not require prepayment of fees or have any other events requiring disclosure under this item of the brochure, and has not been the subject of a bankruptcy proceeding.