

**Item 1 – Cover Page**

# RSW Investments Holdings, LLC

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**March 10, 2021**

This Brochure provides information about the qualifications and business practices of RSW Investments Holdings, LLC (“RSW Investments”, “RSW”, the “Firm”, or the “Company”). If you have any questions about the contents of this Brochure, please contact us at (817) 391-6110 or at [christy.sears@resolutemanagers.com](mailto:christy.sears@resolutemanagers.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.

RSW is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about RSW also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for RSW is 302023.

## Item 2 – Material Changes

This item of the Brochure discusses only specific material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes.

We do not have material changes for our current Brochure.

(Brochure Date: 03/10/2021)

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(Date of Most Recent Annual Updating Amendment: 03/06/2020)

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## Item 4 – Advisory Business

RSW Investments Holdings, LLC (“RSW Investments”, “RSW”, the “Firm”, or the “Company”) is a limited liability company formed in the State of Delaware. RSW Investments Holdings, LLC succeeded to the advisory business of its predecessor, RSW Investments, LLC (CRD#134261/SEC#801-63947) on April 1, 2019 after entering into an ownership agreement with Resolute Investment Managers, Inc. (“RIM”). The predecessor’s business was founded in 2005.

The advisory services and management of RSW remained the same after the change of ownership. The firm’s ownership is as follows: Robert S. Waas (51%), Resolute Investment Managers, Inc. (44%) and Matthew T. Werner (5%). RIM is an indirect wholly-owned subsidiary of Resolute Investment Holdings, LLC, which is owned primarily by Kelso Investment Associates VIII, L.P.

As of December 31, 2020, the firm managed \$2.35B on a discretionary basis.

RSW specializes in the management of municipal bond portfolios, as discussed further below. The vast majority of RSW’s clients are referred by a wrap-fee program sponsor or via a third-party relationship where RSW has been selected as a sub-adviser. A representative of the applicable Program Sponsor or an independent financial advisor will work with the client to determine the client’s investment objectives, risk tolerance, liquidity requirements, investment restrictions and other relevant suitability factors. Based on this information and RSW’s investment philosophy and style, the representative or advisor may then recommend placing all or a portion of the client’s assets with RSW for management through the Program.

### Portfolio Management Services

RSW’s fixed-income investment management philosophy focuses on maximizing clients’ after-tax total return while employing prudent and predictable risk through focusing on coupon selection, yield curve targeting and changes in portfolio duration. Through the use of a Proactive Credit Research Approach, Optimal portfolio structure, and Dynamic Risk Management, RSW attempts to maximize portfolio predictability and dependability.

RSW manages municipal fixed income accounts on a discretionary basis only. RSW broadly distributes 3 general portfolio strategies (Market Duration Portfolio, Low Duration Portfolio, and Enhanced Intermediate Duration Portfolio) which are designed to meet a particular investment goal. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). Once

the appropriate portfolio strategy(ies) for a client has been determined by either a client or a client in conjunction with his/her independent financial advisor, RSW continuously manages the client's assets according to the selected strategy(ies). Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Under certain circumstances, typically for account values in excess of \$5 million (although RSW also provides this service to certain accounts within wrap-fee programs under that minimum), RSW can create a customized investment strategy consistent with the individual investment objectives and risk tolerances of the client. These separate accounts will be managed versus a customized benchmark.

The Market Duration portfolio has the following characteristics:

- It strives to provide the tax-exempt cash flow of a 10-15 year bond while maintaining a level of volatility that is normally associated with shorter maturity investments.
- A key determinant in RSW's maturity distribution is the slope of the municipal bond yield curve.
- Emphasizes high quality (AA Avg.) premium coupon callable municipal bonds with an approximate average maturity of 10-15 years.
- The average call date of each portfolio typically falls within the range of 4 to 6 years.
- Benchmark: Bloomberg Barclays Capital 5-Year Municipal Bond Index.
- Available Mandates: National, State Preference and State Specific:
  - National Portfolios- comprised of bonds issued in any state without considering the client's state of residence
  - State Preference Portfolios - target a minimum of 50% state specific issues with the remainder invested in out-of-state securities
  - State Specific Portfolios - constructed for clients who reside in a variety of states.
  - RSW's ability to achieve our desired level of investment in a particular state may be impacted by factors such as: high embedded capital gains, the relative value of the target state, and the availability of new issue and/or secondary supply of bonds.
- RSW employs a unique "sale discipline" during periods of rising interest rates. As market yields rise near the bond's stated coupon rate, the price will decline towards par. RSW's strategy targets these "current coupon" bonds for sale as they no longer represent superior income or price stability. RSW then seeks to reinvest the proceeds from the sales in higher coupon callable bonds, thus reinstating the original portfolio structure at current market levels. By executing these

transactions and realizing a capital loss, an asset is created since the loss may be used to offset capital gains. This advantage may not have existed if a buy and hold strategy was in place.

