

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**SOUTH COVE FINANCIAL, LLC**

**CRD#: 284554**

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**October 27, 2024**

**This Brochure provides information about the qualifications and business practices of South Cove Financial, LLC (“Firm”). If you have any questions about the contents of this Brochure, please contact South Cove Financial, LLC at [compliance@southcovefinancial.com](mailto:compliance@southcovefinancial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**South Cove Financial, LLC is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any certain level of skill or training.**

**Additional information about South Cove Financial, LLC will be available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

This Brochure was prepared for South Cove Financial’s registration with the United States Security and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisors Act” or the “Rule”) on October 27, 2024.

The following is a list of material changes made to this Brochure was last updated filed on September 25, 2024:

South Cove Financial, LLC has filed for registration with the SEC .

### Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation .....	4
Item 6 - Performance-Based Fees and Side-By-Side Management.....	6
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9 – Disciplinary Information .....	12
Item 10 – Other Financial Industry Activities and Affiliations.....	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	14
Item 12 – Brokerage Practices.....	16
Item 13 – Review of Accounts .....	19
Item 14 – Client Referrals and Other Compensation.....	20
Item 15 – Custody.....	21
Item 16 – Investment Discretion .....	12
Item 17 – Voting Client Securities .....	23
Item 18 – Financial Information .....	23
Item 19 – Requirements for State-Registered Advisers .....	25
Brochure Supplement(s)	

## Item 4 – Advisory Business

### A. Description of the Advisory Firm

South Cove Financial, LLC was established and initially registered as an investment adviser in June 2016. Carolyn Horadan, owner, serves as Chief Investment Officer. South Cove Financial, LLC has an office located in Henderson, NV.

### B. Types of Advisory Services

South Cove Financial, LLC provides comprehensive financial planning services to primarily West Coast-based individuals and high-net worth individuals and families.

#### **Financial Planning Services**

Financial planning services are offered as part of the wealth management services available to all clients. Financial planning services include but are not limited to a thorough review of all applicable topics including Investments Review, Tax Review, Income Planning, Retirement Planning and Insurance. These services are included within the AUM based fee.

#### **Investment Management Services**

The Adviser provides clients with ongoing investment management services on a discretionary and non-discretionary basis based upon the individual's investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors.

Our portfolio strategy is executed on a discretionary basis (see Item 8. Alternative investments may be recommended as part of our services.

Investment management services may include the following:

- Common stock of companies with various market capitalizations
- Passive/index oriented exposures
- Actively managed mutual funds or exchange traded funds
- Illiquid alternative investments (hedge funds, private equity partnerships, real estate partnerships, and funds of funds)
- Other types of securities (including bonds, convertible securities, preferred stock, leveraged ETFs)

Advisory services are tailored to achieve Clients' investment objectives. Generally, South Cove Financial, LLC has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients.

In managing your assets, South Cove Financial, LLC is acting in a fiduciary capacity, which means that South Cove Financial, LLC places clients' interests before their own. South Cove Financial, LLC can only make decisions that are consistent with clients' stated goals and objectives. Acting in a fiduciary capacity assumes a higher level of responsibility than suitability only.

### **Insurance Planning Services**

The Adviser provides clients with Insurance Planning services on a commissioned based or non-commissioned basis. Non-commissioned based services are offered as part of our services at no additional cost. Insurance planning services include but are not limited to a thorough review of all applicable topics including Beneficiary Liquidity Needs, Life Insurance and Annuities. All insurance and annuity recommendations are based upon the individual's goals, objectives, and risk tolerance.

### **Third Party Asset Management Services**

On occasion, South Cove Financial, LLC will receive requests to provide third party asset management services, upon request. Each third-party asset management service is unique and can encompass, financial planning, portfolio management, or other topics according to the request.

### **Limited Scope Consulting Services**

On occasion, South Cove Financial, LLC will receive requests for limited scope consulting services for a specific purpose. Each project is unique and can encompass financial planning, portfolio management, business advisory services, or other topics according to the request.

South Cove Financial, LLC seeks to build collaborative relationships with our clients' other professional advisers (e.g. insurance agents, accountants, and attorneys) in the development and execution of clients' financial plans. ***Please note: Although our advice covers a broad range of topics, South Cove Financial, LLC does not provide legal or tax advice. South Cove Financial, LLC recommends (and encourages) our clients to seek out their own attorney or tax professional to receive this specific advice and guidance.***

C. Wrap Program

The Adviser does not sponsor a wrap program. This section is not applicable.

