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# Southwestern Money Management LLC

## Investment Adviser Brochure

### Form ADV Part 2A

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December 2020

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 Adviser. 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).

#### **Southwestern Money Management LLC**

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## Item 2: Material Changes

Southwestern Money Management LLC is filing this other-than-annual amendment to its previous brochure, dated March 2020, to update the client fee schedule and to include routine updating changes and certain enhanced disclosures. Except as otherwise specified, all information set forth or referenced in this brochure is as of the date hereof.

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

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#### Item 4: Advisory Business

The Adviser is an investment advisory company founded in 2019. The Adviser is solely owned by Biglari Capital Corp., an investment adviser registered with the SEC and owned by Sardar Biglari.

The Adviser will offer discretionary investment advisory services to a broad range of clients with respect to portfolios comprised of equity or equity and fixed income securities based on the client's return requirement and risk profile. Investment advice is supported by 20 years of financial markets research by the advisory team.

Every client will be assigned a dedicated Investment Counselor who will get to know the client and will be available to answer questions, including in person, in line with client expectations as to timing and manner of communication.

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:

<b>Market Value of Portfolio</b>	<b>Annual Rate</b>
\$0 up to \$2 million	1.45%
\$2 million up to \$5 million	1.25%
Over \$5 million	1.00%

There 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 assets under management. Investment fees will be based on the total market value of the account, inclusive of all securities, cash equivalents, etc. The investment fees shall be paid quarterly based

on the market value of the account on the last business day of the previous quarter. 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. Upon meeting an asset threshold for fee discounts, the lower investment advisory fee will be effective for all assets under management. The Adviser'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, custodian fees, and expenses for investing in securities, 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 not receive performance-based fees from 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

The Adviser will provide investment advisory services to a broad range of individual clients. There is no minimum account value or annual fee. The Adviser, in its sole discretion, may waive the investment management fee or charge a lesser investment management fee with respect to certain clients.

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

Methods of Analysis. The Adviser will use both qualitative and quantitative tools to analyze markets, sectors and securities.

Investment Strategies. Clients will generally be invested in equity or equity and fixed income strategies based on the 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 on its forward-looking view of 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 discussed in the offering materials.

Conflicts of Interest. The Adviser charges investment management fees on a quarterly basis, based on the market value of the account as of the last business day of the previous quarter. The Adviser may be incentivized to invest client accounts in positions that maximize the amount of the fee charged to clients and/or perform valuation calculations in a manner that maximizes the amount of the fee charged to clients.

#### Item 9: Disciplinary Information

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

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

It is not anticipated that Sardar Biglari will provide investment services to clients of the Adviser. The Adviser is solely owned by Biglari Capital Corp., an investment adviser registered with the SEC and owned by Mr. Biglari. It is also 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 controls investments of two investment partnerships in his capacity as the Principal, Chairman, and Chief Executive Officer 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 and licensing, property and casualty insurance, restaurants, and oil and gas. 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.

## 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 is not required to 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.

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

## Item 13: Review of Accounts

Account reviews are conducted on a periodic basis.

## 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 qualified custodians. The Adviser will have a limited power of attorney to place trades on the client's behalf. The custodian will issue monthly statements directly to clients, while the client's account will be managed by the Adviser.

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 custodian 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 has discretionary authority over clients' accounts, as the Adviser may authorize trades or effect transactions on such clients' behalf.

### 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.