Covenant Asset Management, LLC

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This brochure provides information about the qualification and business practices of Covenant Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (908) 879-5270 or lmaher@covasset.com. 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.

Additional information about Covenant Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Covenant Asset Management, LLC is registered with the Securities and Exchange Commission as a registered investment advisor, which does not imply a certain level of skill or training.

Additional Copies of Form ADV Available

Additional copies of Covenant's complete Form ADV (Part 1 or Part 2A Brochure and Part 2B Brochure Supplement) may be requested at any time, free of charge, by contacting Lucy Maher, Manager, Client Services, by phone at (908) 879-5270 or by email at lmaher@covasset.com.

Item 2: Summary of Material Changes

Annual Update

In this Item of Covenant Asset Management's (Covenant) Form ADV Part 2A, Covenant is required to discuss any material changes that have been made to Form ADV since the last Annual Update on February 16, 2022.

Material Changes since the Last Update

Since the last Annual Update filing, Covenant has made the following material changes to the Brochure:

Item 8: "Risk Management":

Covenant has updated certain disclosures regarding investment risks.

We have also made minor, non-material changes throughout the Brochure.
Clients are encouraged to review the Brochure in its entirety.

FORM ADV PART 2A - INVESTMENT ADVISER BROCHURE

ITEM 3: Table of Contents

Item 4: Advisory Business

After spending nearly 20 years employed at two of NJ's largest bank trust departments, John Guarino founded Covenant Asset Management in February 1999. Covenant now provides investment advisory services for over 225 wealth management clients.

Our mission is to deliver superior asset management services to affluent individuals, businesses, and non-profit organizations. Many investors lack the time, interest, or experience to adequately address their financial needs. Through the development of intimate professional relationships with our clients, we are uniquely positioned to assist in the optimization of their financial objectives. With integrity and commitment, we take responsibility for preserving and enhancing client assets. Achieving this objective requires an insightful understanding of client needs, matched against available investment opportunities.

We offer an exclusive brand of investment advisory services to our clients by combining independent research with personalized service. As a result, our clients gain the advantage of complete transparency of their assets and direct access to the decision makers within our organization. We are driven by an unwavering commitment to service excellence, integrity, honesty and confidentiality. And as a fiduciary, we always exercise prudence, diligence, loyalty and the highest standard of care within all client relationships.

Clients may restrict their investment portfolio from certain securities, or types of securities. Covenant managed $416,569,462 of client assets as of December 31, 2022. All client assets are managed on a discretionary basis.

Covenant is organized as a Limited Liability Corporation in the state of New Jersey. John Guarino is the sole member of the LLC and 100% owner.

Item 5: Fees & Compensation

Covenant is a fee-based investment advisor and only earns fees explicitly enumerated within the fee agreement embedded in the investment advisory agreement signed by clients at the initiation of their advisory relationship. Covenant's standard fee schedule is shown below. Fees are negotiable depending on the size and complexity of a client's account. Covenant has no minimum account size requirement.

Covenant Asset Management Standard Annual Fee Schedule

On the first $1 million	1.25%
$1 million to $3 million	1.00%
$3 million to $5 million	0.85%
$5 million to $10 million	0.75%
Above $10 million	0.50%

Fees will be calculated and are payable in arrears on the last day of each calendar month. Fees are calculated as follows: One-twelfth (1/12) of the annual management fee shall be multiplied by the ending market value of the total assets in each client account on the last trading day of such month. Total assets includes the total absolute value of all assets, with no offsets made for margin or other debit balances. For the first and last month during the term of the investment advisory agreement, fees will be prorated. Cash in each account and assets invested in shares of mutual funds, exchange traded funds or other investment companies will be included in calculating the value of the client account for purposes of computing Covenant's fees.

Covenant's Fees do not include brokerage, custodial, transaction or redemption fees. Clients may incur certain charges imposed by custodians, brokers, and other third parties. These fees include custodial fees, trade commissions, interest on margin loans, deferred sales charges, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfers, alternative investment processing fees, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. While Covenant strives to recommend no-load funds, certain mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Covenant's fee, and Covenant shall not receive any portion of these commissions, fees, and costs. See Item 12. "Brokerage Practices."

Client authorizes Custodian, upon receipt of notification by Covenant of payment due, to promptly pay Covenant by deducting such fees from client's account. Client agrees that any fees not so deducted by custodian shall be due and payable directly by client. Fees are negotiable depending on the size and complexity of a client's account.

Covenant does not have any third party revenue sharing agreements, does not accept commissions or compensation from any other source (i.e., mutual funds, insurance products or any other investment product) and we do not receive any payment from your custodian in exchange for holding your account on their platform.

Our advisors receive a portion of the management fee that we receive on your assets that we manage for you. Our asset-based fee arrangement could give us an incentive to encourage you to deposit more assets in your account because it would increase our management fee. The more your portfolio with Covenant grows, whether because of market performance or additional assets under management, the greater your advisor's compensation will be. You are never under any obligation to add new assets to your account with Covenant.

