

## Item 1 - Cover Page



**COVEY CAPITAL**  
ADVISORS, LLC

**CRD# 151978**

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## February 29, 2012 Brochure

This brochure provides information about the qualifications and business practices of Covey Capital Advisors, LLC ("Covey Capital"). If you have any questions about the contents of this brochure, please contact us at (404) 442-2725 or [swinton@coveycap.com](mailto:swinton@coveycap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Additional information about Covey Capital also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## Item 2 - Summary of Material Changes

As you may be aware, the format that registered investment advisers are required to use in order to inform clients of the nature of advisory services provided, types of clients served, fee charged, potential conflicts of interest and other information has changed. In the past, we were only required to offer you our updated brochure on an annual basis. Under the new rules, we are required to annually provide each client with these amended disclosures, rather than merely making the offer. The new format of the complete brochure includes a Summary of Material Changes (the "Summary") reflecting any changes to our policies, practices, or conflicts of interest made since our last required filing, dated March 31, 2011.

Set forth below is the Summary of Material Changes for Covey Capital:

<b>Date of Change</b>	<b>Description of Item</b>
January 2012	Sydney Garguilo became a Managing Member of Covey Capital.

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#### ***Item 4 - Advisory Business***

##### **General Information**

Covey Capital Advisors, LLC ("Covey Capital") was formed in 2007, and provides investment advisory services on a discretionary basis to clients which are commingled investment vehicles intended for institutional investors and other sophisticated investors and to separately managed accounts.

##### **Affiliated Funds**

Covey Capital is the investment adviser for each of the following related entities: Covey Capital Partners, LP (the "**U.S. Fund**"), Covey Capital Partners Ltd., (the "**Offshore Fund**") and Covey Capital Partners Master Ltd. (the "**Master Fund**"). The U.S. Fund and Offshore Funds are collectively referred to as the "**Covey Funds**."

For the U.S. Fund, limited partnership interests are sold to investors, each of which becomes a limited partner in the U.S. Fund. Covey Capital Management, LLC is the general partner of the U.S. Fund, with broad authority to manage the affairs of the U.S. Fund.

For the Offshore Fund, shares are sold to investors, each of which becomes a shareholder of the Offshore Fund.

Both the U.S. Fund and the Offshore Fund invest substantially all of their assets in the Master Fund. Investors do not invest directly in the Master Fund, but rather invest in either the U.S. Fund or the Offshore Fund, which in turn purchases shares of the Master Fund.

Covey Capital is a fundamental, research intensive value-oriented investor in the global public markets. The Fund's investment objective is the preservation of capital and generation of absolute returns while minimizing risk. Covey Capital defines risk as permanent loss of capital, rather than security price volatility. Covey Capital will seek to accomplish this objective through a long/short equity investment strategy.

Individual investors may, upon at least 60 days prior written notice, withdraw all or a portion of their Capital Accounts (excluding amounts allocated to Special Investment Accounts) as of the first Business Day of any calendar quarter (a "Withdrawal Date"), provided, however, that Limited Partners will not be permitted to withdraw any portion of their Capital Accounts (i) with respect to Option 1 Investments, within the first 36 months following the date of their investment; and (ii) with respect to Option 2 Investments, within the first 12 months following the date of their investment.

##### **Option 1 Investments**

Individual investors with Option 1 Investments will not be permitted to withdraw any portion of their Capital Accounts within the first 36 months following the date of their investment.

##### **Option 2 Investments**

Individual Investors with Option 2 Investments will not be permitted to withdraw any portion of their Capital Accounts within the first 12 months following the date of their investment. Notwithstanding the above, during months 1 through 12 following the date of their investment, individual investors with Option 2 Investments may be permitted to withdraw all or a portion of their Capital Accounts (excluding amounts allocated to Special Investment Accounts), upon at least

60 days prior written notice, as of the first Business Day of any calendar quarter, upon the payment of an early withdrawal fee to the Partnership in an amount equal to 2.5% of the amount being withdrawn. Such early withdrawal fee will be deducted from the withdrawal payment and will be in addition to and not in lieu of any other amounts that may be chargeable to the individual investor upon withdrawal of their Interests, as set forth herein.

#### Portfolio Management for Separate Accounts

Covey Capital provides investment advisory services on a discretionary basis to clients in Separately Managed Accounts. As a discretionary investment adviser, Covey Capital will have the authority to supervise and direct the portfolio without prior consultation with the client. Investment guidelines, terms, conditions and fees are set forth in an investment management agreement between Covey Capital and the client.

