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**FORM ADV PART 2  
BROCHURE**

**March 26, 2024**

This brochure provides information about the qualifications and business practices of Resources Management Corp. If you have any questions about the contents of this brochure, please contact us at 860-561-1245. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Resources Management Corp is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Resources Management Corp is 104674.

Resources Management Corp is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

As of the last annual update of this Brochure dated March 21, 2024, we have no material changes to disclose.

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## Item 4 Advisory Business

Resources Management Corp (RMC) was incorporated in 1979. Its initial activity was acting as financial adviser to John G. Martin and other members of the Heublein (Smirnoff vodka and A-1 Sauce) family. In 1984, RMC registered with the SEC as an investment adviser. It is also notice filed with the states of California, Connecticut, Massachusetts, Vermont, New Hampshire, Texas, New Jersey, New York and Florida.

RMC is a privately held company located in West Hartford Connecticut and is owned by Mr. Michael W. Herlihy.

RMC provides both discretionary and non-discretionary investment advisory services to high net-worth individuals and their families, institutions, corporations, and municipalities. RMC manages a wide array of accounts including but not limited to, personal and trust accounts, retirement accounts (pension plans, 401Ks, IRAs), profit-sharing accounts, cash management accounts and charitable gift annuity programs. In addition, RMC provides sub advisor services for certain clients.

Discretionary and some non-discretionary accounts are individually constructed with an equity and fixed income component and managed to achieve specific client objectives.

The first step in RMC's investment process is to collaborate with the client to determine the client's needs, objectives and risk tolerance. The second step is the selection of asset classes through the process of strategic asset allocation which helps identify the best blend of money market funds, fixed income securities and equities that will increase the probability of achieving the client's objectives while reducing overall portfolio risk. Strategic asset allocation should be distinguished from tactical asset allocation or "market-timing" which we do not employ.

Once steps one and two are completed, a set of written Investment Guidelines which address asset allocation targets, client imposed restrictions, if any, and account and client objectives, are drafted and sent to the client for review, comment and eventual acceptance.

### IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$863,261,235 in client assets on a discretionary basis, and \$87,504,910 in client assets on a non-discretionary basis for a total of \$950,766,145 in assets.

## **Item 5 Fees and Compensation**

RMC's basic fee schedule is calculated based upon the value of assets under management. The average daily balance will be calculated by taking the sum of the portfolio valuation on each day of the billing period divided by the number of days. Management fees are billed quarterly in arrears. The general fee structure is computed at the rate of 1% for the first \$1,000,000 of assets managed for all client related accounts on an aggregate basis and is reduced as asset values grow.

The fee may be negotiable.

Where RMC is a sub-advisor, fees are based on a rate negotiated with the advisor. Sub advised accounts are billed and debited based on the client's contract with their advisor.

With respect to termination, either the client or RMC may terminate the relationship upon notice to the other party. Since the client's assets are held by a third party custodian, the client may simply notify the custodian of the dissolution of the relationship and direct the custodian as to the disposition of the assets. Client who terminate will be billed on a prorated basis, based on the number of days the account was managed during the quarter. There are no termination fees assessed by RMC.

Client quarterly fees are deducted directly from their account held by a qualified custodian as stated and agreed upon in the client agreement.

All RMC client accounts are held by independent third-party custodians. In cases where these custodians are banking institutions, client accounts may be subject to custodial fees. In cases where accounts are held at a brokerage firm, accounts may be subject to account maintenance fees which vary from brokerage firm to brokerage firm.

All brokerage transactions executed by RMC on behalf of the client's account are subject to brokerage commissions which are paid directly to the broker by the client.

In the event mutual funds and/or Exchange Traded Funds (ETFs) are purchased in a client's account in an effort to obtain diversification, these funds are purchased with no front-end or back-end fees, but we will inform the client that there are ongoing management expenses associated with each fund.

Account maintenance fees, brokerage commissions and fund expenses, when applicable, are in addition to the management fees charged by RMC.

See also the Section on Brokerage Practices on Page 12.

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

RMC does not charge performance-based fees.

## **Item 7 Types of Clients**

RMC manages a wide array of accounts, including, but not limited to, personal and trust accounts, retirement accounts (pension plans, 401Ks, IRAs), profit-sharing accounts, cash management accounts and charitable gift annuity programs.

RMC generally prefers a minimum dollar amount of assets under management of \$500,000 per client relationship. This minimum may be waived at RMC's discretion.

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

RMC determines the asset allocation of each portfolio initially by examining the client's objectives and risk tolerance against the background of current market opportunities. Interest rate levels, market trends and economic conditions are key variables when determining asset allocation.

For the growth component of our client's portfolios, RMC seeks to invest in companies that have the highest probability of outperforming the Standard & Poor's Index of 500 companies (S&P 500) over time. In concluding that a company is a "Core" holding, we use both qualitative and quantitative concepts. Specifically, we look to invest in companies that have outperformed the S&P500 over the past two, five and ten-year periods and show evidence of being able to continue this outperformance in the future.

We look to a number of factors including, but not limited to, estimated earnings growth, indebtedness, price/value ratios, PE ratios, consistency of earnings and the quality of management.

We purchase independent research to obtain this information and use brokerage house research only to corroborate the information purchased from the independent sources.

It is a highly disciplined and focused decision-making process that is augmented by professional judgment.

The fixed income component of a portfolio and the ratings associated therewith are driven by the client objectives and outlined in the client's Investment Guidelines.