Covenant or persons associated with our firm can buy or sell the same securities that we recommend to clients, or in which clients are already invested. A conflict of interest could exist in such cases if we had the ability to trade ahead of clients and potentially receive more favorable prices than they receive. To eliminate this conflict of interest, it is our established policy that Covenant and persons associated with our firm NEVER have priority over client accounts in the purchase or sale of securities.

Timothy Rowe, as an investment advisor representative of Covenant, is an advisory affiliate and related person of the firm. Mr. Rowe, in addition to his role at Covenant, is the sole Managing Member of Covenant Financial Resources, LLC ("CFR"). CFR sells investment products such as insurance policies and annuities, for which it receives direct commissions from the carrier. When one of Covenant's duly licensed members refers clients to CFR for these products, such related licensed member receives a share of the commissions, which is fully disclosed to each referred client. No additional fees are paid by such client for these referrals. The receipt of commissions from CFR creates a conflict of interest between Covenant and its clients by raising the possibility that insurance products could be recommended because of the referral commissions generated rather than because of the overriding benefit to the client. This conflict is mitigated by Covenant, Mr. Rowe and CFR by diligently confirming the appropriateness of each product for each client, and by making full disclosure of the referral commission relationship, as well as the fact that every client has the option to purchase such products through other, non-affiliated parties.

When Covenant provides 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. Covenant has a conflict of interest when recommending that clients roll over a retirement account such as a 401k or IRA to a managed account, because Covenant will receive a fee for managing these additional assets. Because Covenant receives more fees on higher account balances, it may have an incentive to encourage clients to increase the assets in their account. To mitigate this conflict, Covenant advisors discuss with each client the pros and cons of any such rollover, including relative costs, prior to such client's decision regarding any rollover. Covenant typically avoids soliciting or giving specific advice regarding rollovers of client benefit plan assets. In the limited instances where such advice is given, strict policies and procedures are followed by Covenant to ensure that we do not put our interest ahead of yours and all decisions are made in the client's best interests. Clients can independently decide whether to add to an existing IRA account or transfer their IRA or 401k to Covenant.

Item 6: Performance-Based Fees & Side-by-Side Management

Neither Covenant nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Covenant offers a full array of wealth management services, including investment management, comprehensive financial and estate planning, business continuation counseling, and administrative services. The integration of these services forms the basis for a comprehensive wealth management plan. In order to allow us to concentrate exclusively on our areas of expertise in wealth management, we outsource certain administrative and custodial services. Covenant works closely with client attorneys and accountants to ensure that a comprehensive strategy is designed and implemented in order to realize their financial objectives. Covenant manages the following types of client accounts:

- Investment Management Accounts
- Individual Retirement Accounts (IRAs) & Rollovers
- 401k Plans
- Pension & Profit Sharing Plans
- Trust & Estate Accounts
- Charitable Organizations
- Corporate Accounts

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Covenant begins any new investment advisory relationship by assisting our clients in the development and implementation of a personal investment objectives statement and customizing a separately managed portfolio of securities to meet client objectives. Risk is primarily managed through diversification and selective security hedging techniques. Investing in marketable securities including stocks, bonds, REITs, mutual funds, ETFs, and options involves various degrees of risk and can lead to both realized and unrealized losses. We only invest in publicly traded securities. Investing in marketable securities involves risk of loss that clients should be prepared to bear.

All investments are subject to risks. Clients should be cognizant of the potential and inherent risks of investing in securities, including loss of capital. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy undertaken by Covenant will be profitable or equal any specific level of performance. See "Risk Management," below.

Equity Growth

Covenant specializes in wealth enhancement through tax-efficient growth oriented investment management. Client portfolios are generally kept fully invested, resulting in low turnover of portfolio holding and reduced exposure to capital gains liabilities. Our approach involves identification and purchase of companies with superior growth characteristics with the intention of holding them for many years, selling only when fundamental prospects turn negative. A cornerstone of Covenant's philosophy is our focus on buying dominant companies in the fastest growing industries. Generally, we seek companies that increase revenues and earnings by double digit growth rates year after year. Such businesses ordinarily prosper under a variety of economic conditions, and most are corporate leaders in profitability. These companies tend to be both proponents and beneficiaries of long term themes that are shaping global economies. In today's world, these companies are typically found within the technology, healthcare, industrial, and consumer sectors.

Covenant adheres to a thematic growth investment style seeking growth at a reasonable price (GARP). We embrace the concept of investing with "the wind at our back" believing it is easier to be a successful investor by first identifying trends and then selecting leading companies likely to be beneficiaries of those emerging trends. The cornerstone of our research effort is thorough fundamental analysis coupled with the use of technical analysis for timing decisions. Tax efficiency is an important aspect of our investment style leading to the pursuit of stocks our clients can own for an extended period of time. Covenant implements its tax efficiency strategies at the individual client portfolio level as opposed to on an overall strategic basis. Our targeted turnover rate is thirty percent or less per year. Covenant monitors client accounts on a monthly basis, or more frequently as circumstances require.

Companies meeting our criteria for growth commonly share the following traits:

A dominant position in rapidly growing markets
These companies are often the low-cost suppliers or pricing leaders in their industries. Their dominance typically derives from powerful franchises, proprietary technology, a unique marketing approach, or other sustainable competitive advantage.

