



COVEY CAPITAL

ADVISORS, LLC

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March 2024 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. 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.

Item 2 - Summary of Material Changes

Material changes to Covey Capital Advisors, LLC's Part 2A since the last annual update from March 2023 are as follows:

As of December 31, 2023, all investors in Covey Capital Partners LP, (the "**Onshore Fund**") have been redeemed and the Investment Manager and Board of Directors have made the decision to wind down the Fund.

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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 our clients, primarily individuals (including high net worth individuals) family offices and foundations.

Separately Managed 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. Upon the inception of a client relationship, the adviser and the client will agree upon an investment objective and strategy, which may, but is not required to be, similar to the investment objective and strategy of a Fund managed by the adviser.

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. 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 owners of Covey Capital. Please see Appendix A, ***Brochure Supplement***, for more information on these 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 December 31, 2023, Covey Capital had \$167,157,461 in Regulatory AUM, all on a discretionary basis.

Item 5 - Fees and Compensation

Separately Managed Accounts

The advisor receives a management fee from Separately Managed Accounts, at the rate of 1.0% per annum of the net asset value of the respective account, for the investment management and administrative services it provides (the "Management Fee"). Any Management Fee payable for any period of less than one full quarter may be pro-rated accordingly.

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.

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.

Management fees are generally payable quarterly and in advance. Fees are normally debited directly from your account, unless other arrangements are made.

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

At this time, Covey Capital does not offer any performance based fee arrangements.

Item 7 - Types of Clients

Covey Capital provides investment advisory services on a discretionary basis to clients, primarily separately managed accounts, which are accounts for high net worth individuals, family partnerships, foundations, or other sophisticated investors "separate accounts". With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$1,000,000. 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 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 is a fundamental, research intensive value-oriented investor in the global public markets. The primary investment objective is the preservation of capital and generation of significant absolute returns while minimizing risk. The Investment Manager defines risk as permanent loss of capital, rather than security price volatility.

The Investment Manager's core investment philosophy is predicated on the belief fundamental research and analysis and sound judgement should drive favorable investment outcomes over time. The Investment Manager estimates both the current intrinsic value of a security, as well as the expected rate at which intrinsic value may grow over time. This is generally accomplished through a variety of analytical approaches, both qualitative and quantitative. The Investment Manager will

seek to identify and invest in investment opportunities that it believes exhibit discrepancies between current trading prices and true intrinsic value, resulting in a favorable expected return scenario. The Investment Manager believes that a portfolio of investments, acquired at a discount to intrinsic value, should provide 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. Intrinsic value is an estimate and is highly dynamic over time based on both quantitative and qualitative inputs.

Risk of Loss

While Covey Capital seeks to diversify clients' investment portfolios across the equity market 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.

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

Covey Capital has adopted a Code of Ethics (the "Code") that obligates Covey Capital, its officers, employees and other related persons ("Access Persons") to place the interests of Advisory Clients and Fund Investors above their own interests and the interests of Covey Capital and to act honestly and fairly in all respects in their dealings with Advisory Clients. The Code also requires all Access Persons to comply with applicable federal securities laws, and to promptly notify the CCO of any violations of the Code. The Code also seeks to ensure the protection of non-public information about the activities of the Advisory Clients.

All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter. Access Persons include, generally, any partner, officer or director of Covey Capital and any employee or other supervised person of Covey Capital who, in relation to the Advisory Clients, (i) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (ii) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees of Covey Capital are deemed to be Access Persons and are subject to the Code.

Covey Capital and its investment personnel, in the course of investment management or other activities, may come into possession of confidential or material non-public information about issuers, including issuers in which Covey Capital or its Access Persons have invested or seek to invest on behalf of clients. Covey Capital is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client, and Covey Capital maintains and enforces written policies and procedures designed to prohibit the communication of such non-public information to persons who do not have a legitimate need for such information. Covey Capital will have no responsibility or liability to an Advisory Client for not disclosing such information or using such information for the Advisory Client's benefit.