D. Amounts Under Management

South Cove Financial, LLC manages the assets of the Clients and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$130,000,000	\$0	09/25/2024

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to South Cove Financial, LLC are negotiable and vary among its Clients. South Cove Financial, LLC generally structures our fees as a percentage of assets under management, and document fees in the advisory agreement.

AUM-based fees typically start at 1.55% per year of managed assets.

Fees for these services will be based on a percentage of Assets Under Management as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
Up to \$2,000,000	1.55%	.3875%
\$2,000,001 - \$5,000,000	1.40%	.35%
Over \$5,000,001	1.30%	.325%

Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in arrears based on the amount of assets managed as of the close of business on the last business day of each quarter. Quarterly advisory fees deducted from the client's account by the custodian will be reflected in a provided fee invoice as fees are withdrawn. The invoice shall include the account values so that Client can verify the computation of the advisory fee.

Clients may terminate their account within five business days of signing the Investment Advisory Agreement for a full refund and without penalty. Thereafter, clients may terminate advisory services with 30 days written notice. The Adviser will be entitled to a pro rata fee for the days service was provided in the final quarter. The Investment Advisory Agreement shall be amended if there is any increase in fees.

### B. Fee Calculation

For fees based upon portfolio, account or asset valuations, South Cove Financial, LLC value liquid securities in the accounts South Cove Financial, LLC manage at the closing price, on the valuation date, as reported by your custodian at the end of each calendar quarter.

South Cove Financial, LLC values illiquid securities using one of the following methodologies:

- At the current market value (if valuation is provided by the manager);
- At the “invested amount” (if not regularly traded; as a result, a liquid market price from an independent third party is not available);
- At a mutually agreed value (for client balance sheet purposes or reporting only assets).

Valuations of illiquid securities may be materially different than the values you would

realize upon liquidation.

C. Asset Based Management Fee

South Cove Financial, LLC typically receives a quarterly or monthly asset-based management fee calculated as a percentage of each Client's account, payable quarterly or monthly in arrears. The management fee varies according to the scope of work involved and complexity in managing the assets.

D. Payment of Fees

Subject to the clients' written authorization in the advisory agreement, South Cove Financial, LLC will request fee payment directly from the clients' broker / custodian. South Cove Financial, LLC will also provide clients with a detailed billing statement which shows actual fees charged and the asset value upon which the fee is based, if applicable. The invoice will also include the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and the name of the custodian(s).

Clients' billing statement may include illiquid assets not held at their broker / custodian (such as private hedge funds, private equity or real estate partnerships for which periodic valuations are delayed or not regularly provided. Adviser does not charge a management fee on illiquid or static assets. As a result, there may be a difference in the value South Cove Financial, LLC uses for billing purposes and the statements that Clients' receive directly from their broker / custodian.

E. Third-Party Fees

The Clients shall pay such costs and expenses as South Cove Financial LLC shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on their businesses and realize their objectives, including but not limited to: (i) fund management fees; (ii) all general investment expenses (i.e., expenses which South Cove Financial, LLC reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers, brokerage commissions, transaction fees; and (v) any extraordinary expenses, among other expenses. These fees are separate from, and in addition to South Cove Financial, LLC's fees.



F. General Information on Advisory Services and Fees

Official record of client account(s): Clients' third party, qualified custodian (e.g. bank, broker, trust company, insurance company, mutual fund complex) is the "official" record keeper of your account data and information, including market value, cost basis, and capital gains and losses. As a result, although South Cove Financial, LLC try to manage tax lots in taxable portfolios for long-term gains or losses, the official record keeper is your custodian.

South Cove Financial, LLC will pro rate the management fee for periods of less than a full month. Prepaid but unearned fees are refunded to the Client (or investor in the Fund).

G. Outside Compensation for the Sale of Securities

Neither South Cove Financial, LLC nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with South Cove Financial, LLC

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

South Cove Financial, LLC does not charge advisory fees on a share of the capital appreciation of the funds or securities in client accounts ("performance-based fees"). Our advisory fee compensation is charged only as disclosed above (Item 5).