Predictable earnings growth
Prospective earnings should grow at an annualized rate of 10% or more. Steady new product developments, rapid sales expansion, and a relative immunity to economic cycles characterize such companies.

Financial Strength
Financial attributes include low debt, high returns on equity and capital, and an ability to finance growth internally.

Quality Management
Ideally, management should have an ownership stake in a growth company. This fosters a commitment to shareholder interests and creates an entrepreneurial culture that will attract skilled employees. Communication of the corporate vision for growth to both shareholders and employees is essential.

<u>Equity Income</u>

As investors approach retirement or in retirement years, many seek to lower the standard deviation of their investment returns. While growth continues to be important as an inflation hedge, income and growth of income begin to take on greater importance. Covenant's Dividend Appreciation Model is constructed to meet the needs of our clients seeking market-like returns with lower risk, as measured by the volatility of returns, with a higher portion of the total return coming via dividends. The dividend yield of this model is targeted to be fifty percent higher than the S&P 500 and the companies within this model tend to increase their dividends typically at a fifty percent faster rate than average. As we search for the right securities for this model, earnings growth remains essential as most companies maintain a policy whereby the dividend rate is relatively consistent in proportion to their earnings. Diversification across economic sectors is also an important criterion.

Companies meeting our criteria for growth and income typically share the following traits:

A leading position in mature but growing markets
These companies generally command leading market shares with their industry based upon a long history of brand awareness, low cost structure or other competitive advantages.

Predictable earnings and dividend growth
Historic and prospective annual earnings growth of 7% or more coupled with a policy of declaring dividends at a rate based upon normalized earnings (payout ratio), not to exceed 60% on average.

Financial Strength
Financial attributes include low debt ratios, high returns on equity and capital, and an ability to finance growth without frequently tapping capital markets.

Quality Management
Experienced leadership along with a commitment to shareholder interests is vital.

Fixed Income

Covenant's fixed income approach emphasizes stability of income, diversification and low turnover. Our fixed income investment philosophy adheres to a disciplined approach that emphasizes strong total returns and a steady income stream generated by what we believe to be quality holdings. Our process is intended to provide more consistent returns while helping to reduce investment risks. Covenant's strategy emphasizes appropriate credit quality analysis, a focus on intermediate term securities, yield curve management through a laddered portfolio when individual securities are employed, and low portfolio turnover.

Risk Management

The ability to absorb risk varies widely among individuals depending on their age, experience, and financial circumstances. Prevailing market and economic conditions are also factors. As an asset management client, your level of risk tolerance is carefully evaluated before any action is taken. After taking the time to gain this perspective, we are then positioned to make intelligent, rational asset allocation decisions on our client's behalf.

Our knowledge and experience in managing investment assets has taught us that the best way to reduce risk is to diversify. In fact, by lowering exposure to loss in any one market sector, diversification can actually boost total return in certain economic environments. At Covenant, we specialize in allocating assets among cash, fixed income, equity, REITs, and commodities markets. Establishing an optimum asset allocation requires thorough examination of a client's income requirements, liquidity needs, lifestyle goals, and risk tolerance. Client objectives are continually evaluated to determine potential asset allocation policy modifications.

Covenant's methods of analysis and investment strategies do not present any significant or unusual risks. Detailed below are some of the risks of equity and fixed income investments, but it should be noted that we cannot claim to identify all of the risks inherent in these markets. Clients should be aware that the value of securities in a client's portfolio may decline due to daily fluctuations in the securities markets that are beyond Covenant's control.

There are two significant risks associated with investing in equity securities, systematic risk, which is inherent in all equity securities and unsystematic risk. **Systematic Risk –** includes macroeconomic risks, inflation risk, interest rate risk and general equity market risk. Equity markets can be volatile and many factors can influence their performance. In addition to the factors stated previously, investor sentiment, liquidity, political risk, public health crises, and fiscal and monetary policies can create risks to equity investors. While Covenant performs due diligence on the companies in whose securities it invests, economic conditions are not within the control of Covenant and there is no assurance that adverse market developments will be anticipated. **Unsystematic risk** consists of two major components: individual company risk and sector (or industry) risk. Individual company risk can be divided into two components: *business risk* is the risk inherent in the nature of the business and *financial risk* is the risk in addition to business risk that arises from using financial leverage. Sector/Industry risk is the risk of doing better or worse than expected as a result of investing in one sector or another. With regard to the risks associated with Covenant's equity growth strategy and its equity income strategy, all of the risks detailed above apply to both strategies. In addition, equity growth stocks have the additional risk of typically higher relative valuation levels and the associated risk of being unduly punished by disappointing results. Also, many growth companies are smaller or less mature and could be subject to increased competition from larger or better capitalized competitors. Covenant's equity income strategy, in addition to the systematic and unsystematic risks identified above, includes additional risks. Many equity income equities are more mature, slower growing companies with higher dividend payout ratios. To the extent that company earnings growth slows beyond expectations, dividends and dividend growth could be hurt which could put downward pressure on the stock price. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Covenant may invest in one or more Exchange Traded Funds ("ETF") on behalf of its clients. Risks relating to investing in ETFs are minimal but can include the following: The market value of an ETF's shares may differ from its net asset value ("NAV"). This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when an ETF trades at a premium, creating the risk that a portfolio pays more than NAV for an ETF when making a purchase or discount, creating the risks that the portfolio's value is reduced for undervalued ETFs it holds and that the portfolio receives less than NAV when selling an ETF.

