

**COVE CAPITAL MANAGEMENT, INC.**

**Part 2A of Form ADV**

7003 Chadwick Dr, Suite 238  
Brentwood, TN 37027

615-730-7410

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This Brochure (the “Brochure”) provides information about the qualifications and business practices of Cove Capital Management, Inc. (“Cove”). If you have any questions about the contents of this Brochure, please contact Cove’s Chief Investment Officer at (615) 730-7410. Registration with the SEC does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

**Additional information about Cove is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

This brochure amends the previous brochure dated March 2023 and has been prepared according to the requirements and rules promulgated by the United States Securities and Exchange Commission (“SEC”).

The following is a summary of material changes since the previous brochure:

Item 4 Advisory Business – The total regulatory assets under management were amended to \$208,780,455 as of December 31, 2023.

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#### **ITEM 4 – ADVISORY BUSINESS**

Cove was formed in 2012 by Douglas Bryant as a Delaware corporation and has its principal place of business in Brentwood, TN. Cove is owned and controlled by Mr. Bryant.

Cove provides discretionary investment advice to a managed account (“Managed Account”) in a private investment fund (the “Fund”) pursuant to the terms, guidelines and restrictions provided in an investment management agreement (“IMA”) with the Fund. As of the date of this Brochure, Cove’s investment advisory services are provided exclusively to the Fund; Cove is not currently seeking to raise additional capital or obtain new clients.

As of December 31, 2023, Cove’s regulatory assets under management was approximately \$208,780,455.

#### **ITEM 5 – FEES AND COMPENSATION**

Our management fee is negotiated annually with the Fund’s general partner and paid monthly in advance.

Cove is also entitled to receive an annual performance fee (subject to a hurdle rate and high water mark) calculated based on net trading profits (after the deduction of losses carried forward from the previous year, if any) as of the end of each calendar year. The performance fee is calculated by the Fund’s administrator and approved by the Fund’s general partner – Cove neither calculates the performance fee, nor authorizes its payment.

Other fees and expenses borne by the Managed Account include a pro rata share of the Fund’s administration fees and expenses as well as any transaction or investment fees or expenses related to the Managed Account’s activities.

#### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Performance-based fees can provide an incentive to take excessive risks. However, the Fund’s general partner (who is not affiliated with Cove) is the Fund’s risk manager and monitors the Managed Account’s trading and investment activity daily. Per the IMA, the trading discretion granted to Cove is subject to the Fund’s general partner’s general direction concerning matters of risk and Cove therefore cannot act independently with respect to decisions on the amount of investment risk taken in the Managed Account.

Performance-based fees can also create an incentive to overvalue assets, thereby inflating net trading profits through unrealized appreciation. However, Cove has no authority to value the Managed Account’s assets; it is the Fund’s general partner (who is not affiliated with Cove) that is responsible for the final determinations on the valuation of the Managed Account’s positions.

Cove’s investment advisory services are provided exclusively to the Fund through the Managed Account.

Therefore, it does not have any conflicts related to the receipt of performance-based fees among clients.

#### **ITEM 7 – TYPES OF CLIENTS**

Cove provides investment advice exclusively to the Fund through the Managed Account.

Interests in the Fund, and the Fund itself, are not registered under the U.S. Securities Act of 1933, as amended and are excepted from the definition of an “investment company” under Section 3(c)(7) of the Investment Company Act of 1940, as amended. Accordingly, interests in the Fund are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. Investors in the Funds are also Qualified Eligible Persons as defined in the Commodity Exchange Act.

#### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Cove actively manages a dynamic portfolio of liquid U.S. investment grade debt including CDS and options focusing on relative value opportunities with some directional overlay to capitalize on market movements. Cove identifies investment opportunities through fundamental and technical research and analysis of the economy, industries, issuers, market trends and historical performance. Cove may also execute hedging strategies to mitigate duration or convexity gaps.

