

SEC Form CRS - Customer Relationship Summary

Covington & Associates, Inc. (“Covington” or the “Firm”) is registered with the Securities and Exchange Commission as an *investment advisor*. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors and investing.

What investment services and advice can you provide me?

Covington manages portfolios for *retail investors* with investment objectives ranging from capital preservation with minimum risk to aggressive capital appreciation with additional risk. The Firm provides clients with personalized portfolios based on their specific risk and reward expectations. The Firm invests in stocks, bonds, mutual funds, exchange-traded funds, real estate investment trusts and options in appropriate weightings and combinations. It does not invest in commodity futures or non-marketable securities. Covington customizes each client’s portfolio to reflect the *retail investor’s* investment restrictions and actively monitors those investments as part of its standard services.

The Firm manages portfolios for *retail investors* on a discretionary basis. Clients are free to set limitations on security selection based on their particular situations (e.g., exclude specific industries or companies). Before assuming trading authority, Covington requires its clients to provide limited power of attorney over the specific accounts being managed. The Firm will cater to its clients and monitor assets on a non-discretionary basis; however, the *retail investor* makes the ultimate decision regarding the purchase and/or sale of non-discretionary investments.

Conversation Starters - Questions to ask your financial professional.

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What Fees Will I Pay?

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. *For more information about fees, please refer to the Firm’s ADV Part 2A brochure.*

As a boutique investment advisory firm providing custom-tailored portfolios, Covington does not act as a broker-dealer. Covington provides *investment advisory services* for a fee that ranges from 0.5% to 1.0% of assets under management, depending on the *retail investor’s* individual situation and investment strategy. Investment advisory fees are charged at the end of each quarter of service. No fees are charged in advance. There are no fixed-term contracts at the Firm. Either party may cancel investment advisory agreements in writing at any time.

Covington elects not to earn any commission dollars, or relationship dollars, as the firm does not wish to have financial interests other than the growth of the clients' portfolios. The Firm is not an asset custodian or broker-dealer and does not have financial or soft-dollar relationships with any custodians or broker-dealers.

The *retail investor's* broker-dealer may earn trading commissions, and there may be fees associated with maintaining an account at a brokerage firm. Mutual fund and exchange-traded fund (ETF) companies may also have fees associated with investing in their funds. These fees and expenses are described in each fund's prospectus. The Firm does not collect any of these commissions, and it does not share in any of these fees.

Conversation Starters – *Questions to ask your financial professional.*

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment advisor?

How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the investment advice we provide you. Here is an example to help you understand what this means.

- The more assets in a retail investor's account, the more the retail investor will pay in fees, thus the firm has an incentive to encourage the retail investor to increase the assets in their account.

Conversation Starters - *Questions to ask your financial professional.*

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

The Firm's financial professionals are only compensated with an annual salary plus an end-of-the-year bonus based on the firm's profitability.

Do your financial professionals have legal or disciplinary history?

No Covington employee has any legal or disciplinary history. *Please visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research the firm.*

Conversation Starter – *Questions to ask your financial professional.*

- As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

Retail investors can find additional information about our investment advisory services from our SEC Form ADV Part 2A. To request a copy of this disclosure, please call 908-232-4717.

Conversation Starter – *Questions to ask your financial professional.*

- Who is my primary contact person?
- Is he or she a representative of an investment advisor or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?