Covenant may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. Fixed Income investing risks include, without limitation, 1) inflation risk which reduces the real value of investments as purchasing power declines on nominal dollars received as principal and interest payments, 2) interest rate risk which comes from a rise in interest rates that causes a decline in fixed income prices to allow yields on the fixed income securities to reflect prevailing market rates, 3) credit risk which involves the real or perceived risk of a fixed income issuer defaulting on an interest or principal payment, and 4) reinvestment risk which is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities. Covenant does not invest in fixed income securities in a strategy with any unusual or significant risks beyond those identified above.

Options Investing

Options involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. We encourage all clients who invest in options for speculative purposes to do so only investing with risk capital.

Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract.

Covenant utilizes options for certain clients to protect against downside risk by buying protective put options or to enhance income through the sale of covered call options. In using these strategies, the returns are limited and the risks are also limited to the costs of the options. For certain clients who authorize us to do so, we may purchase call options in an attempt to generate leveraged positive returns. In this case, risk is also limited to the cost of the options premium. In other strategies, for certain clients wishing to pursue higher returns with a portion of their portfolio, Covenant may engage in potentially risky trades using options and options spreads where most or all of the capital in a specific trade may be lost. Typical trades in such strategy involve the purchase of a call spread that is funded largely by the sale of a put spread. Since options are time sensitive investments, the buyer or seller of an option could lose their entire investment or be obligated to purchase shares of the underlying security in which the option was written. For more information concerning the risks and strategies of options, clients are sent a copy of the Options Clearing Corporation publication “Characteristics & Risks of Standardized Options” by their custodian.

No client is under any obligation to utilize options strategies. There can be no guarantee that an options strategy will achieve its objective or prove successful. Clients are advised to direct any questions regarding the use of options to Covenant's Chief Investment Officer, John Guarino.

Cybersecurity Risks

Covenant's information technology systems and those of our key service providers are vulnerable to potential damage or interruption from computer viruses, network failures, infiltration by unauthorized persons and security breaches, power outages and catastrophic events causing business disruptions. Cybersecurity breaches may cause Covenant or its third-party vendors to lose proprietary information (including personal data), suffer data corruption or lose operational capability. While Covenant and its third-party service providers have established information technology and data security programs, and have business continuity plans in place, such programs and plans are inherently limited by the possibility of new, emerging, and unidentified risks.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Covenant or the integrity of Covenant's management.

In the past ten years, neither Covenant nor any of its employees or affiliates has been involved in any SEC, Federal Regulatory Agency, state or self-regulatory organization disciplinary actions or violations.

Covenant has no other information to disclose applicable to this Item 9.

Item 10: Other Financial Industry Activities & Affiliations

Timothy Rowe, one of Covenant's affiliated Investment Advisor Representatives, is licensed to offer commissionable insurance products through various marketing organizations and is individually licensed with numerous insurance companies in multiple states. Mr. Rowe conducts such business through Covenant Financial Resources, LLC, ("CFR") of which he serves as the sole Managing Member. Covenant's owner John Guarino also holds an insurance license and refers financial planning clients to Mr. Rowe. When one of Covenant's duly licensed members refers clients to CFR for these products, such related licensed member receives a share of the commissions, which is fully disclosed to each referred client. No additional fees are paid by such client for these referrals. The receipt of commissions from CFR creates a conflict of interest between Covenant and its clients by raising the possibility that insurance products could be recommended because of the referral commissions generated rather than because of the overriding benefit to the client. This conflict is mitigated by Covenant, Mr. Rowe and CFR by diligently confirming the appropriateness of each product for each client, and by making full disclosure of the referral commission relationship, as well as the fact that every client has the option to purchase such products through other, non-affiliated parties. CFR also provides marketing and educational services. Mr. Rowe receives certain ongoing payments from client relationships with a firm with whom he was employed prior to 1999. These payments are not related to, nor do they directly or indirectly benefit, Covenant. As such, these payments do not create any conflict of interest between Covenant and its clients.

Covenant's owner is 50% owner and CEO of Covenant Advisors, LLC a non-operating holding company.

When other authorized professionals refer clients to Covenant for money management services, Covenant generally shares the fees generated by the referred clients with the referring individual and fully discloses all referral fees in writing to the client. Presently, Covenant maintains fee-sharing relationships with three such individuals. In addition, CFR utilizes the services of Financial Insight Technology, Inc. ("SmartAsset"), a third party that charges a fixed fee to generate client prospect leads. See, "Item 14: Client Referrals and Other Compensation."

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Code of Ethics

A Code of Ethics ("Code") has been adopted by Covenant and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"). The following is a summary of the Code. Covenant will provide any client or prospective client a copy of the entire Code upon request.