The Low Duration Portfolio exhibits the same characteristics as the Market Duration Portfolio, with the key differences being it can only invest in premium coupon callable bonds with stated maturities that cannot exceed 10 years (as opposed to 10-15 years for the Market Duration Portfolio). Furthermore, the average call date structure of each portfolio is shorter than the Market Duration mandates, and typically falls in the range of 2 to 4 years. The benchmark for the Low Duration Portfolio is the Bloomberg Barclays Municipal 3-Year Index.

The core discipline of the Enhanced Intermediate Duration strategy is founded on the investment characteristics of RSW's Market Duration strategy (targeting high quality premium coupon callable bonds maturing between 10-15 years.) However, the Enhanced Intermediate Duration strategy is not held to its more stringent "sale discipline" and maintains broader levels of flexibility to preserve principal and enhance total rate of return opportunities, such as:

- Active duration management.
- Investments in bonds maturing up to 20 years.
- Coupon structure: may target discount, par, and premium coupon bonds and participate in "new issue arbitrage" strategies.
- Short-term tactical US Treasury bond exposure as market conditions warrant.

RSW can also manage each of these primary strategies in a tax efficient manner for clients. Deeply embedded within our investment philosophy is an ability to convert a rising interest rate environment into an opportunity to harvest tax losses and increase coupon income. As a result of rising interest rates, certain securities are flagged to be sold as their prices drop to predetermined levels. By executing these transactions and realizing a capital loss, an asset is created since the loss may be used to offset capital gains. This advantage may not have existed if a buy and hold strategy was in place. The benchmark for the Enhanced Intermediate Duration Portfolio is the Bloomberg Barclays Capital 5-Year Municipal Bond Index.

For all portfolio strategies, RSW will ensure that the following conditions are met and maintained:

1. RSW manages each client's account to the strategy selected by the client and/or the client's financial advisor, with any reasonable investment restrictions the client may impose.
2. RSW obtains sufficient client information to be able to provide individualized investment advice to the client. At least annually, RSW (or a representative of a wrap-fee Program Sponsor as described below) will contact the client to determine whether there have been any changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.
3. RSW is reasonably available to consult with the client.
4. Each client retains indicia of ownership of the securities and funds in the account, e.g., the ability to withdraw securities, vote securities, among others.

## **Item 5 – Fees and Compensation**

For those accounts participating in a wrap-fee program to which RSW serves as a Portfolio Manager, RSW is compensated based on a percentage of the market value of each account. This amount typically equals 20% to 50% of the total Program Sponsor's fees. The wrap fee collected by the applicable Program Sponsor includes RSW's advisory fee, the Program Sponsor's fee (which may be shared with an independent referring party), the client's portfolio transactions without commission charge (subject to any restrictions), and custodial services for the client's assets. The billing cycle for Model Portfolio Management clients will be dependent on the wrap program sponsor (i.e. forward or in arrears). RSW does not manage wrap-fee accounts in a manner different to other accounts, whether via a sub-advisory relationship or not.

The Program Sponsor may charge certain additional costs. For a complete description of the fee arrangement including billing practices and account termination provisions, clients should review the applicable Schedule H wrap fee brochure provided to the client by the representative of the Program Sponsor.

RSW's annual fee for its portfolio management services for accounts not introduced through a wrap-fee program will be charged as a percentage of assets under management. RSW's standard management fee schedule is as follows: 0.30% on the first \$500,000, 0.25% on the next \$4.5 million and 0.20% over \$5 million. RSW agrees on an exact percentage with each client based on both the nature and total dollar value of that account prior to

accepting management of the account. In certain circumstances, RSW's fees may be negotiable.

RSW typically requires a minimum account size of \$250,000 for the Market Duration and Low Duration Portfolio. The Enhanced Intermediate Duration portfolio minimum account size is \$500,000. These minimums can be waived under certain circumstances.

A client agreement may be canceled at any time, by either party, for any reason, upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. (This applies to "wrap account" sponsors who pay RSW for the actual days of portfolio management services provided). The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

While it is not anticipated that mutual funds will be included in the clients' portfolios, money market mutual funds may be used to 'sweep' unused cash balances until they can be appropriately invested. Clients should recognize that all fees paid to RSW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

The fee charged is calculated as described above in Item 5 and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

## **Item 7 – Types of Clients**

RSW specializes in the professional management of separate account municipal bond portfolios for individual investors. RSW may also provide investment advice to trusts, estates, charitable organizations, and other corporations or business entities.