Instruments traded may include but are not limited to: stocks, bonds, debt instruments (investment and non-investment grade), futures, derivatives, convertible and preferred securities, and warrants and other rights to purchase shares, floating rate notes, government bonds or any other types of financial instruments unless otherwise prohibited in the IMA. Derivative instruments may include: credit derivatives, options, exchange-traded or over-the-counter derivatives as well as swaps (including basket swaps, equity swaps, credit default swaps, and contracts for difference and total return swaps).

If Cove cannot identify attractive investment opportunities because they are either not available or because Cove is wrong in its value assessment, the Managed Account’s performance will be adversely impacted.

Alternative investment strategies are speculative and involve a high degree of risk, including, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, operational risks, counterparty risk and other risks inherent in the Managed Account’s investment activities and financial instruments traded. The use of leverage can magnify the impact of adverse market moves to which the Managed Account may be subject. Investments may be materially affected

by conditions in the financial markets and overall economic conditions occurring globally or in particular countries or markets in which the Managed Account invests. There may be risks that are not monitored or controlled by us and risks that may be greater than forecasted, especially in unusual market conditions. Information used to manage risks may not be accurate, complete or current, or misinterpreted by us.

*Investment Risk:* Inherent in any alternative investment strategy is the risk of total loss of capital. Cove cannot predict, measure or hedge all market, or other risks inherent in its investment strategies. Cove may choose, or may determine that it is economically appropriate to not hedge certain risks. The profitability of its investment strategies depends to a great extent on its ability to correctly assess the future course of price movements of securities and other investments. There can be no assurance that Cove will be able to accurately predict price movements. The performance of any investment is subject to numerous factors which Cove cannot predict or control. These factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or in specific industries or companies. Market volatility may cause performance to fluctuate substantially over time.

Cove may not accurately predict what the exit strategy will ultimately be for any given position. Exit strategies which appear to be viable when an investment is initiated may be precluded due to economic, legal, political or other factors.

*Competition:* There is currently, and will likely be, competition for investment opportunities with other investors having investment objectives and strategies like those of the Managed Account. Performance may be adversely impacted if competition prevents or hinders the Managed Account's ability to participate in certain investment opportunities.

*Execution, Market and Liquidity Risk:* Cove may trade in markets that are volatile and which may become illiquid. Closing positions may be difficult if there is a significant decrease in trading volume or increase in price volatility. Orders may not be executed timely or efficiently in periods of market distress due to various circumstances including liquidity and market restrictions.

The prices of securities can be highly volatile. Price movements 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. Although market volatility can create trading opportunities, too much volatility may create additional risks that may impact Cove's ability to put on and maintain effective hedges. It can cause the correlation between long positions and hedges to diverge, with the hedge having the opposite effect of that intended.

*Securities of Non-U.S. Companies:* Investments in securities of non-U.S. issuers have a range of risks which may 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. There may also be less government supervision and regulation of exchanges, brokers and issuers than there is in the U.S., and Cove may have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, creating substantial delays and settlement failures that could adversely affect the Managed Account's performance. Transaction costs of investing in non-U.S. securities markets may be higher than in the U.S., and securities denominated or whose prices are quoted in non-U.S. currencies also pose currency exchange risks (including blockage, devaluation and non-exchangeability).

*Developing or Emerging Markets:* Any of Cove's investment strategies may be executed in developing or emerging markets. In addition to the risks for securities of non-U.S. companies, developing or emerging markets may be more likely than developed markets to experience periods of illiquidity, market disruptions, political instability, economic distress, social instability, rule changes, restrictions on capital movement, etc.

*Debt Securities:* The Managed Account may invest in debt securities, bonds, or other fixed income securities and loan instruments of U.S. and non-U.S. sovereign and corporate issuers that pay fixed, variable, or floating rates of interest. The value of fixed income securities and loans in which the Managed Account may invest can change in response to fluctuations in interest rates and/or to perceptions of creditworthiness, political stability or soundness of economic policies. These fluctuations may be more acute with respect to high yield and distressed issuers. The value of fixed income securities can also be impacted by dealer and market liquidity, particularly in periods of significant financial market stress.

Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads used to value securities. A major economic recession could severely disrupt the market for debt securities and may have an adverse impact on the value of securities. In addition, it is likely that an economic downturn will increase defaults by issuers who are become unable repay principal and interest on their debt securities.

At times, the fixed income markets have experienced significant falloffs in liquidity. While such events may sometimes be attributable to changes in interest rates or other factors, the cause is not always apparent. During periods of market illiquidity, Cove may not be able to close out positions or may only be able to do so at unfavorable prices. This liquidity risk could adversely impact the performance of the Managed Account and may be difficult or impossible to hedge against.

*Distressed and High Yield Securities:* Cove may invest in “below investment grade” securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Among the risks inherent in investments in troubled companies is the fact that it may be difficult to obtain information as to the true condition of the issuers. These investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Debt securities of troubled companies may not pay interest or dividends, whether inherently or by reason of default, whereas healthier issuers typically will pay interest or dividends on their debt securities.

Cove may also invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

*Prepayment Risk:* The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans underlying certain investments will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. In general, “premium” financial instruments (financial instruments whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and “discount” financial instruments (financial instruments whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments.

*Interest Rate Risk:* Investments in fixed income securities are subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than short-term securities. Cove may attempt to minimize the Managed Account’s exposure to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there is no guarantee that Cove will be successful in fully mitigating the impact of interest rate changes.

*“Widening” Risk:* For reasons not necessarily attributable to any of the risks enumerated herein (for example, supply/demand imbalances or other market forces), the prices of the securities may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that the assets will not be trading at even more “undervalued” levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against “widening” risk.

*Derivatives:* Derivatives include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to one or more underlying securities, financial indexes, currencies or other underlying asset. Derivatives allow an investor to hedge or



speculate on the price movements of the underlying asset at a fraction of the cost of investing directly in the underlying asset. The value of a derivative depends largely on the price movements in the underlying asset and many of the risks applicable to the underlying asset are also applicable to the derivatives of that asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are inherently leveraged and create significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can cause a loss greater than the original amount invested. Derivatives also have liquidity risk because there may not be a liquid market in which to close or dispose of outstanding derivatives contracts.

The prices of derivative instruments are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of 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 government policies, and national and international political and economic events and policies. In addition, the Managed Account's assets are also subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty. If a counterparty defaults under a swap agreement, the value of the swap transactions will decline, perhaps to zero.

*Credit Default Swaps ("CDS"):* CDS are credit derivative contracts where one party (the buyer of protection) pays a premium to another party (the seller of protection) until the earlier of an agreed maturity or the date of a credit event. If a credit event occurs, the seller of protection is obligated to remit to the buyer of protection a certain payout. Credit events may include a failure by the reference company to pay principal or interest with respect to the reference obligation, a restructuring of the final maturity date of the reference obligation, an acceleration of the reference obligation so that it is due prior to its stated maturity date, a ratings downgrade of the reference obligation below certain specified ratings levels or a writedown (including an implied writedown) of the reference obligation. If a counterparty defaults under a swap agreement, the value of the swap transactions with such counterparty can be expected to decline, perhaps to zero. The settlement mechanism for the credit default swap market is comparatively new and may not operate efficiently at times of market stress which could result in significant losses.

*Options:* Cove may buy or sell (write) call and put options. The purchase or sale of an option involves the payment or receipt of a premium and the corresponding right or obligation, as applicable, to either purchase or sell the underlying asset for at a specified price at, or by, a specified date or during a particular period. Purchasing options involves the risk that the underlying instrument will not change in price in the manner expected and the premium will be lost. Selling options involves greater risk because of the seller's exposure to the actual price movement in the underlying asset rather than only the premium payment which could result in potentially unlimited loss.