The Code establishes rules of conduct for all employees of Covenant and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Covenant and its employees owe a fiduciary duty to Covenant's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Covenant continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both Covenant and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that Covenant has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

Covenant and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to provide advice in the best interests of clients and the duty to have a reasonable, independent basis for the investment advice provided;

- The duty to obtain best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, Covenant expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Covenant. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Covenant. Covenant's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of John Guarino, the Chief Compliance Officer, for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Covenant.

The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of Covenant in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with John Guarino. John Guarino may grant exceptions to certain provisions contained in the Code only in those situations when it is clear beyond dispute that the interests of our clients will not be adversely affected or compromised. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

Personal Trading

Covenant has adopted the following principles governing personal investment activities by Covenant's supervised persons:

- The interest of the client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and

- Access persons must not take inappropriate advantage of their positions.

Employee trading is continually monitored under the Code of Ethics and designed to reasonably prevent conflicts of interest between Covenant and its clients. John Guarino, Chief Compliance Officer, reviews all employee trades as submitted each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of Covenant receive equal or preferential treatment. Since most employee trades are small, these trades do not affect the securities markets.

Covenant and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest. It is Covenant's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Covenant will also not cross trades between client accounts.

Covenant or persons associated with our firm can buy or sell the same securities that we recommend to clients, or in which clients are already invested. A conflict of interest could exist in such cases if Covenant had the ability to trade ahead of its clients and potentially receive more favorable prices than its clients receive. It is Covenant's established policy that Covenant and persons associated with the firm never have priority over a client's account in the purchase or sale of securities. Covenant's owner, employees and affiliates abide by Covenant's Code of Ethics regarding the priority of transactions.

Material Non-Public Information

In accordance with Section 204A of the Investment Advisers Act of 1940, Covenant maintains and enforces written policies reasonably designed to prevent the misuse of material, non-public information by Covenant or any of its employees.

Pre-Clearance Required for Participation in IPOs

Covenant and its related persons rarely participate in IPOs. No access person shall acquire any beneficial ownership in any securities in an Initial Public Offering for his or her account without the prior written approval of John Guarino who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the access person’s activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts.

Pre-Clearance Required for Private or Limited Offerings

Covenant and its related persons rarely participate in private or limited offerings. No access person shall acquire beneficial ownership of any securities in a limited offering or private placement without the prior written approval of John Guarino who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the access person’s activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts.

Covenant’s employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination and/or disciplinary measures.

Item 12: Brokerage Practices

Covenant generally has authority to select broker-dealers and the commission rates to be paid. The primary consideration in placing portfolio transactions with broker-dealers for accounts under management, where placement is discretionary with Covenant, is to obtain best execution. Covenant attempts to achieve best execution by choosing brokers to execute transactions based on (1) their professional capabilities, (2) the value and quality of the services and products they provide, (3) the comparative brokerage commission rates which they offer, (4) their financial strength and reputation, and (5) their protection of clients' personal identifying information, as well as other relevant factors. Best execution does not always equate to lowest fees and commissions, but rather whether the transaction represents the best qualitative execution, taking into account the full range of broker-dealer services.

A broker may be paid a commission for a trade in excess of that which another broker may charge in recognition of the selected broker's ability to execute the transaction more efficiently and in recognition of research and services provided. Covenant does not use client commission credits towards, nor does it select or recommend broker dealers based on an interest in, receiving research or other products or services. Covenant has no agreements or understandings with any broker concerning the directing of brokerage commissions because of research products or services provided. Broker commission charges, the quality of investment research services provided and order execution are continually monitored by Covenant. Covenant does not participate in any Soft Dollar arrangements.

Covenant may aggregate trades for its owner, employees and affiliates with client trades. Aggregation is consistent with the duty to seek best execution as no client is favored over any other client. Covenant participates at the average share prices of all transactions and costs will be shared on a pro-rata basis. In the event an order is only partially filled, shares are allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order.

As a fiduciary, Covenant has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions due to Covenant's actions, or inaction, or actions of others, Covenant's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting Covenant in any way. If the error is the responsibility of Covenant, any client transaction will be corrected and Covenant will be responsible for any client loss resulting from an inaccurate or erroneous order. Covenant's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file.

Covenant uses the institutional advisor platform (the "Platform") offered by TD Ameritrade Institutional and Covenant generally recommends TD Ameritrade to clients for custody and brokerage services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Covenant receives some benefits from TD Ameritrade through its use of the Platform. (Please see the disclosure under "Item 14: Client Referrals and Other Compensation").