As disclosed under Item 5, RSW requires a minimum account of \$250,000 for a Market Duration or Low Duration portfolio strategy and a minimum of \$500,000 for an Enhanced



Intermediate Duration portfolio strategy. However, under certain circumstances these minimums may be waived.

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

RSW's investment philosophy does not rely on "calling" the direction of interest rates. Instead, RSW embraces the concept of enhancing wealth by emphasizing three key disciplines:

- Proactive Research Approach
- Optimal Portfolio Structure
- Dynamic Risk Management

Our "Buy Discipline" stresses research efforts which are concentrated on assessing value among high quality bonds by utilizing yield curve, roll down, embedded call option, and horizon analysis. By applying these research techniques, we believe higher stable and consistent returns can be achieved than by lowering our credit quality standards to attain negligible, incremental returns.

RSW utilizes various other tools as sources of information such as Bloomberg and Investor Tools.

While RSW typically follows a long-term investment strategy, on occasion (dependent on the needs of a specific client) RSW may engage in more active trading (securities bought and sold within 30 days). Because this strategy involves a certain additional degree of risk, it will only be employed when consistent with the client's stated strategy selection.

RSW's security analysis methods include fundamental and technical analysis. The investment strategies used to implement any transactions include long term purchases (securities held at least a year), short term purchases (securities sold within a year), and trading (securities sold within 30 days).

Investing in securities involves risk of loss that clients should be prepared to bear.

### Risks Specific to Fixed Income Management:

Historically, bonds have provided less volatility and less risk of loss of capital than equity investing. However, there are many factors that may affect the risk and return profile of a

fixed income portfolio. The two most prominent factors are interest-rate movements and the credit-worthiness of the bond issuer.

Municipal securities are debt obligations generally issued to obtain funds for various public purposes, including general financing for state and local governments, or financing for a specific project or public facility. Municipal securities may be fully or partially backed by the taxing authority of the local government, by the credit of a private issuer, by the current or anticipated revenues from a specific project or specific assets or by domestic or foreign entities providing credit support, such as letters of credit, guarantees or insurance, and are generally classified into general obligation bonds and special revenue obligations.

Municipal securities are subject to credit risk. Bonds issued by the U.S. government have significantly less risk of default than those issued by corporations and municipalities. However, the overall return on government bonds tends to be less than these other types of fixed-income securities. A municipal issuer of a security might not make interest or principal payments on a security as they become due. A downgrade in the issuer's or security's credit rating can reduce the market value of the security. A number of municipalities may face severe financial hardship making the possibility of their defaulting on obligations, and/or declaring bankruptcy where allowable, a risk to the value of municipal securities held by clients.

Municipal securities are also subject to interest rate risk. A decline in short-term interest rates will lower a bond's yield, while the market value of previously purchased bonds in general will rise. When interest rates go up, the market value of previously issued bonds generally decline. The prices of fixed income securities are also affected by their duration. Fixed income securities with longer durations generally have greater sensitivity to changes in interest rates. Duration is an indicator of the sensitivity of a security's price to changes in interest rates. Generally, the price of a security with a positive duration will fall when interest rates rise, and vice versa. Moreover, larger absolute values of duration correspond to larger price changes. A duration of "one year" means that a security's price would be expected to decrease by approximately 1% with a 1% increase in interest rates.

Municipal securities are also subject to call risk. There is a chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The bondholder would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in interest income.

Prospective and existing clients should consult with a tax advisor regarding federal, state and local taxes that may affect a municipal bond portfolio.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of RSW or the integrity of the Firm’s management. RSW does not have any disciplinary information applicable to this Item to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### *Resolute Investment Managers, Inc.*

RIM is a diversified, multi-affiliate asset management platform comprised of SEC-registered investment advisers, a limited-purpose broker-dealer, and an asset management servicing company. RSW receives compliance support services from Resolute Investment Services, Inc. (“RIS”) pursuant to an agreement that provides for RSW to pay a fee for such services. Those employees of RIS who have access to RSW’s non-public information regarding clients’ account activity or holdings are subject to RSW’s Code of Ethics and certain other policies and procedures designed to protect clients from potential conflicts of interest. Please see Item 11 for a description of the Code of Ethics.

Certain directors of RSW are also directors of one or more of its affiliated firms. These directors provide corporate governance of RSW’s and other affiliates’ operations.

RIM is not involved in the management or oversight of RSW’s investment portfolios.

### *Resolute Investment Distributors, Inc.*

RSW has an affiliated broker-dealer, Resolute Investment Distributors, Inc. (“RID”), which is a limited purpose broker-dealer registered with the Financial Industry Regulatory Authority. RID limits its activities to distribution and marketing of registered investment companies and private funds to financial intermediaries and institutional investors and does not perform any securities execution or clearing services. Therefore, RSW will not use RID as a broker when executing any client transactions.