*Hedging Transactions:* The success of hedging transactions strategy depends, in part, on Cove's ability to correctly assess the degree of correlation between the performance of the instruments used to hedge risks and the performance of the securities or risks being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a hedge will also be subject to Cove's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While hedging transactions may be entered into with the intent to reduce risk, transactions may result in lower overall performance than if hedging transactions were not entered into. For a variety of reasons, Cove may not seek to establish a perfect correlation between the hedging instruments utilized and the securities being hedged. An imperfect correlation may prevent the Managed Account from achieving the intended hedge or expose the Managed Account to risk of loss.

*Short Selling:* Short selling involves selling securities that are not owned and borrowing them for delivery to the purchaser with an obligation to replace borrowed securities at a later date. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could increase without limit, thus increasing the cost to the Managed Account of buying those securities to cover the short position. There is no assurance that a borrowed security will not be recalled and that the Managed Account will not be "bought in" (i.e. forced to repurchase securities in the open market to return them to the lender). Furthermore, the securities necessary to cover a short position may not be available for purchase, and purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The securities borrowed to effect the short sale may be recalled by the lender of those securities at any time, thus forcing the Managed Account to purchase the securities and close out the short position at a loss.

*Leverage and Financing Risk:* Leverage used by the Managed Account is controlled by the Fund's general partner. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Further, if the securities pledged to brokers to secure margin accounts decline in value, the Managed Account could be subject to a "margin call," pursuant to which the Managed Account must either deposit additional funds or securities with the brokers, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, Cove may be forced to liquidate the Managed Account to raise money for the Fund to satisfy its margin requirements. The forced liquidation of all or a portion of the Managed Account at distressed prices could result in significant losses to the Managed Account.

*Change in Margin Terms:* In the absence of specific agreements, margin arrangements are generally subject to change or revocation by the lender. The lender may demand an increase in the collateral, including requiring collateral equal to the full amount of the borrowings, and, if the Managed Account is unable to provide additional collateral, the lender could liquidate the Managed Account's assets held by the lender to satisfy the Managed Account's obligations. A forced liquidation could have extremely adverse consequences, which may be exacerbated in the event that these changes or revocations are imposed suddenly or by multiple lenders. In periods of market stress lenders or counterparties may attempt to increase margin levels. A simultaneous, broad-based increase in margin affecting hedge

funds generally will adversely impact the investments held in the Managed Account by decreasing demand and increasing supply through forced liquidations of those or similar investments.

*Limited Diversification:* The Managed Account may become concentrated in a single issuer, industry, market or sector. Limited diversification may cause greater volatility than would otherwise be the case, and could expose the Managed Account to losses disproportionate to market movements. Even if Cove attempts to control risks through diversification, different assets may become correlated in unexpected ways, with the result being that the Managed Account becomes exposed to unforeseen risks.

*Trade Error Risk:* Transactions may be executed erroneously on terms other than those intended. For example, a transaction may be executed in the wrong asset, for the wrong quantity or price, to buy when Cove intended to sell, to sell when Cove intends to buy, or by reason of a technological or administrative error. Except to the extent otherwise required by law, the Managed Account will generally bear the losses or costs of trade errors, unless it is determined that the error was caused by gross negligence.

*General Political, Economic, Legal, Tax, and other Regulatory Risks:* The Managed Account's investments may be adversely affected by changes in economic conditions or political events, such as a stock market break, acts of terrorism, the outbreak of hostilities involving the United States, the death of a major political figure, a serious pandemic, or a natural disaster, among many others. Additional factors, such as changes in federal or state tax laws, federal or state securities laws, bank regulatory policies or accounting standards, rulemaking, adjudicatory or other activities of governmental or quasi- governmental bodies, agencies, and regulatory organizations may make the Managed Account's strategies less effective and/or less attractive. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Managed Account's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Managed Account.

The SEC, other regulators, and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, the extent to which this would affect the Managed Account is unknowable.

#### **DISCLAIMER**

The information included in this ITEM 8 does not include every potential risk associated with Cove's investment strategies. Investing in securities involves risk of loss, possibly a total loss of invested capital, that investors should be prepared to bear.