Note: Certain third-party money managers or private funds that South Cove Financial, LLC recommend you invest in may charge you a "performance" or "incentive" fee based upon the assets that you invest with them, subject to your qualification as a "qualified client."

**South Cove Financial, LLC does not participate, directly or indirectly, in any performance or incentive fee charged by any third-party money manager or private fund to which South Cove Financial, LLC introduce our clients.**

## **Item 7 – Types of Clients**

South Cove Financial, LLC provide our services to the following types of clients:

- Individuals and families
- Retirement and education accounts (IRA, 401k, NQDC, 529 plans)
- Private entities owned by our individual clients (e.g. partnerships, LLCs)
- Trusts and private foundations

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

### A. Methods of Analysis

South Cove Financial, LLC's primary methods of analysis are fundamental and technical analysis using financial newspapers and magazines; inspection of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, filings with the SEC; and company press releases.

### B. Investment Strategies

South Cove Financial, LLC provides investment advice and portfolio management services with the objective of achieving positive returns by investing across various asset classes with the ability to use a combination of long and short positions, when applicable. South Cove Financial, LLC will invest Client assets in the common stock of companies with various market capitalizations, as well as other types of securities (including bonds, convertible securities, preferred stock, ETFs, leveraged ETFs and equity exchanges). South Cove Financial, LLC may also invest Client assets in "new issues" and invest in companies through pre-IPO shares.

### C. Risks of Investments and Strategies Utilized

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

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

**Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic condition of the company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

**Small- and Mid-Cap Risks.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in

earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

**Investing in High Yield Securities.** High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments.

**Convertible Securities.** The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security is called for redemption, a Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Client's ability to achieve its investment objective.

**Exchange Traded Funds.** ETFs are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Investments in Private Funds.** If a Client invests in private funds, the Client is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses. There can be no assurance that the other funds will achieve their objectives or avoid

**Futures, Commodities, and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In

addition, Client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Use of Leverage and Financing.** A Client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss that would be greater than if the Client was not leveraged. South Cove Financial, LLC does not employ margin as an investment strategy, although clients may use margin for short-term borrowing purposes. Margin increases portfolio risk due to the borrowing of assets from your broker / custodian and ultimately will reduce your portfolio performance due to the interest payments to your broker / custodian for the margin loan.

**Limited Diversification.** Investments may be primarily focused geographically in certain countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment of South Cove Financial, LLC. This limited diversity could expose Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Non-U.S. Securities.** Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

**Illiquid Investments.** Securities and other assets, may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Counterparty Risk.** Transactions may be affected in "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss.

More information about the Client's investments and the associated risk factors is available in the Advisory Agreement.

## **Risk of Loss**

South Cove Financial, LLC prides itself in working closely with clients to do the best job possible of aligning their risk tolerance with the specific investments South Cove Financial, LLC recommend. South Cove Financial, LLC also take the time to educate clients on the potential upside opportunities and downside risks of strategies and investments. That said, investing in securities through South Cove Financial, LLC (or any financial services professional) involves risk, including the potential for partial or entire loss of your investment. Unpredictable global economic and political events may influence securities markets and the value of your investment assets. Although South Cove Financial, LLC do our very best to meet your goals, objectives and risk tolerance, South Cove Financial, LLC do not directly or indirectly assure you of any level of performance or investment return or guarantee that South Cove Financial, LLC will be able to meet your objectives.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with South Cove Financial, LLC. Potential investors should read the entire Brochure as well as the Advisory Agreement, other materials that may be provided by South Cove Financial, LLC and consult with their own advisers prior to engaging South Cove Financial, LLC's services.**

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events in the past 10-years that would be material to your evaluation of the Firm or the integrity of its management unless the event was resolved in the Firm or management person's favor.

South Cove Financial, LLC, Ms. Pile, Mr. Sondheim, and Mr. Frutchev have not been a party to any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of its investment advisory business or the integrity of its management.

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

A. Registration as a Broker-Dealer or Broker-Dealer Representative

South Cove Financial, LLC is not registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither South Cove Financial, LLC nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

South Cove Financial, LLC does not utilize or select other advisors or third-party managers. All assets are managed by South Cove Financial, LLC.