### *Solicitation Agreement with an Affiliated Investment Adviser*

Pursuant to a solicitation agreement, RSW may pay referral fees to an affiliated investment adviser for each solicited client that enters and maintains a contractual intermediary relationship or that remains a client of RSW. Please see Item 14 for more information on the compensation arrangements related to client referrals.

RSW is not registered as an FCM, CPO or a CTA, nor are any of its representatives. However, certain of the RSW affiliates are registered as a CPO or a CTA. Additionally, certain affiliates manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV Part 1, Schedule D.

RSW's employees, parent company or an affiliate may from time to time invest in a RSW strategy. Such investments may be made on a fee-waived basis.

## **Item 11 – Code of Ethics**

RSW has adopted a Code of Ethics which sets forth high ethical standards of business conduct for RSW employees, and those employees of RIS who have access to non-public information regarding RSW's client accounts, including compliance with applicable federal securities laws. Our Code of Ethics also includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by RSW's covered persons. Among other things, RSW's Code of Ethics also requires the prior approval of any acquisition of securities in a primary issuance of municipal bonds, a limited offering (e.g., private placement) or an initial public offering. RSW restricts employees from purchasing or selling the same security at the time that RSW is purchasing or selling on behalf of clients. Our code also includes oversight, enforcement, and recordkeeping provisions. A copy of RSW'S Code of Ethics is available to RSW'S advisory clients upon request to the Chief Compliance Officer at (817) 391-6110 or at [christy.sears@resolutemanagers.com](mailto:christy.sears@resolutemanagers.com).

## **Item 12 – Brokerage Practices**

The specific nature of the bond structures sought for purchase by RSW is typically in limited supply, and in many cases, may only be available from one broker/dealer. The best price becomes the only consideration for determining the counterparty to execute the transaction. On the limited occasions when bonds being sought for purchase are offered in the marketplace by more than one broker/dealer, counterparty selection will be based on best price, as well as RSW's consideration of the full range and quality of a broker/dealer's

services, including execution capability, commission rates, and the value of research, among other things.

RSW may at times invest client assets in new issue municipal bonds due to favorable pricing opportunities. As such, RSW's broker/dealer execution selection will be limited to the broker/dealers who are syndicate members of the new issue. While RSW will make every effort to attain best execution on these transactions, the Firm's ability to get multiple quotes will be limited. When secondary municipal bond offerings are utilized in client accounts, RSW as a matter of policy will seek the best execution possible taking into account current market conditions and other alternative investment opportunities. With respect to the vast majority of sale transactions, under normal market conditions, a competitive bidding process is utilized for those securities deemed to be liquid by RSW Investments. Execution via a negotiated sale is permitted for all other instances. In those instances when the competitive bid is deemed to be below an "acceptable" price, the bonds are offered in the "Street" at a higher price. In the event that two or more brokers competitively bid identical price levels, RSW will go back to each and request a re-bid. If all brokers again return identical new bids, then a broker is selected randomly.

RSW does not have any soft dollar relationships.

RSW will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows RSW to execute fixed income trades in a more timely, equitable manner and to reduce overall commission charges to clients. However, as per RSW's Code of Ethics (please refer to disclosure under Item 11), no personal trades will ever be included in any client blocks.

### **"Investable Cash" and Portfolio Restructurings:**

Below are the methods that will be employed to allocate bonds for both the investment of "investable cash" and portfolio restructurings. Neither one will have preferential treatment over the other in receiving bonds purchased.

Portfolios with "Investable Cash": Portfolios with the highest level of cash are "flagged" and analyzed to determine whether they will be allotted any new bonds purchased. Additionally, the following risk parameters are also to be considered in RSW making allocation decisions:

- State exposure (dependent on National / Preference account type)

- Issuer exposure
- Underlying credit quality
- Yield curve exposure
- Sector exposure
- Annual realized / unrealized gain and loss amounts
- Duration (Option Adjusted Duration/Duration to Call)

Each targeted portfolio will receive a full allocation of a “block” or “aggregated” purchase as deemed so by RSW based on either the portfolio’s percentage of available cash or the risk parameters above. In the event that a block is too small to accommodate a “full allocation” for all of the selected portfolios’, RSW fills client accounts with the highest cash levels, while also making considerations for the risk parameters (above) and continues allocating bonds until the process is complete.

Portfolios “Flagged” for Restructuring: Additionally, portfolios that are fully invested and thus do not have available cash may be targeted to participate in an exchange of an existing / partial holding(s) for the newly purchased bond. The criteria and order in which portfolios are selected will be determined by factors such as: deviation from the desired level within each of the risk parameters mentioned below (i.e. the portfolios with the greatest deviation are targeted first, etc.)