There is no guarantee that the Managed Account's investment program, including, without limitation, its investment objectives, strategies, or risk monitoring goals will be successful. Investment results may vary substantially over time. The Managed Account's investments are speculative and involve a high degree of risk. There may be risks which cannot be monitored or controlled, and risks that may be greater than forecasted, especially in unusual market conditions. Cove cannot guarantee that any

assumptions relied on herein will be true for all future events or that all assumptions have been considered or stated.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

There are no criminal or civil actions, administrative proceedings or self-regulatory organization proceedings to report.

#### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Cove has no other financial industry activities or affiliations.

#### **ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Cove may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling, or otherwise dealing with securities for its own accounts or for the accounts of family members. These activities may conflict with Cove's activities on behalf of the Managed Account.

These other activities may also affect the prices and availability of the securities and other financial instruments in which the Managed Account invests.

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, Cove has adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which employees of Cove or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of its clients first;
- Employees must at all times comply with all applicable federal securities laws; and
- Employees should not take inappropriate advantage of their position at Cove.

Employees are generally prohibited from participating in initial public offerings and executing transactions in issuers included on the Restricted List.

These policies apply to any personal transactions involving equity, debt, options, or futures. They do not apply to transactions involving government securities, open-end mutual funds, money market funds, or other instruments which afford an investor no discretion over individual securities.

Cove's Code of Ethics is available to clients upon request by contact Cove's Chief Compliance Officer at (615) 730-7410.

## **ITEM 12 – BROKERAGE PRACTICES**

### *Best Execution*

The Fund's general partner reviews, approves and monitors the prime brokers, executing brokers- dealers and counterparties used by Cove. Executing broker-dealers and counterparties are chosen from those that have been reviewed and approved by the Fund's general partner.

In placing transactions for the Managed Account, Cove seeks to obtain "best execution," meaning that Cove generally seeks execution of securities transactions in such a manner that the Managed Account's total costs or proceeds are most favorable under the circumstances. Accordingly, in seeking best execution, Cove takes into consideration the price of a security offered by the broker-dealer, as well as the broker-dealer's full range and quality of services including, among other things, its facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to Cove, brokerage and research services provided to Cove (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Cove periodically reviews the broker-dealers used as well as the commissions paid to evaluate best-execution.

### *Soft Dollars*

It is currently Cove's policy not to enter soft dollar arrangements. However, Cove enters into securities transactions with broker-dealers that provide, as part of their bundled services, access to research and research-related services. Cove may have an incentive to select a broker based on Cove's interest in receiving the research or other products or services offered by such broker.

### *Trade Errors*

The Managed Account (and not Cove) will bear the cost of any losses (and reap the benefits of any gains) resulting from trading errors and similar human errors, absent gross negligence or intentional misconduct. Trade errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements.

### *Brokerage for Client Referrals*

Cove does not receive referrals from broker-dealers or third parties in exchange for brokerage.

#### *Directed Brokerage*

The Fund's general partner does not direct Cove to send some or all of the Fund's securities transactions to one designated broker.

#### *Aggregating Trading*

Cove manages one client account and therefore, does not aggregate orders.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Managed Account's transactions, positions and cash balances are reviewed on a daily basis by Cove and the Fund's general partner.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

It is Cove's policy to not enter into any solicitation agreement or compensate any person or entity for referrals of prospects that may become a client. Cove is not currently seeking new clients or to raise capital.

### **ITEM 15 – CUSTODY**

Cove does not exercise custody (and is prohibited under the IMA from exercising custody) over the Managed Account's assets.

### **ITEM 16 – INVESTMENT DISCRETION**

The IMA sets forth certain guidelines or restrictions related to Cove's investment activities, which may be modified from time-to-time in consultation with the Fund's general partner. In addition, the Fund's general partner may impose restrictions on Cove's ability to invest in certain securities or types of securities.

### **ITEM 17 – VOTING CLIENT SECURITIES**

As a general policy, Cove does not vote proxies.

### **ITEM 18 – FINANCIAL INFORMATION**

Cove is not subject to any financial condition that impairs its ability to meet contractual and/or fiduciary commitments to clients.