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

### **A. Code of Ethics**

South Cove Financial, LLC has adopted a Code of Ethics (the “Code”) describing its high standards of business conduct and fiduciary duty to its Clients. The Code includes provisions relating to the confidentiality of Client/investor information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment items, personal securities trading, and conflicts of interest, among other things. All supervised persons (employees) must acknowledge the terms of the Code initially upon hire as well as annually, or as amended. Furthermore, all members, whether active or retired, of South Cove Financial, LLC must acknowledge the terms of the Code and abide by its provisions.

Employees and members of South Cove Financial, LLC may maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with South Cove Financial, LLC’s personal trading guidelines and applicable regulatory requirements. South Cove Financial, LLC has a fiduciary duty to its Clients and investors; and therefore, discourages frequent trading in personal accounts.

All reportable transactions are reported to the Compliance Officer in accordance with the reporting requirements outlined in the Code; and personal trading is continually monitored in order to reasonably prevent conflicts of interest between South Cove Financial, LLC and Clients.

A copy of our Code will be provided to Limited Partners and prospective investors upon request.

### **B. Recommendations Involving Material Financial Interests**

South Cove Financial, LLC or its related persons may recommend to Clients, or buy or sell for Client accounts, securities in which South Cove Financial, LLC or its related persons has a material financial interest, or may buy and sell for itself securities that South Cove Financial, LLC or its related persons also recommends to Clients. This presents a potential conflict of interest because it may create a financial incentive for South Cove Financial, LLC to recommend certain investments to Clients. To mitigate this risk, South Cove Financial, LLC requires that all employees sign and adhere to its Code of Ethics. South Cove Financial, LLC also documents any transactions that could be construed as conflicts of interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, South Cove Financial, LLC its Employees and/or the related persons may also personally buy or sell the same instruments that South Cove Financial, LLC buys or sells for Clients, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Clients because of South Cove Financial, LLC’s recommendations regarding a particular security. South Cove Financial, LLC’s

policy as to such transactions is that neither South Cove Financial, LLC nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Clients or otherwise South Cove Financial, LLC addresses this conflict by requiring employees to sign and adhere to South Cove Financial, LLC's Code of Ethics and to report personal securities holdings and transactions to South Cove Financial, LLC.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, South Cove Financial, LLC its Employees, or related persons of South Cove Financial, LLC may buy or sell securities for themselves that South Cove Financial, LLC also recommends to the Client. South Cove Financial, LLC will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

### **A. Factors Used to Select or Recommending Broker-Dealers**

South Cove Financial, LLC will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, South Cove Financial, LLC considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with the South Cove Financial, LLC's policies and procedures. In selecting broker/dealers to execute transactions, the South Cove Financial, LLC need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. South Cove Financial, LLC believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping Clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, South Cove Financial, LLC seeks to pre-negotiate preferred terms for its clients providing Clients with the benefits associated with the economy of scale and custodial knowledge of the Firm.

Certain brokers utilized by South Cove Financial, LLC may provide general assistance to South Cove Financial, LLC, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, South Cove Financial, LLC may consider the broker's general assistance and consulting services. To the extent South Cove Financial, LLC would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

#### **1. Research and Other Soft Dollar Benefits**

South Cove Financial, LLC may effect transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to South Cove Financial, LLC that assist South Cove Financial, LLC in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, in terms of either the particular transaction or overall responsibilities with respect to its Clients. South Cove Financial, LLC intends to comply with the soft-dollar "safe harbor" afforded by Section 28(e) under the 34 Act.

When South Cove Financial, LLC uses Client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, South Cove Financial, LLC believes that such soft dollar items

may provide the Clients with benefits by supplementing the research and services otherwise available to the Clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all Client accounts.

South Cove Financial, LLC may have an incentive to select or recommend a broker- dealer based on its interest in receiving the soft-dollar items, rather than on the Client's interest in receiving the most favorable execution. South Cove Financial, LLC periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

To the extent that South Cove Financial, LLC does engage in such "soft dollar" arrangements, the Client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if South Cove Financial, LLC determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, in terms of either the specific transaction or South Cove Financial, LLC's overall responsibilities to the portfolios over which South Cove Financial, LLC exercises investment authority.

Soft-dollar items, whether provided directly or indirectly, may be utilized for the benefit of South Cove Financial, LLC's and its affiliates' other accounts. Soft-dollar items are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular Clients or groups of Clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. South Cove Financial, LLC may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms.