- State exposure (dependent on National / Preference account type)
- Issuer exposure
- Underlying credit quality
- Yield curve exposure
- Sector exposure
- Annual realized / unrealized gain and loss amounts
- Duration (Option Adjusted Duration/Duration to Call)

Restructuring trades are entirely dependent on whether RSW can create capacity for a particular bond in accounts where such bond could be a potential fit. Due to market liquidity, RSW cannot always get an acceptable bid (price) on certain existing client holdings, and without an acceptable offer (quote) RSW will not sell existing client bonds in order to generate cash in client portfolios for the bonds to be purchased. Therefore RSW quite often selects a larger group of portfolios and securities to potentially sell/restructure than it intends to execute. Only when RSW evaluates the bids received can we determine the most appropriate securities to sell. Those portfolios selected will then receive a full allocation of the “block” or “aggregated” purchase consistent with the amount of cash generated and risk parameters mentioned above. In the event that enough bonds do not

exist for a portfolio to receive a “full” allocation, that portfolio will simply receive the final allocation of the balance of the bonds that remain to be allocated.

### Electronic Trading Platforms

RSW executes sale transactions on a regular basis utilizing electronic trading platforms. The electronic platforms allow RSW to submit a bid to purchase a security that RSW is selling “in competition” with the broker/dealer community. RSW may decide to bid on a bond that it is selling from a client account if RSW deems that the bond meets RSW’s investment criteria for one or more other client accounts at the time the bid list is compiled. This process benefits the account selling the bonds by providing additional market participants to enhance best execution, as well as the purchasing account, which has the opportunity to purchase a bond that may be relatively scarce in the market place at a market derived price.

### Portfolio Management Services Through Various Wrap Fee Programs:

For Program clients, RSW requests that it be provided with written authority to determine the securities to be bought or sold and the amounts of securities to be bought or sold in the client's Program account. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Clients participating in wrap-fee Programs to which RSW acts as a Portfolio Manager also agree to direct brokerage in their Program account(s) through the applicable Program Sponsor. Within the various Programs, RSW has the ability to trade away from the Sponsor, which RSW predominately does to enable it access to a greater bond inventory than is typically held by the Sponsor. (While the Program Sponsor typically charges an additional fee for such trade-aways above and beyond the Program fee, as RSW trades solely in fixed income bonds each Program client receives the same execution on trades placed by RSW through brokers other than the Sponsor as the client would if RSW placed all trades through the Sponsor, and no additional trade away fee is levied to the Program client's account as a result).

The client should, however, consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

## **Item 13 – Review of Accounts**

While the securities within client accounts are continuously monitored, these accounts will be formally reviewed at least monthly by Rob Waas, CEO/CIO of RSW. Various reports and filters are used to highlight deviations from the strategy or desired investment parameters. Reviews focus primarily on the levels of cash, duration, maturity profile, and dollar price of securities. 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.

RSW performs the same reviews for any accounts managed within a wrap-fee program to which RSW acts as Portfolio Manager.

In addition to the at least quarterly statements and confirmations of transactions that Portfolio Management clients receive from their broker dealer, RSW will provide a quarterly general market commentary.

Clients of accounts managed within a wrap-fee program to which RSW acts as Portfolio Manager are requested to refer to the applicable Program disclosure document for information on the reports they are to receive from the Program Sponsor. Typically, RSW does not provide any reports to wrap-fee Program clients.

## **Item 14 – Client Referrals and Other Compensation**

As disclosed throughout this brochure, RSW acts as a Portfolio Manager within various wrap-fee programs sponsored by third-party companies, as well as providing portfolio management services via sub-advisory relationships, also with third-party companies. For such services, RSW receives a portion of the wrap fee or fee for sub-advisory services.

RSW has engaged an affiliated investment adviser to solicit and refer financial intermediaries and other clients who desire to utilize the advisory services provided by RSW. Pursuant to the solicitation agreement, RSW will pay its affiliate a percentage of all investment advisory fees it receives from the solicited client. RSW will continue to pay its affiliate for so long as the solicited client either maintains a contractual intermediary relationship with RSW or remains a client.

RSW is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all required written instruments will be maintained by RSW and all applicable Federal and/or State laws will be observed.



## **Item 15 – Custody**

RSW does not maintain custody of client funds or securities. Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains client's investment assets. Upon request RSW may also provide certain account details to the client. Records may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

RSW requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold, as well as the broker dealer to be used and the commission rates to be paid (or markups/markdowns in the case of fixed income investments).

