

TEAM COVERT, LLC

27 South Squirrel Road, Suite 107
Auburn Hills, MI 48326
Phone: (248) 453-9360
jeff@teamcovert.com

Form ADV Part 2A
Firm Brochure
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This brochure provides information about the qualifications and business practices of Team Covert, LLC. If you have any question about the contents of this brochure, please contact us at (248) 453-9360. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Team Covert, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Team Covert, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Team Covert, LLC's CRD number is 331269.

Item 2 - Material Changes

We have the following material changes to report since our initial inception date in June 2024:

- Item 12 – We no longer use or recommend Charles Schwab for custodial services as a qualified custodian. Please refer to this Item for additional details regarding our recommended custodian(s).

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Item 4 – Advisory Business

OWNERSHIP/ADVISORY HISTORY

Team Covert, LLC (“We”) is a Michigan Limited Liability Company founded in April 2024. We became registered as an investment adviser in May 2024. We have one executive officer, Jeffrey V. Covert. Mr. Covert is Managing Member and Chief Compliance Officer. Additional information about Mr. Covert can be found under Item 19 and in his supplemental brochure.

ADVISORY SERVICES OFFERED

FINANCIAL PLANNING SERVICES

COMPREHENSIVE AND ONGOING FINANCIAL PLANNING

Our comprehensive financial planning services involve a review of your financial situation, goals and risk tolerance. Through a series of personal interviews and/or the use of risk tolerance questionnaires we will collect pertinent data, identify goals, objectives, financial problems, and potential solutions. With this information, we tailor your financial plan and advice we give to you. Our advice may cover any of the following topics: net worth; cash flow analysis; tax analysis; insurance and long-term care analysis; tax planning strategies; retirement planning; 401k review; financial goal setting; risk management; college savings or other needs as identified during our meetings with you. You will receive access to a digital or written financial plan following our meetings.

After the completion of the initial plan, we offer ongoing financial planning services where we will continuously monitor, update and manage your digital/written financial plan.

FINANCIAL CONSULTING

We also offer financial consulting services where we focus on a single topic, or multiple topics as identified in our meetings with you. The chosen topics are written in the financial planning and consulting agreement. Typically, we meet with you to discuss your questions, conduct research on the chosen topics and present the findings through a second meetings. Upon completion of the delivery of the recommendation, the engagement is concluded.

PORTFOLIO MANAGEMENT

Our portfolio management services are offered to assist with the ongoing management of your investment accounts. We work with you to understand your investment objectives, time frame and risk tolerance. With this information, we create a customized portfolio using a combination of model portfolios that include the use of a sub-adviser, described below. We base our recommendations on a variety of factors, but not limited to, performance risk, fees, tax efficiency or different investment strategies, as well as your input and preferences regarding the strategies.

The sub-adviser will offer multiple investment strategies. Once a sub-adviser is selected, we monitor them to ensure that they adhere to the philosophy and investment style for which they were selected. We will retain discretionary authority to hire and fire the sub-adviser and when necessary, reallocate your assets to a new sub-adviser. The sub-adviser will have full discretion to select the securities and execute transactions without prior permission from you prior to each

transaction. A complete description of the sub-adviser's services and fees will be disclosed in their Form ADV Part 2A or equivalent brochure which will be provided to you.

We currently recommend AE Wealth Management, LLC - #282580

TAILORED SERVICES

The goals and objectives for each client are documented before any investing takes place. You may impose restrictions on investing in certain securities or types of securities.

WRAP PROGRAM

A wrap fee program is an investment program where the client pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. We do not participate in any wrap fee programs. However, the recommended sub-adviser may offer programs that carry a wrap fee.

CLIENT ASSETS MANAGED

As of January 13th, 2025, we manage \$26,000,000 in client assets on a discretionary basis that is co-managed by a sub-adviser.

Item 5 – Fees and Compensation

FINANCIAL PLANNING

COMPREHENSIVE AND ONGOING FINANCIAL PLANNING

Comprehensive financial planning services are offered on fixed fee basis that ranges from \$1,200 to \$12,000. The fixed fee is negotiable and will vary depending on the nature and complexity of your individual circumstances and the number of areas covered by the financial plan through our software program. Your financial planning agreement will show what you will be charged to complete the scope of services as defined in the agreement. We will collect the first half of the agreed upon fee upon engagement and the second half at the delivery of the financial plan.

Ongoing financial planning services are offered on an annual basis. We charge a fixed monthly fee that ranges from \$100 to \$1,000. The agreed upon fee is charged at the end of each month, in arrears. The fees and services are negotiable at the time of renewal.

FINANCIAL CONSULTING

Consulting services are provided at an hourly rate that ranges between \$100 to \$500. At the beginning of engagement, we will provide you with a written estimate of the number of hours we believe the services will take. However, we will track the time we spend collecting your information, analyzing, and researching the chosen topics, and time presenting the findings to you. We will collect the first half of the estimated fee upon engagement and the remaining balance upon completion of the plan. With our ongoing services, the fee will be defined in the agreement and collected at the end of each month.