When appropriate, Covey Capital may recommend investment in one or more of its affiliated funds.

Clients with separately managed accounts have the right to impose certain restrictions on Covey Capital, such as prohibiting the inclusion of certain types of stocks in a portfolio or prohibiting the sale of certain stocks held in the account at the commencement of the relationship. Such restrictions and guidelines imposed by clients affect the composition and performance of portfolios. In addition, each client's portfolio is treated individually, with very specific consideration given to each decision made on its behalf. For these and other reasons, performance of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolios would be identical with either the average client of Covey Capital or of the Covey Funds.

#### Principal Owners

J. Christopher Lanigan and Robert Scott Mayo are the principal owners of Covey Capital. Please see Appendix A, ***Brochure Supplement***, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

#### Type and Value of Assets Currently Managed

As of January 31, 2012, Covey Capital managed \$67,264,295 on a discretionary basis, and no assets on a non-discretionary basis.

### ***Item 5 - Fees and Compensation***

#### General Fee Information

Fees paid to Covey Capital are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Fees paid to Covey Capital are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Covey Capital and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Affiliated Funds Fees

Covey Capital is paid a quarterly management fee, assessed in advance, from the Covey Funds equal to 0.375% of the value of each fund as of the beginning of the quarter (1.5% per annum) (the "Management Fee"). In addition, Covey Capital, or an affiliate receives a performance-based fee

(the “Incentive Allocation”). Please see more information under ***Performance-Based Fees and Side-by-Side Management***, below.

#### Portfolio Management Fees, Separate Accounts

Portfolio Management fees for separately managed accounts are negotiated individually for each account. The minimum portfolio value is generally set at \$3,000,000, and minimum annual fees may apply. Covey Capital may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Covey Capital deems it appropriate under the circumstances. In addition, Covey Capital may, in its discretion, enter into performance-based fee arrangements with clients as described below under ***Performance-Based Fees and Side-by-Side Management***.

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either Covey Capital or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to Covey Capital from the client will be invoiced or deducted from the client’s account prior to termination.

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

As noted above, Covey Capital may offer to manage separate account portfolios pursuant to a “performance fee” arrangement. A performance arrangement is one in which a client compensates Covey Capital, at least in part, for its services by paying Covey Capital a percentage of the net profits of the client’s investment portfolio. The amount of the incentive is individually negotiated with each client who enters into a performance-based fee arrangement. Covey Capital generally charges performance-based fees on gains each year. However, if a portfolio subject to such a fee arrangement declines in value, no performance fee will be charged until prior losses have been recouped.

Performance-based fee arrangements are only available to clients who meet the eligibility requirements of Rule 205-3 under the Investment Advisers Act of 1940. The minimum requirements under the rule state that the client generally is not eligible unless he/she has at least \$1,000,000 under management with Covey Capital or has a net worth of at least \$2,000,000. Performance-based fees are calculated and assessed in arrears, and the client should carefully review the fee calculations for accuracy.

Performance-based fee arrangements and side-by-side management may create certain conflicts of interest for Covey Capital. For example, performance-based fee arrangements may create an incentive for Covey Capital to take more risk in a client’s portfolio than Covey Capital would otherwise take in a non-performance fee based account. In addition, Covey Capital may have an incentive to favor performance-based accounts by placing trades for these accounts before non-performance fee based accounts.

With respect to the Covey Funds, in addition to the management fee Covey Capital, or an affiliate also receives Incentive Compensation in an amount equal to either 17.5% or 20% (depending on the individual investor’s investment option) of net profits from each Fund. The Incentive Compensation is charged by Covey Capital, or an affiliate, in compliance with Rule 205-3 under the Investment Advisers Act of 1940. However, if the Fund declines in value, no performance fee will

be charged until prior losses have been recouped. The management fee and incentive compensation may be waived, reduced, or changed by Covey Capital.

### ***Item 7 - Types of Clients***

Covey Capital provides investment advisory services on a discretionary basis to clients, which are commingled private investment vehicles, and to separately managed accounts, which are accounts for high net worth individuals, family partnerships, or other sophisticated investors “separate accounts”. With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$3,000,000. Minimum annual fees may apply. Under certain circumstances and in its sole discretion, Covey Capital may negotiate such minimums.