However, as discussed under Item 12, clients participating in wrap-fee Programs to which RSW acts as a Portfolio Manager typically agree to direct brokerage in their Program account(s) through the applicable Program Sponsor. Within the various Programs, RSW has the ability to trade away from the Sponsor, which RSW predominantly does to enable it access to a greater bond inventory than is typically held by the Sponsor. (While the Program Sponsor typically charges an additional fee for such trade-aways above and beyond the Program fee, as RSW trades solely in fixed income bonds each Program client receives the same execution on trades placed by RSW through brokers other than the Sponsor as the client would if RSW placed all trades through the Sponsor, and no additional trade away fee is levied to the Program client's account as a result).

## **Item 17 – Voting Client Securities**

As a matter of firm policy and due to the predominant use of municipal bonds as investment vehicles for client accounts, RSW does not vote proxies on behalf of clients. Clients are responsible for voting their own proxies (as applicable).

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about RSW's financial condition. RSW 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.

**Robert S. Waas**

**RSW Investments Holdings, LLC**

47 Maple Street, Suite 304, Summit, NJ 07901

908-608-9600

March 10, 2021

**This Brochure Supplement provides information about Robert Waas that supplements the RSW Investments Holdings, LLC (“RSW”) Brochure. You should have received a copy of that Brochure. Please contact Christina Sears, RSW’s Chief Compliance Officer, if you did not receive RSW’s Brochure or if you have any questions about the contents of this supplement.**

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

## **Item 2- Educational Background and Business Experience**

**Robert S. Waas**, born 1960

### Post-Secondary Education:

- Graduated from St. John's University in 1982 with a B.S. in Accounting.

### Recent Business Background:

- CEO and CIO of RSW Investments Holdings, LLC 07/2019 to Present; CEO/CIO/CCO of RSW Investments Holdings, LLC from 04/2019 to 06/2019. CEO/CIO/CCO of RSW Investments, LLC, predecessor of RSW Investments Holdings, LLC, from 2005 to 2019.

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item 4- Other Business Activities**

None.

## **Item 5- Additional Compensation**

As the majority owner of RSW, Mr. Waas receives an economic benefit on the success of RSW, including new clients and additional assets. He receives no other additional compensation.

## **Item 6 - Supervision**

RSW is a small horizontal organization. As such, we do not conduct our business by appointment at predetermined dates and times. Instead, we converse daily as an investment team about matters that affect our client portfolios. The portfolio management team is comprised of Robert Waas, CIO, Matthew Werner, Senior Portfolio Manager, CFA and Randy Fox, Assistant Portfolio Manager. All transactions executed by the team members must conform to the agreed upon strategy. Robert Waas solicits opinions from the team members but is ultimately responsible for setting investment policies. The investment team discusses the vast majority of the bonds before they are purchased or

sold, with Robert Waas, CEO/CIO, reviewing all trades to ensure the transactions were in line with the agreed upon investment policies.

If you need to contact a representative regarding Robert Waas, Christina Sears can be reached at 220 E. Las Colinas Blvd., Suite 1200 Irving, TX 75039. Phone number 817-391-6110.

Item 1- Cover Page

**Matthew T. Werner, CFA**

**RSW Investments Holdings, LLC**

47 Maple Street, Suite 304, Summit, NJ 07901

908-608-9600

March 10, 2021

**This Brochure Supplement provides information about Matthew Werner that supplements the RSW Investments Holdings, LLC (“RSW”) Brochure. You should have received a copy of that Brochure. Please contact Christina Sears, RSW’s Chief Compliance Officer, if you did not receive RSW’s Brochure or if you have any questions about the contents of this supplement.**

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

## Item 2- Educational Background and Business Experience

**Matthew T. Werner**, Born 1979

### Post-Secondary Education:

- Graduated from University of Delaware in 2001 with a B.S. in Finance, with minors in Management Information Systems and Economics
- CFA® charterholder since 2017

### Recent Business Background:

- Senior Portfolio Manager of RSW Investments Holdings, LLC from 2019 to present. Senior Portfolio Manager of RSW Investments, LLC, predecessor of RSW Investments Holdings, LLC, from 2015 to 2019.
- Portfolio Manager of RSW Investments, LLC from 2010 to 2015.

### CFA - Chartered Financial Analyst

Issued by: CFA Institute

Prerequisites/Experience Required:

Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Examination Type: 3 course exams

Continuing Education/Experience Requirements: None

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

None.

### **Item 5- Additional Compensation**

As a minority owner of RSW, Mr. Werner receives an economic benefit on the success of RSW, including new clients and additional assets. With the exception of compensation received as a result of activities described under Item 4 above, Matthew Werner receives no other additional compensation.