Item 13: Review of Accounts

Covenant has adopted procedures to implement the firm's policies and reviews and monitors to ensure that such policies are observed, implemented properly and amended or updated, as appropriate, which include the following:

- Covenant obtains substantial background information about each client's financial circumstances, investment objectives, and risk tolerance, among other things, through an in-depth interview and information gathering process which includes client profile or relationship forms. This information is reviewed and updated annually by each client's account manager.
- Covenant's clients may also have and provide written investment policy statements or written investment guidelines that the firm reviews, approves, and monitors as part of the firm's investment services, subject to any written revisions or updates received from a client.
- Covenant provides the firm's Form CRS and Form ADV Part 2 to prospective clients to disclose the firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews.
- Covenant may provide periodic reports to advisory clients to provide important information about a client's financial situation, portfolio holdings, values and transactions, among other things. The firm may also provide performance information to advisory clients about the client's performance, which may also include a reference to a relevant market index or benchmark.
- Covenant may also schedule client meetings on a periodic basis, or request basis. Clients are encouraged to meet with their portfolio manager at Covenant at least once per year to review their account as a whole, to review a client's portfolio, performance, market conditions, financial circumstances, and investment objectives, among other things, and to confirm that the firm's investment decisions and services are consistent with the client's objectives and goals. Documentation of such reviews are made in the client file.
- Client relationships and/or portfolios are monitored by management personnel on a monthly basis or more frequently as circumstances require.

Item 14: Client Referrals & Other Compensation

When other authorized professionals refer clients to Covenant for money management services, Covenant will either pay a one-time lead fee for such referrals, or share the fees generated by the referred clients with the referring individual or RIA. These fee arrangements are fully disclosed in writing to each referred client and comply with the Rule 206(4)-1 requirements under the Advisers Act. Annual referral payments are generally limited in time, and range between 20% - 40% of a client's annual management fee. Clients will not be charged any higher fees when referred by a third party than while engaging Covenant directly.

As previously disclosed under "Brokerage Practices", Covenant uses TD Ameritrade's institutional advisor platform and generally recommends TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Covenant's use of the platform and the investment advice it gives to its Clients, although Covenant receives economic benefits through its use of the platform that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Covenant participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; receipt of compliance publications; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Covenant by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Covenant's related persons. Some of the products and services made available by the platform may benefit Covenant but may not benefit its Client accounts. These products or services may assist Covenant in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Covenant manage and further develop its business enterprise. The benefits received by Covenant or its personnel through its use of the platform do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Covenant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Covenant or its related persons in and of itself creates a conflict of interest and may indirectly influence the Covenant's choice of TD Ameritrade for custody and brokerage services.

Covenant Financial Resources, LLC ("CFR"), a marketing affiliate of Covenant, utilizes the services of Financial Insight Technology, Inc. ("SmartAsset") to identify and refer appropriate prospective clients to Covenant. CFR pays a one-time fee for such prospect leads in amounts ranging up to $250. Clients are not charged any higher fees when referred by a third party than while engaging Covenant directly.

Covenant does not participate in any third-party revenue sharing agreements with outside third parties in connection with its provision of advisory services to clients.

Item 15: Custody

General

As a matter of policy and practice, Covenant does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them, except for direct debiting of advisory fees. Covenant will not intentionally take custody of client cash or securities. Covenant is compliant with Advisers Act Rule 206 (4)-2 because it (i) opens all Client accounts directly with an independent, qualified custodian and (ii) verifies to a reasonable extent that the qualified custodian sends Clients at least quarterly account statements.

It is Covenant's policy to avoid taking custody of its Clients' assets, and to prohibit any arrangement that gives rise to actual, constructive or inadvertent custody. Covenant maintains only the authority to cause the custodian to transfer Client assets or cash to (i) trade securities, (ii) effect first party transfers between identically-named client accounts, and (iii) effect direct-billing of Client fees permitted under Rule 206(4)-2 of the Advisers Act, as discussed below.

Fee Debiting

The Investment Advisory Agreement authorizes Covenant to deduct investment advisory fees directly from the client's account by the custodian typically on a monthly basis. Client assets are generally held in the custody of a bank, trust company or brokerage firm agreed upon by the client and Covenant. The custodian is advised in writing of the limitation of Covenant's access to the account. In most instances, Covenant provides the calculated advisory fee to the custodian each month and the fees are remitted to Covenant; in some cases, clients are billed directly. The custodian provides a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Covenant.

Item 16: Investment Discretion

Clients grant Covenant complete and unlimited discretionary trading authorization with respect to the account(s) and appoint Covenant as agent and attorney-in-fact with respect to the account(s), and Covenant agrees to act in such capacity. Covenant generally has the authority to determine the securities to be bought or sold and the amount of such securities to be bought or sold. Limitations on authority are provided in client specified investments objectives, guidelines and restrictions. These guidelines may be changed by a client upon written notice. Covenant may also provide non-discretionary advice. In some cases, Covenant may place approved trades on behalf of such client with such brokers as Covenant may select.

Covenant may accept any reasonable limitation or restriction placed on accounts by the client (for example, by asking Covenant not to invest in securities of particular issuers.)

Covenant may, in its sole discretion and at clients' risk, purchase, sell, exchange, convert and otherwise trade the securities and other permitted investments in the account(s) as well as arrange for delivery and payment in connection with the above and act on behalf of client in all other matters necessary or incidental to the handling of the account(s). Covenant may conduct securities transactions among the account(s) and other account(s) managed by Covenant. Covenant may aggregate client purchase and sale orders with those of other client account(s) when engaging in transactions on behalf of client. Aggregation of client orders assists Covenant in obtaining best execution, negotiating more favorable commission rates, and allocating equitably among clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, all clients trade at the same price and no client is favored. Transactions are averaged as to price and will be allocated among clients in a manner deemed to be fair and equitable, typically in proportion to the purchase and sale orders placed for each client account on any given day. Covenant does not receive any additional compensation or remuneration as a result of such aggregation.