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

#### **Methods of Analysis and Investment Strategies**

When consistent with the objectives and risk tolerance levels of a client, Covey Capital may recommend investment in one of its affiliated funds. In other cases, again consistent with client mandates, goals and risk level, Covey Capital may invest client accounts via a separately managed account in individual stocks, ETF's, and fixed income instruments. Other types of investments may also be used as appropriate.

The Investment Manager's core investment philosophy is based upon the belief that a rigorous investment process focused on fundamental research will drive favorable investment outcomes over time. The Investment Manager estimates the intrinsic value of a security utilizing a multi-variant approach to valuation. Specifically, the Investment Manager employs an Expected Value framework, which uses the discounted free cash flows of a business to assess the intrinsic value of a security, as well as a balance sheet appraisal which marks to market the assets and liabilities on the balance sheet to calculate net asset value, before comparing the results of these valuation approaches to historical transaction values in the relevant industry. The Investment Manager will seek to identify and invest in long and short investment opportunities that exhibit significant valuation discrepancies between current trading prices and true intrinsic value, resulting in a high expected return scenario. The Investment Manager believes that a portfolio of investments, acquired at a discount to intrinsic value, provides a margin of safety that can reduce the likelihood of a permanent loss of Partnership capital while creating the opportunity to generate positive absolute returns.

Core to the Investment Manager's strategy is a long-term investment time horizon of three to five years.

The Investment Manager conducts proprietary due diligence or value added research (“VAR”), which often entails visits to operating sites, conversations with suppliers, customers, and competitors or other unique methods that aid in properly forecasting these key value drivers. Additionally, the Investment Manager utilizes public market company and industry data to gain valuable insights into the financial health of a potential investment. Historical financial statements are read to understand a companies' financial performance in various stages of an economic and specific industry cycle. The Investment Manager also uses historical financial statements, transcripts of conference calls and corporate presentations to reverse engineer and judge management's ability to effectively allocate excess capital. Taken together, these insights allow the Investment Manager to assign probabilities to various free cash flow scenarios to arrive at an estimate of intrinsic value. The Investment Manager supplements this free cash flow based

valuation methodology with a balance sheet appraisal which marks the assets and liabilities of a company to market in order to determine its net asset or liquidation value. The Investment Manager then compares the results from the preceding valuation approaches with historical transaction values in relevant industries to complete the valuation picture.

#### Risk of Loss

While Covey Capital seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not incur losses.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While Covey Capital manages client investment portfolios based on Covey Capital's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Covey Capital allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Covey Capital's specific investment choices could not meet investment objectives.

*Risks of Investments in ETFs, Mutual Funds, and Other Investment Pools.* As described above, Covey Capital may invest a portion of client portfolios in ETFs, mutual funds, or other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* Covey Capital may invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in equity securities. Risks associated with these investments include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of the prospects of any individual security.

*Fixed Income Risks.* Covey Capital may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* Covey Capital may invest in non-U.S. markets and securities, and may also take positions in non-U.S. currencies. Investments in non-U.S. instruments involve risks and considerations not present in U.S. investments. Currency exchange rates can be affected unpredictably by controls or restrictions imposed by U.S. or foreign central banks or other



governmental agencies in joint or unilateral efforts to alter exchange rate trends. Political developments in the United States or abroad may also affect currency exchange rates. There may be less publicly available information about foreign companies than U.S. companies. Non-U.S. companies may not be subject to accounting, auditing, and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Non-U.S. investment may be less liquid and more volatile than U.S. investments. In many non-U.S. markets there may be less government supervision of exchanges, brokers and issuers than in the United States.

#### ***Item 9 - Disciplinary Information***

Covey Capital has no disciplinary events to report.

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

Covey Capital may recommend that clients invest in its related Funds. Clients should note that Covey Capital and the Covey Funds may charge fees or incur expenses for their services to clients which may benefit Covey Capital. Clients should inquire about these fees and expenses before investing, and should consider potential conflicts of interest raised by the relationships between Covey Capital and the Covey Funds before investing.

Covey Capital and its employees may personally invest in the Funds, and, therefore, such persons may hold the same securities as private clients or other investors in the Funds.