### **Item 6 - Supervision**

RSW is a small horizontal organization. As such, we do not conduct our business by appointment at predetermined dates and times. Instead, we converse daily as an investment team about matters that affect our client portfolios. The portfolio management team is comprised of Robert Waas, CIO, Matthew Werner, Senior Portfolio Manager, CFA and Randy Fox, Assistant Portfolio Manager. All transactions executed by the team members must conform to the agreed upon strategy. Robert S. Waas solicits opinions from the team members but is ultimately responsible for setting investment policies. Matthew Werner has the latitude to execute buy and sale transactions that are aligned with RSW's investment philosophy, and account mandate guidelines. In practice however, the investment team discusses the vast majority of the bonds before they are purchased or sold, with Robert Waas, CEO/CIO, reviewing all trades to ensure the transactions were in line with the agreed upon investment policies.

If you need to contact a representative regarding Matthew Werner, Robert Waas can be reached at 47 Maple St., Suite 304 Summit, NJ 07901. Phone number 908-608-9600.

# RSW Investments

## Privacy Policy Statement

### **Protecting Your Privacy...at the core of our business**

You trust us with your financial and other personal information; we in turn are committed to respect your privacy and safeguard that information. By adhering to the practices described herein we affirm our continuing commitment to protecting your privacy.

### **Collection and use of personal information**

In order to provide you with customized service we collect financial and other personalized information about you from information you provide on applications or other forms (for example, your name, address, social security number and birth date) and information about your transactions with us (for example, details of transactions, account balance, and account number).

### **Keeping information secure**

We maintain physical, electronic and procedural safeguards to protect your financial and other personal information, and we continually assess new technology with the aim of adding new safeguards to those we have in place.

### **Limiting employee access to information**

We limit access to personally identifiable information to only those employees with a business reason to know such information.

### **Use of personal and financial information by us and third parties**

We do not sell non-public personal information about current or former customers or their accounts to any third parties, and do not disclose such information to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law. Those who may receive this information include the companies that provide transfer agent, technology and administrative services, and printers and mailers that assist us in the distribution of investor materials. These companies will use this information for these services for which we hired them and are not permitted to use this information for any other purpose.

For questions about our policy, or for additional copies of this notice, please write RSW Investments at: 47 Maple Street, Suite 304, Summit, New Jersey 07901 or call 908-608-9600.



# Privacy

## Policy

As a registered investment adviser, RSW Investments must comply with SEC Regulation S-P (or other applicable regulations), which requires registered advisers to adopt policies and procedures to protect the “nonpublic personal information” of natural person consumers and customers and to disclose to such persons policies and procedures for protecting that information. Nonpublic personal information includes nonpublic “personally identifiable financial information” plus any list, description or grouping of customers that is derived from nonpublic personally identifiable financial information. Such information may include personal financial and account information, information relating to services performed for or transactions entered into on behalf of clients, advice provided by RSW Investments to clients, and data or analyses derived from such nonpublic personal information. RSW Investments must also comply with the California Financial Information Privacy Act (SB1) if the firm does business with California consumers.

## Background

The purpose of these privacy policies and procedures is to provide administrative, technical and physical safeguards which assist employees in maintaining the confidentiality of nonpublic personal information collected from the consumers and customers of an investment adviser. All nonpublic information, whether relating to an adviser's current or former clients, is subject to these privacy policies and procedures. Any doubts about the confidentiality of client information must be resolved in favor of confidentiality.

## Responsibility

Christy Sears is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting RSW Investments’ client privacy goals and objectives while at a minimum ensuring compliance with applicable federal and state laws and regulations. Christy Sears may recommend any disciplinary or other action as appropriate. Christy Sears is also responsible for distributing these policies and procedures to employees and conducting appropriate employee training to ensure employee adherence to these policies and procedures.

## Procedure

RSW Investments has adopted various procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

### *Non-Disclosure of Client Information*

RSW Investments maintains safeguards to comply with federal and state standards to guard each client's nonpublic personal information. RSW Investments does not share any

nonpublic personal information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over RSW Investments, or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Employees are prohibited, either during or after termination of their employment, from disclosing nonpublic personal information to any person or entity outside RSW Investments, including family members, except under the circumstances described above. An employee is permitted to disclose nonpublic personal information only to such other employees who need to have access to such information to deliver our services to the client.

### ***Safeguarding and Disposal of Client Information***

RSW Investments restricts access to nonpublic personal information to those employees who need to know such information to provide services to our clients. Any employee who is authorized to have access to nonpublic personal information is required to keep such information in a secure compartments or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Any conversations involving nonpublic personal information, if appropriate at all, must be conducted by employees in private, and care must be taken to avoid any authorized persons overhearing or intercepting such conversations.