Client understands that all or substantially all brokerage transactions for securities may be executed through the broker-dealer designated on the agreement, if so indicated (the "designated broker dealer"). However, despite this designation, Covenant may effect securities transactions for the account(s) through a different broker or dealer if Covenant reasonably believes, in good faith, that another broker-dealer may effect a transaction at a price, including any brokerage commissions or dealer mark-up or mark-down, that would be more favorable to the account(s) or if there are constraints on conducting transactions through the designated broker-dealer.

Item 17: Voting Client Securities

Covenant, as a matter of policy does not vote proxies held in client accounts or take any action (other than rendering investment advice) on behalf of clients with respect to securities or other investments presently or formerly in the account(s), or the issuers thereof, which become the subject of any legal proceeding, including bankruptcies. Client expressly reserves the right to vote all proxies by requesting proxy material from their custodian or transfer agent. Covenant will receive proxy materials on the clients' behalf if client declines the right to receive the proxy materials and will forward the proxies to client upon written request.

Item 18: Financial Information

Covenant has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Covenant is not required to provide a balance sheet because it does not require clients to prepay investment management fees in amounts higher than $1,200 per client and more than six months in advance.

Covenant Asset Management, LLC

125 Maple Avenue
Chester, NJ 07930
908-879-4090

Part 2B of Form ADV
Brochure Supplement
March 22, 2023

This brochure supplement provides information about John Guarino, Timothy Rowe, Christopher Clark, Don Weir, Mark Ukrainskyj, Gabriel Rowe and Bill Cunliffe that supplements Covenant Asset Management's brochure. You should have received a copy of that brochure. Please contact Lucy Maher at (908) 879-5270 if you did not receive a copy of Covenant Asset Management's brochure or if you have any questions about the contents of this supplement. The business address of all of Covenant Asset Management's advisors listed below is Covenant Asset Management's business address listed above.

John Guarino	(908) 879-4090
Timothy Rowe	(908) 879-4620
Christopher Clark	(201) 213-1952
Don Weir	(908) 809-5569
Mark Ukrainskyj	(908) 879-7110
Gabriel Rowe	(908) 888-8181
Bill Cunliffe	(704) 877-2732

Additional information about John Guarino, Timothy Rowe, Christopher Clark, Don Weir, Mark Ukrainskyj, Gabriel Rowe and Bill Cunliffe is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

John Guarino
(908) 879-4090
Year of Birth: 1958

President, Chief Investment Officer
As President, John sets the overall strategic vision of Covenant Asset Management ("Covenant") and oversees all executive decisions. As Chief Investment Officer, he is responsible for setting the overall investment policy and directing investment strategy, research, portfolio management, trading, asset allocation and investment risk management functions. John also serves as Covenant's Chief Compliance Officer.

John founded Covenant Asset Management in 1999 and has worked as an investment portfolio manager since 1980. From 1985 to 1999, he was a Senior Vice President and Regional Manager in the Investment Management Division of Summit Bank and portfolio manager of the Pillar Equity Growth Fund. He received the industry's prestigious Chartered Financial Analyst (CFA)* designation in 1989. Earning the CFA® charter demonstrates that one has gained the knowledge and learned the skills needed for investment analysis and decision making in today's global financial industry. John serves as a member of the firm's Investment Committee.

John has a B.S. in finance from Montclair State University and an M.B.A. in finance from NYU Graduate School of Business. John lives in Far Hills, New Jersey, with his wife Theodora and has two children.

Timothy Rowe
(908) 879-4620
Year of Birth: 1960

Director of Business Development and Financial Planning
Tim is an investment advisor representative and a supervised person of the firm. Tim works with individuals to help them realize their wealth and retirement goals and assists Covenant's other managers to design and implement financial planning strategies for clients. Tim also oversees Covenant's outbound marketing efforts focusing on conducting financial information seminars and collaborating with other professionals. He is also responsible for the oversight and development of Covenant's expansion into the Florida market. In addition, he is the sole Principal of Covenant Financial Resources, LLC, through which he does business as an Investment Advisor Representative of Covenant and which provides insurance, marketing and educational services. In connection with financial planning, Tim may recommend and sell insurance products from which he may earn commissions on the sale of these products. Tim spent 14 years with Summit Financial Resources as a Senior Financial Consultant, developing and monitoring financial plans for individuals and small businesses. Tim graduated with a B.S. in business from Slippery Rock University. He has been a registered representative and holds a Series 65 license. Tim lives in Succasunna, New Jersey, with his wife Martine and two sons.