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

##### **Code of Ethics and Personal Trading**

Covey Capital has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Covey Capital's Code has several goals. First, the Code is designed to assist Covey Capital in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Covey Capital owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Covey Capital associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Covey Capital's associated persons (managers, officers and employees). Under the Code's Professional Standards, Covey Capital expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Covey Capital associated persons are not to take inappropriate advantage of their positions in relation to Covey Capital clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Covey Capital's associated persons may invest in the same securities recommended to clients. Under its Code, Covey Capital has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those purchased in client accounts, Covey Capital has established a policy requiring its associated persons to pre-clear transactions in these securities with the CCO. The goal of this policy is to avoid any conflict of interest that may present itself in these situations. Certain securities, such as CD's, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, Covey Capital's goal is to place client interests first.

Consistent with the foregoing, Covey Capital maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a Covey Capital associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Covey Capital's written policy.

#### ***Item 12 - Brokerage Practices***

##### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Covey Capital seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Covey Capital may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Covey Capital's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Covey Capital participates in the Institutional programs of several broker/dealers. While there is no direct link between the investment advice Covey Capital provides and participation in the programs, Covey Capital receives certain economic benefits from the programs. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of Covey Capital's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of Covey Capital's accounts. The broker/dealers may also make available to Covey Capital other services intended to help Covey Capital manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, the broker/dealers may make available, arrange and/or pay for these types of services to be rendered to Covey Capital by independent third parties. The broker/dealers may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to Covey Capital, and/or the broker/dealers may pay for travel expenses relating to participation in such training.

The benefits received through participation in the programs do not necessarily depend upon the proportion of transactions directed to the broker/dealers. The benefits are received by Covey

Capital, in part because of commission revenue generated for the broker/dealers by Covey Capital's clients. This means that the investment activity in client accounts is beneficial to Covey Capital, because the broker/dealers do not assess a fee to Covey Capital for these services. This creates an incentive for Covey Capital to continue to recommend the broker/dealers to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, Covey Capital believes that the broker/dealers provide an excellent combination of these services.

#### Directed Brokerage

Clients may direct Covey Capital to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that Covey Capital has with several broker/dealers is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Covey Capital to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Covey Capital that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

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

J. Christopher Lanigan and R. Scott Mayo, are Managing Members and Portfolio Managers of Covey Capital, and together manage the Covey Funds. They also manage portfolios for separate account clients (the "Separate Accounts" and collectively with the Funds, the "Accounts"). They monitor the holdings in the Accounts continuously. Such holdings are monitored in light of trading activity, significant corporate developments and other activities which may dictate a change in portfolio positions. Before making the decision to purchase or sell a particular security on behalf of a client account, the Accounts holding such security will be reviewed in full. In addition, the Accounts are reviewed periodically from the standpoint of the specific investment objectives of the Accounts and as particular situations may dictate.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Each investor in the Accounts also receives monthly performance reports from the Advisor. Each investor in the Funds receives monthly capital

account/net asset value statements directly from the Funds full service administrator, Kaufman Rossin Fund Services. Investors in the Funds receive audited financial statements on an annual basis. In addition, investors in the domestic Funds receive a Schedule K-1 for tax reporting purposes.

Separate Accounts generally receive at least an annual report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

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

As noted above, Covey Capital may receive some benefits from several broker/dealers based on the amount of client assets held at the broker/dealers or transactions directed to the broker/dealers. Please see ***Brokerage Practices*** for more information. However, neither the broker/dealers nor any other party is paid to refer clients to Covey Capital.

#### ***Item 15 - Custody***

It is the responsibility of the Separate Account client's custodian to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Covey Capital of any questions or concerns. Clients are also asked to promptly notify Covey Capital if the custodians fail to provide statements on each account held.

From time to time and in accordance with Covey Capital's agreement with clients, Covey Capital will provide additional reports to Separate Account clients. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times, there may be small differences due to such things as the timing of dividend reporting and pending trades.

#### ***Item 16 - Investment Discretion***

As described above under ***Advisory Business***, Covey Capital manages Separate Accounts and the Covey Funds on a discretionary basis. This means that after an Investment Plan is developed for the separate account's investment portfolio, Covey Capital will execute that plan without specific consent from the client for each transaction. For discretionary Separate Accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving Covey Capital the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. Covey Capital then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Covey Capital and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between Covey Capital and the client.

#### ***Item 17 - Voting Client Securities***

As a policy and in accordance with Covey Capital's client agreement, Covey Capital does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Covey Capital with questions

relating to proxy procedures and proposals; however, Covey Capital generally does not research particular proxy proposals.

***Item 18 - Financial Information***

Covey Capital does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.