Safeguarding standards encompass all aspects of the RSW Investments that affect security. This includes not just computer security standards but also such areas as physical security and personnel procedures. Examples of important safeguarding standards that RSW Investments has adopted include:

- All RSW personnel are made aware of the RSW Privacy Policy Agreement during initial onboarding and at the annual compliance meeting.
- All files containing confidential and sensitive materials are maintained in a locked file cabinet in Robert Waas' office. Files are strictly prohibited from being removed from this office.
- Duplicate copies of said files are created, backed up, and stored on the server on a nightly basis and maintained in a password protected folder on the RSW network storage drive.
- Measures to protect against destruction, loss, or damage of customer information due to potential environmental hazards, such as fire and water damage or technological failures (e.g. use of fire resistant storage facilities and vaults; backup and store off site key data to ensure proper recovery);
- Information systems security incorporates system audits and constant monitoring, the security of physical facilities and personnel, and contingency planning.

Any employee who is authorized to possess "consumer report information" for a business purpose is required to take reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal. There are several components to establishing 'reasonable' measures that are appropriate for the firm:

- Assessing the sensitivity of the consumer report information we collect;
- The nature of our advisory services and the size of our operation;
- Evaluating the costs and benefits of different disposal methods; and
- Researching relevant technological changes and capabilities.

Some methods of disposal to ensure that the information cannot practicably be read or reconstructed that RSW Investments may adopt include:

- Procedures requiring the burning, pulverizing, or shredding of papers containing consumer report information;
- Procedures to ensure the destruction or erasure of electronic media;
- Wiping and re-imaging any equipment (such as a PC or removable media) that would be reused, leaving no traces of any prior data or information.
- Removing the hard drives in computers that have been decommissioned and after due diligence, contracting with a service provider engaged in the business of record and hardware destruction, to provide such services in a manner consistent with the disposal rule.

### ***Privacy Notices***

RSW Investments will provide each client with initial notice of the firm's current policy when the client relationship is established. If RSW Investments shares nonpublic personal information relating to a non-California consumer with a non-affiliated company under circumstances not covered by an exception under Regulation S-P, the firm will deliver to each affected consumer an opportunity to opt out of such information sharing. If RSW Investments shares nonpublic personal information relating to a California consumer with a non-affiliated company under circumstances not covered by an exception under SB1, the firm will deliver to each affected consumer an opportunity to opt in regarding such information sharing. If, at any time, RSW Investments adopts material changes to its privacy policies, the firm shall provide each such client with a revised notice reflecting the new privacy policies. The Compliance Officer is responsible for ensuring that required notices are distributed to the RSW Investments' consumers and customers.

### ***Massachusetts Encryption Requirements***

The Massachusetts encryption law states that any correspondence which contains personal client information regarding a Massachusetts resident be encrypted. Effective 2010, RSW has put the following procedures in place to ensure compliance with the law:

#### New Accounts:

Once Operations receives notification of a new account, check to see if the client resides in MA:

- a. If “YES” > Utilize secure email correspondence using no more than 1 piece of identifying information in both emails and attachments
- b. If “No” > Continue normal new account procedures

Client Inquiries:

RSW will aim to strictly use account numbers only. In instances when a client number and a name are necessary and the client resides in MA, RSW will encrypt the email correspondence. In instances when a client number and a name are necessary and the client resides outside of MA, RSW will send the presentation as is, making every effort to again, not include 2 pieces of identifying information wherever possible.

Receiving emails (performance requests, redemption requests) with both client name / account on it

- When replying, review history and manually remove client name or any other identifying information other than account number in the response (if responding with history).
- If special circumstances require that history cannot be changed, and the email pertains to a MA client, encrypt email.

Internal Email Correspondence:

- If client is a MA resident, aim to strictly use account number only. Else, proceed normally.

# Proxy Voting

## Policy

RSW Investments, as a matter of policy and practice, has no authority to vote proxies on behalf of advisory clients. The firm may offer assistance as to proxy matters upon a client's request, but the client always retains the proxy voting responsibility. RSW Investments' policy of having no proxy voting responsibility is disclosed to clients.

## Background

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Investment advisers registered with the SEC, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 of the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients; (b) to disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; (c) to describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and (d) maintain certain records relating to the adviser's proxy voting activities when the adviser does have proxy voting authority.

## Responsibility

Christy Sears has the responsibility for the implementation and monitoring of our proxy policy and to ensure that the firm does not accept or exercise any proxy voting authority on behalf of clients without an appropriate review and change of the firm's policy with appropriate regulatory requirements being met and records maintained.

## Procedure

RSW Investments has adopted various procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- RSW Investments discloses its proxy voting policy of not having proxy voting authority in the firm's Disclosure Document or other client information.
- RSW Investments' advisory agreements provide that the firm has no proxy voting responsibilities as they are not applicable to the bonds that are invested in by RSW Investments.
- RSW Investments' new client information materials may also indicate that advisory clients retain proxy voting authority.

- Christy Sears reviews the nature and extent of advisory services provided by the firm and monitors such services to periodically determine and confirm that client proxies are not being voted by the firm or anyone within the firm.