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# Southwestern Money Management LLC

## Investment Adviser Brochure

### Form ADV Part 2A

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March 30, 2022

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 an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, 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**

17802 IH 10 West, Suite 400

San Antonio, Texas 78257

(210) 344-3400

## Item 2: Material Changes

This brochure is our annual update to the Form ADV Part 2A of Southwestern Money Management. Southwestern Money Management routinely makes changes throughout its brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices.

There have been no material changes since the firm's last update of Form ADV, filed on March 31, 2021. However, this annual update includes routine annual 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. Subject to the requirements of the Advisers Act and other applicable laws, Southwestern Money Management is under no obligation to update any such information.

We encourage all recipients to read this brochure carefully and 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 offers 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. Financial planning and investment consulting services are offered to individuals whose assets are not under management with the Adviser. Investment advice is supported by more than 20 years of financial markets research by the advisory team.

Every client is 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."

As of December 31, 2021, the Adviser managed approximately \$1.6 million in regulatory assets under management – all on a discretionary basis.

*The information provided about the Adviser in this brochure is qualified in its entirety by reference to the Adviser's portfolio management agreements with clients.*

## Item 5: Fees and Compensation

The annual investment advisory fee is 1.25% of the client's portfolio market value of assets under management. There are no minimum fees assessed to an account. Investment fees are based on the total market value of the account, inclusive of all assets in the account, including securities and cash equivalents. The investment fees are 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. The Adviser's investment advisory agreement can be terminated by either party with 30 days prior written notice.

The Adviser also charges a fee for financial planning and investment consulting fees to clients whose assets are not under the Adviser's management.

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 does not receive performance-based fees from clients. As a result, the Adviser does 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 provides 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 charge a lesser investment management fee. Pursuant to the terms of the portfolio management agreements, clients are prohibited from working with financial advisory businesses who are related to our Investment Counselors.

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

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

Investment Strategies. Clients are generally 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 may adjust its investment strategy as appropriate based on the facts and circumstances on each client.

Risk of Loss. Investing in capital markets involves risk of loss that each client should be prepared to bear. There can 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.

#### 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

The Adviser is solely owned by Biglari Capital Corp., an investment adviser registered with the SEC and owned by Sardar Biglari. It is not anticipated that Mr. Biglari will provide investment services to clients of the Adviser. 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 the investment decisions 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.

## 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 are required to disclose their personal securities holdings and transactions

to the Adviser on a periodic basis, which are reviewed by the Chief Compliance Officer.

The Adviser maintains 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 are 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 considers 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 is not 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 receive 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 has not entered 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 does not take possession of client assets. The Adviser will work with each new client and to open and establish a custodian account with, and all client assets are held by, a nationally recognized brokerage firm that meets the requirements of a "qualified custodian." The Adviser has a limited power of attorney to place trades on the client's behalf. Each client's qualified custodian issues monthly statements directly to the client, while the client's account is managed by the Adviser. The Adviser encourages each client to carefully review all account statements sent to them by the client's qualified custodian.

Direct Debit of Fees. The custodian has the ability to directly debit fees from clients' accounts. The Adviser has 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 behalf of clients.

### Item 17: Voting Client Securities

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



## Item 18: Financial Information

The Adviser does not require prepayment of fees, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.