As a general matter, personnel of Covey Capital (including its principals, officers, members and employees) are permitted to buy or sell securities for their personal accounts. To avoid any potential conflicts of interest involving personal trades, Covey Capital has adopted a Code of Ethics, which is a part of Covey Capital's compliance manual and has been designed to comply with the requirements of Advisers Act Rule 204A-1. Among other things, the Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all employees

submit to Covey Capital reports containing their personal securities holdings and transactions in reportable securities and that Covey Capital review such reports, and (iii) contains policies and procedures designed to prevent the misuse of material, non-public information. All employees of Covey Capital are required to certify their compliance with the Code of Ethics.

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 affected.

We recommend that you establish a brokerage account with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (“Schwab”), a FINRA registered broker-dealer, member SIPC (the “Custodian”) to maintain custody of your assets. We may also place trades for your accounts at the Custodians, or may in some instances, consistent with our duty to seek best execution and specific agreement with you, elect to execute trades elsewhere. Although we may recommend that you establish an account at the Custodian or another qualified custodian, it is ultimately your decision as to where your assets are held in custody. We are independently owned and operated and are not affiliated with the Custodians or any other qualified custodian.

The Custodians provide us with access to their institutional trading and custody services, which are typically not available to Custodians’ retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them. The Custodians’ brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. These services are not soft dollar arrangements, but are part of the institutional platform offered by the Custodians.

For our client accounts maintained in their custody, the Custodians generally do not charge separately for custody services but are compensated by account holders through commissions or other fees on trades that they execute or that settle into your Custodian account. Certain trades may not incur Custodian commissions or transaction fees. The Custodians are also compensated by earning interest on the uninvested cash in your account. The Custodians also make available to us other products and services that benefit us but may not directly benefit our clients’ accounts. Many of these products and services may be used to service all or a substantial number of our accounts, including accounts not maintained at the Custodians.

The Custodians’ products and services that assist us in managing and administering your accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv)

facilitate payment of our fees from your accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

The benefits received through participation in these programs do not necessarily depend upon the proportion of transactions directed to the custodian. The benefits are received by Covey Capital, in part because of commission revenue generated for the custodian by Covey Capital's clients. This means that the investment activity in client accounts is beneficial to Covey Capital, because the custodians 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 arrangements that Covey Capital have with custodians and 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.

Aggregated Trade Policy

We typically direct trading in your account as and when trades are appropriate, without regard to activity in other client accounts. However, from time to time and consistent with our duty of best execution, we may aggregate trades together for multiple client accounts. Moreover, such aggregated or "blocked" trades may include shares or units intended to be purchased or sold for accounts that are affiliated with our principals or employees ("Affiliated Accounts").

Each client that participates in an aggregated order will participate at the average share price obtained in that block trade, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a

breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary among accounts. Also, accounts may be excluded from a block trade due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

Item 13 - Review of Accounts

R. Scott Mayo is a Managing Member of Covey Capital and Portfolio Manager. The portfolio manager monitors 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.

Separately Managed Accounts may receive statements quarterly. These written reports normally include 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

General Information

Charles Schwab and Co. is the custodian for the majority of our discretionary client accounts. From time to time however, you may select an alternate custodian or broker to hold accounts in 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 and other similar issues.

Item 16 - Investment Discretion

Covey Capital provides investment advisory services on a discretionary basis to clients. Please see item 4 **Advisory Business** for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

For *discretionary 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 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.

Item 17 - Voting Client Securities

With respect to securities selected on behalf of a client, Covey Capital may vote proxies where required under client agreements. Covey Capital has adopted and implemented policies and procedures reasonably designed to ensure that Covey Capital vote proxies in the best interests of Covey Capital Clients. Covey Capital makes all voting decisions on behalf of Client accounts based solely on Covey Capital's determination of the best interests of that Clients account subject to any specific proxy voting guidelines specifically requested by and agreed upon with Separate Account Clients.

Upon request, Clients may obtain a copy of Covey Capital proxy voting policies and/or information regarding how Covey Capital voted proxies on behalf of Covey Capital Clients.

Item 18 - Financial Information

Covey Capital does not have any financial items to report.