PORTFOLIO MANAGEMENT SERVICES

When we manage your account, we charge a fee based upon an annual percentage of assets under management. The maximum annual management fee is 2.00%. The annual fee is

negotiable based on the size of the account(s). An additional account maintenance fee may apply. The sub-adviser's management fee is included in our management fee. The management fee will be collected by the sub-adviser monthly, in arrears and calculated based on the account's average daily balance for the month.

You will be asked to authorize the sub-adviser with the ability to instruct the custodian to directly deduct the management fee from your account and remit our portion of the fee to us. Please see Item 15 for additional details.

You may also incur certain charges imposed by custodians, brokers, third-party investment advisers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts a securities transaction. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These charges, fees, and commissions are exclusive of and in addition to our fee and we will not receive any portion of these commissions, fees, or costs.

TERMINATION OF SERVICES

You may terminate our services for any reason within the first five (5) business days after signing the contract without any cost or penalty for a full refund. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice. To cancel the agreement, you must notify us in writing at Team Covert, LLC, 27 South Squirrel Rd Suite 107, Auburn Hills, MI 48326. For financial planning services charged in advance, you will receive a prorated refund of any unearned fees based on the percentage of work completed on the plan.

OTHER SECURITIES COMPENSATION

We do not receive any additional securities compensation.

RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts of interest with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Item 6 – Performance-Based Fees and Side by Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or provide side by side management.

Item 7 – Types of Clients

We offer our services to individuals and high net worth individuals. We do not require a minimum account size.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

With respect to our sub-adviser, we attempt to match your individualized needs, goals, and objectives with the sub-adviser's method of investment analysis and investment strategies. Please refer to the sub-adviser's ADV Part 2A – Item 8.A for a full description of the sub-adviser's methods of analysis and investment strategies.

INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear**. Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. To manage risk, we rebalance model portfolios on an as-needed basis to bring the asset allocations back to their intended balances. You should feel free to ask questions about risks that you do not understand; we would be pleased to answer them.

RECOMMENDED SECURITIES

Several types of securities may be used in your portfolios including, but not limited to, exchange traded funds (ETFs), mutual funds, and bonds. Risks associated with these types of securities include:

- **Credit Risk:** This is the risk an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment or the future purchasing power of a client's assets.
- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social, or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Investment Style Risk:** Different investment styles tend to shift in and out of favor, depending on market conditions and investor sentiment. Growth stocks tend to be more volatile than value stocks and their prices usually fluctuate more dramatically than the overall stock market. A stock with growth characteristics can have sharp price declines due to decreases in current or expected earnings and may lack dividends that can help cushion its share price in a declining market.

- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Principal Risk:** There is no guarantee that a stock will go up in value. A stock's price fluctuates, which means a client could lose money by investing in an equity security.
- **Stock Market Risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Mutual Fund Manager Risk:** The chance that the proportions allocated to the various mutual funds will cause the client's account to underperform relevant to benchmarks or other accounts with similar investment objectives.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of each supervised person providing investment advice. These include the following:

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the firm or supervised person:
 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was found to have been involved in a violation of an investment-related statute or regulation; or
 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

We have no information applicable to this item.

- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the firm or supervised person
 1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - i. denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;
 - ii. barring or suspending the supervised person's association with an investment-related business;
 - iii. otherwise significantly limiting the supervised person's investment-related activities; or
 - iv. imposing a civil money penalty of more than \$2,500 on the supervised person.

We have no information applicable to this item.

C. A self-regulatory organization (SRO) proceeding in which the firm or supervised person

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

We have no information applicable to this item.

- D. Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

We have no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

BROKER DEALER AFFILIATION

We are not affiliated with a broker-dealer.

FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

OTHER INDUSTRY AFFILIATIONS

Our owner, Mr. Covert, and associates are independent insurance agents. They may recommend the sale of insurance products to you. The sale of insurance products pays them a commission that is separate from the fees outlined in Item 5, above. This is considered a conflict of interest because it creates a financial incentive to recommend insurance products. However, they

attempt to mitigate any conflicts of interest to the best of their ability by placing your interests ahead of their own and through the implementation of policies and procedures that address the conflict. Additionally, you are informed that you always have the right to choose whether to act on the recommendation and you always have the right to purchase recommended insurance through any licensed insurance agent.

Mr. Covert is also the managing member of Team Covert Financial & Tax Planning Group, LLC. As a CPA and licensed insurance agent, he may recommend tax planning services and insurance products to you through Team Covert Financial & Tax Planning Group, LLC. These services pay him fees that are separate from the fees outlined in Item 5, above. This is considered a conflict of interest because it creates a financial incentive to recommend tax and accounting services. However, he attempts to mitigate any conflicts of interest to the best of their ability by placing your interests ahead of their own and through the implementation of policies and procedures that address the conflict. Additionally, you are informed that you always have the right to choose whether to act on the recommendation, and you always have the right to purchase recommended services through any licensed insurance agent and CPA.

RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISER

We recommend the services of sub-advisers. This information can be found under Items 4 and 5. We will ensure that the sub-adviser is properly registered or exempt from registration in the client's state of residence prior to making any recommendation. We attempt to mitigate the conflict of interest to the best of our ability by placing your interest ahead of our own, through our fiduciary duty and by following our Code of Ethics that establishes ideals for ethical conduct.

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

DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

INVESTING IN OR RECOMMENDING THE SAME SECURITIES

We may buy or sell for our own account the same securities that we purchase or recommend for purchase in your accounts. A conflict of interest exists because we can trade ahead of client

trades. We mitigate any conflict of interest in two ways. First, our Code of Ethics requires employees to: report personal securities transactions on at least a quarterly basis and provide us with a detailed summary of certain holdings (both initially upon commencement of employment and quarterly thereafter) in which employees have a direct or indirect beneficial interest. The reports are reviewed to ensure that we do not trade ahead of your accounts. Second, we require client transactions be placed ahead of our associates' personal trades or our associates can place personal trades as part of a block trade (Please see Item 12.B for details on our block trading practices. The records of all associates' personal and client trading activities are reviewed and made available to regulators to review on the premises.

Item 12 – Brokerage Practices

RECOMMENDATION CRITERIA

We do not maintain custody of your assets. Your assets must be maintained in an account at a “qualified custodian,” which is generally a broker-dealer or bank. We recommend (“Fidelity”) both registered broker-dealers and members FINRA/SPIC as the qualified custodians. We are independently owned and operated and not affiliated with Fidelity. Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Fidelity as the custodian/broker, you will decide whether to do so and open an account with Fidelity by entering into an account agreement. We do not open the account for you; however, we assist you in doing so.

RESEARCH AND SOFT DOLLARS

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these services. We do not receive any soft dollar benefits.

BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

DIRECTED BROKERAGE

We do not allow directed brokerage.

TRADE AGGREGATION

We may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client's accounts, the timing of the trades, the liquidity of the securities or the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that the practice of not aggregating may cost you more money.

Item 13 – Review of Accounts

PERIODIC REVIEWS

Our owner, Mr. Covert, and associates will attempt to meet with you at least annually either in person, video conference, or by telephone to conduct a review of your accounts.

OTHER REVIEWS

Reviews may also be triggered by events within clients' lives, as well as pertinent news events, changes in federal and state regulatory or tax regimes, and overall economic events.

REPORTS

You will receive at least quarterly account statements from your account's custodian. We urge you to carefully review these statements.

Item 14 – Client Referrals and Other Compensation

OTHER COMPENSATION

We do not receive any other compensation.

CLIENT REFERRALS

We do receive client referrals or use solicitors.

Item 15 – Custody

All client funds, securities, and accounts are held by Third-Party Custodians. We do not take possession of your securities. However, you will be asked to authorize the sub-adviser to instruct the custodian to deduct our management fee from your account. This authorization will apply to our management fee only. This is considered a limited form of custody. You may terminate this authorization at any time by contacting us or the Third-Party Adviser. You will receive at least quarterly account statements from the custodian that holds and maintains your assets. We urge you to carefully review these account statements.

Item 16 – Investment Discretion

We retain discretionary authority to establish and/or terminate a relationship with a model manager for the purposes of managing the account or a portion of the account determined by us or the sub-adviser. You will also grant us and the sub-adviser with discretionary authority to reallocate the amount of funds within the account that are in a particular model managers model portfolio; under no circumstances will we or the sub-adviser have discretionary authority to transfer funds or assets outside of the account.

Additionally, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The Letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, we have adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.

The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 17 – Voting Client Securities

We will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in our clients' accounts. Proxy solicitation materials will be forwarded to you directly from your account's custodian for response and voting. In the event you have a question about a proxy solicitation, you should contact your investment adviser representative.

Item 18 – Financial Information

BALANCE SHEET

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service you.

BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

We have one executive officer, Jeffrey V. Covert ("Mr. Covert"). Mr. Covert's biographical information is provided in the attached Brochure Supplement Document.

Mr. Covert is required to disclose additional information if he has other business activities, receives a portion of performance-based fees, or has any relationship or arrangement with an issuer of securities. Mr. Covert is an independent insurance agent and may receive commissions for the sale of insurance products. He is also a CPA and tax planning specialist. He conducts these activities through Team Covert Financial & Tax Planning Group, LLC. These activities and any conflicts of interests associated therewith are discussed in Item 10 above and in his Brochure Supplement Document.

Mr. Covert and Team Covert, LLC have NOT been involved in any of the events listed below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
2. An award or other being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.