It is always important to remember that there are risks associated with investing in securities and that past performance is never any guarantee of future results.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

Additionally, RMC has a wholly owned affiliated entity "RMC Financial Services Corp", which provides bill paying, record keeping and administrative services to a handful of legacy client accounts. These services are provided at the request of the client and at the discretion of the firm. Clients can engage RMC to provide these services for a negotiated fee, however the firm in its discretion may not take on all client request for this service. RMC does not recommend or advertise this service to their clients. Clients are not under any obligation to engage in this service and may engage services of other like service providers.

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

### Description of Our Code of Ethics

RMC strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, RMC maintains and enforce swritten policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of RMC's Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### Personal Trading Practices

RMC or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### Block Trading

RMC or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

## Item 12 Brokerage Practices

Each client designates a third-party custodian who may be a broker. Under these circumstances, RMC must use the broker of the client's choice. If a client designates a third-party custodian who is not a broker, then the broker to be used for a given transaction may be chosen by RMC.

The choice of a third-party custodian is that of each client. If a client asks for comments regarding broker/custodians, RMC quite often will discuss four criteria which the client should consider:

1. The financial stability of the broker/custodian;
2. The availability of third-party insurance to protect the client's assets held by the broker/custodian;
3. The ability of the broker to execute transactions in a timely and accurate manner;
4. The costs of executing transactions through the broker.

Subject to any client agreement with a broker, RMC endeavors to obtain the lowest execution cost for each client. This may be achieved through negotiation with the broker and/or through block transactions that will further reduce transaction costs. Lowered commission rates inure to the benefit of both the client and RMC as it reduces client's costs, thereby increasing asset value, which is the basis for RMC's compensation.

RMC has no soft dollar arrangements.

RMC typically recommends Fidelity or Charles Schwab as custodian/broker. RMC does so because of their low execution costs, timeliness and accuracy of order execution and their financial stability. If a client chooses to direct brokerage transactions elsewhere, RMC may not be able to achieve the most favorable execution of the client's transactions, and this practice may cost the client money.

RMC will aggregate buy and sell orders when the opportunity presents itself and is in the best interest of the client. Aggregated trades, which may include employee accounts, will be average priced and fairly allocated across all participating accounts.

### **Item 13 Review of Accounts**

RMC reviews all client accounts periodically but at least annually. The review includes specific attention to asset allocation guidelines, sector allocations, and the individual weightings of securities within the portfolio all with an overall consideration of a client's goals and objectives. The reviews are conducted by the portfolio manager who is assigned primary responsibility for the account.

Clients will receive performance reports from RMC upon request. These statements are in addition to the statements which all clients receive on at least a quarterly basis directly from the custodian.

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

Under certain circumstances, commercial and savings banks may elect to refer a client to RMC for discretionary portfolio management, particularly when the referring bank has no in-house investment capacity. The referring bank and RMC may enter into a consulting arrangement wherein it is the referring bank's responsibility to furnish RMC with critical financial information about the client on an ongoing basis. The referring bank and RMC may conclude that the bank is in the best position to provide relevant information and counsel to RMC concerning the financial affairs of the client in order to ensure that the investment program is specific to the client. When the referring bank and RMC enter into such a consulting agreement, RMC may pay the referring bank an annual fee for these updating services at a rate to be determined by the scope of each individual engagement. This consulting fee is disclosed to the client in writing and acknowledged by the client.



## Item 15 Custody

Upon the unsolicited request of a long standing client, RMC or one of its employees may agree to serve as co-trustee or sole trustee of an account for which the firm receives investment management fees. Clients contemplating such arrangements are advised that, while not an uncommon practice, there may be an inherent conflict of interest. When an investment adviser also serves as trustee, the trustee is not independent. To minimize this conflict, RMC strongly encourages clients to appoint at least one co-trustee that is not affiliated with RMC or to make arrangements for duplicate statements to be delivered to an independent third party who will serve as the Client's representative. Additionally, RMC has a wholly owned affiliated entity "RMC Financial Services Corp", which provides bill paying, record keeping and administrative services to a handful of legacy client accounts. These services are provided at the request of the client and at the discretion of the firm.

RMC complies with the SEC's Custody Rule for the forms of custody described above; annually, the Firm is subject to a Surprise Examination by an independent accountant for these accounts.

### Standing Letters of Authorization ("SLOA")

Our firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

All RMC clients receive either monthly or quarterly account statements from a qualified custodian which is usually a broker-dealer or a bank. At the client's request, RMC will send performance reports. Clients should carefully review custodial statements and compare them to RMC performance reports.

## Item 16 Investment Discretion

RMC manages most client portfolios on a fully discretionary basis. This discretion generally is conditioned by the Investment Guidelines that are specific to each client. Within the Guidelines, there may be restrictions upon portfolio asset allocation, prohibited transactions (i.e. short sales), prohibited securities (i.e. lettered, restricted, foreign, etc.) and other limitations upon discretion. Similarly, there may be limitations on the amount of any individual security to be purchased (i.e. limited to 6% of the fair market value of the portfolio) Investment Guidelines are drafted by RMC after collaboration with the client. The Guidelines are then reviewed by and signed by the client.

Investment discretion is granted to RMC under the terms of a Discretionary Investment Management Agreement which is executed by both RMC and the client.

## Item 17 Voting Client Securities

RMC will accept authority to vote any proxies received by it. RMC employs the services of a third party, Broadridge Financial Solutions - ProxyEdge.com, to vote client proxies.

ProxyEdge utilizes the Glass Lewis Investment Manager Guidelines to vote these proxies for RMC clients. These guidelines and the Glass Lewis approach to proxy analysis can be reviewed at their website [www.glasslewis.com](http://www.glasslewis.com).

In the event that a client retains proxy voting rights, they may contact RMC either by phone or mail with questions about a particular proxy issue and/or a particular solicitation

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.