A broker from which South Cove Financial, LLC obtains soft dollar services generally establishes "credits" based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay for specified expenses. In some cases the process is less formal and a broker simply may suggest a level of future business that would fully compensate the broker for services or products it provides. South Cove Financial, LLC monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

## 2. Brokerage for Client Referrals

South Cove Financial, LLC does not consider, in selecting or recommending broker- dealers, Client referrals from a broker-dealer. South Cove Financial, LLC may receive referrals in the future and if it does it will appropriately amend this Brochure.

## 3. Directed Brokerage

South Cove Financial, LLC does not direct brokerage. Securities transactions are executed by brokers selected by South Cove Financial, LLC in its discretion and without the consent of the Clients. South Cove Financial, LLC may enter into directed brokerage arrangements in its discretion.

**B. Aggregating Trading for Multiple Client Accounts**

South Cove Financial, LLC may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When and if it does, South Cove Financial, LLC will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. South Cove Financial, LLC believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of South Cove Financial, LLC's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of South Cove Financial, LLC's and its affiliates' other Clients (to the extent they have any other Clients), which may result in less advantageous execution for those Clients.

South Cove Financial, LLC may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, South Cove Financial, LLC and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, South Cove Financial, LLC attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all Clients.

### **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

South Cove Financial, LLC reviews Client accounts daily to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by Carolyn Pile.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Each Client receives quarterly account statements showing the assets in each Client account, the market value, and each account's change in market value for the quarter.

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

A. Economic Benefits Provided by Third Parties

South Cove Financial, LLC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither South Cove Financial, LLC nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future South Cove Financial, LLC enters such arrangements, this Brochure will be appropriately amended.

### **Item 15 – Custody**

South Cove Financial, LLC does not have physical possession of any Client's funds or securities. South Cove Financial, LLC do directly debit advisory fees from your custodial account based on your written authorization to do so. South Cove Financial, LLC recommend that you compare the reports South Cove Financial, LLC provide you with those you received directly from your custodian, realizing that the official record of your account activity is the custodial report and not ours.



### **Item 16 – Investment Discretion**

The Advisory Agreement generally authorizes South Cove Financial, LLC to invest and trade the Clients' assets in a broad range of investments, to be selected at South Cove Financial, LLC's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, South Cove Financial, LLC may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

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

South Cove Financial, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios or accounts. If you request, South Cove Financial, LLC will provide information or our professional insight into various matters related to your proxies. Certain third party money managers may request to retain the authority to vote proxies in accounts they manage for you, subject to their stated policies.

Corporate Actions: If requested, South Cove Financial, LLC will provide advice and input on corporate actions, especially in the cases where there are options to receive cash payments or retain ownership.

## **Item 18 – Financial Information**

South Cove Financial, LLC 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 petition.

A. Balance Sheet

South Cove Financial, LLC does not require nor solicit prepayment of more than \$500 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

South Cove Financial, LLC has discretionary authority over the Clients' assets. At this time, neither South Cove Financial, LLC nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

South Cove Financial, LLC has not been the subject of a bankruptcy petition in the last ten years.

## Item 19 – Requirements for State-Registered Advisers

South Cove Financial, LLC is registered as an investment advisor with the SEC pursuant to the Investment Advisers Act of 1940.

A. Education and Business Background of Principal Executive Officers and Management Persons

**1. Carolyn Marie Horadan – Chief Investment Officer**

Carolyn Horadan has more than 25 years of investment advisory experience. Prior to founding South Cove Financial, LLC, Ms. Horadan managed over \$4 billion in private wealth for individuals, families, endowments, and foundations. In addition to her private wealth investment experience, Ms. Horadan has institutional investment experience. Ms. Horadan served as primary or co-lead consultant where she advised and consulted Fortune 500 companies on assets in excess of \$40 billion for defined benefit and defined contribution plans. Ms. Horadan is an IAR (Investment Advisor Representative) and is an Owner and CIO of South Cove Financial, LLC, a SEC Registered Investment Advisory firm. Ms. Horadan holds an M.B.A. degree from the Paul Merage School of Business at the University of California, Irvine and a B.A. in Psychology from the University of Oregon.

For more information, see the *South Cove Financial, LLC Brochure Supplement for Carolyn Marie Horadan*.