Christopher Clark
(201) 213-1952
Year of Birth: 1966

Senior Portfolio Manager
Chris is an investment advisor representative and a supervised person of the firm. Chris works one-on-one with clients, helping them achieve their investment objectives. Chris is also responsible for conducting fundamental research and portfolio construction and oversees Covenant's technical analysis. He is also a member of the firm's Investment Committee. Chris has been employed in the financial services industry since 1992. Chris is the Principal of Clark Asset Management, Inc. through which he does business as an Investment Advisor Representative of Covenant. Prior to joining Covenant in 1999, Chris spent four years as an investment portfolio manager at Summit Bank, where he co-managed the Pillar Equity Growth Fund.

Chris has a B.S. in finance from Lehigh University and received the Chartered Financial Analyst (CFA®)* designation in 1998. He lives in Hoboken, New Jersey, with his wife April and three daughters and a son.

Don Weir
(908) 809-5569
Year of Birth: 1948

Senior Portfolio Manager
Don is an investment advisor representative and a supervised person of the firm. Don is an experienced industry professional focused on helping high net worth individuals and families achieve their financial goals and objectives. In addition, Don participates in Covenant's investment research effort and portfolio construction. He is also a member of the firm's Investment Committee. Don's investment career of more than 30 years began at Prudential in private placements and leveraged buyouts, and he eventually oversaw the management of more than $1 billion of institutional and mutual fund portfolios. Later, he joined Merrill Lynch, where his responsibilities included managing asset allocation portfolios for a $14 billion mutual fund wrap program and $3 billion of separate accounts. More recently, Don served as Senior Vice President and regional investment director for wealth management at TD Bank. He joined Covenant in 2010.

Don graduated from Dartmouth College with a degree in Liberal Arts and later earned his M.B.A. from Dartmouth's Tuck School of Business Administration. He resides in Morristown, New Jersey, with his wife, Maureen.

Mark Ukrainskyj
(908) 879-7110
Year of Birth: 1967

Senior Portfolio Manager
Mark is an investment advisor representative and a supervised person of the firm. Mark is an experienced wealth management professional focused on helping high net worth individuals and families determine and achieve their financial goals and objectives. This involves Mark's active participation in Covenant's investment research effort and portfolio construction. He is also a member of the firm's Investment Committee. Mark has worked in the financial services industry since 1988 in various positions. Prior to joining Covenant in 2013, Mark spent 13 years at AEPG Wealth Strategies, an independent wealth manager, where he served as Chief Investment Officer. Mark received the Chartered Financial Analyst (CFA®)* designation in 1998 and the Certified Divorce Financial Analyst (CDFA®)* designation in 2020. He has also served on the board of the New York Society of Security Analysts, most recently as Chairman.

Mark has a B.S. in economics from the Wharton School of Business at the University of Pennsylvania and an M.B.A. in finance from the Haas School of Business at the University of California at Berkeley. He lives in Westfield, New Jersey, with his wife Stacey and their two sons.

Gabriel P. Rowe
(908) 888-8181
Year of Birth: 1996

Assistant Director of Business Development and Financial Planning
Gabriel is a graduate of Florida State University with a B.S. in Finance. He is a licensed investment advisor representative who specializes in retirement planning and assisting in the design and implementation of investment strategies for our clients. He holds a Series 65 license as well as a Life Insurance and Annuities license. He is an assistant to Timothy Rowe in the expansion of Covenant into the Florida market. Gabe is an avid golfer and skier who loves spending time outdoors. He currently resides in Roxbury, New Jersey.

Bill Cunliffe
(704) 877-2732
Year of Birth: 1980

Operations Manager and Research Associate
Bill is a graduate of the University of Cambridge, England, where he earned a BA in Aerospace Engineering, and Massachusetts Institute of Technology, where he received his Masters in Engineering. Bill began his career in finance in 2003 at a quantitative hedge fund in London before moving to Charlotte, NC to become a founding member of Elevation Securities, a registered institutional broker-dealer. Bill subsequently co-founded Variant Perception, a macro-economic research service for investors, where he served as CEO prior to joining Covenant. He holds a Series 65 license. Bill lives in Gladstone, NJ with his wife and children.

**** Explanation of Industry Designations:***

<u>CFA®</u> *Earning the CFA charter demonstrates that one has gained the knowledge and learned the skills needed for investment analysis and decision making in today's global financial industry. To become a charter holder, you have to: 1) Agree to follow the CFA Institute Code of Ethics and Standards of Professional Conduct. 2) Pass the CFA Program exams for Levels I, II, and III. 3) Have four years of qualified investment work experience. 4) Become a regular member of CFA Institute and apply for membership in a local CFA member society.*

<u>CDFA®</u> *Earning the CDFA designation demonstrates that one has gained the knowledge and learned the skills needed to assist clients with the legal, tax and financial planning issues to achieve an equitable divorce settlement. To become a CDFA, a person must have two years of financial planning or legal experience and complete a four-step modular program and exam designed by the Institute for Divorce Financial Analysts.*

Disciplinary Information

No Covenant employee or affiliate listed has been subject to any legal or disciplinary events

Other Business Activities

A. Timothy Rowe, in addition to his role at Covenant, conducts financial planning activities for clients through Covenant Financial Resources, LLC, of which he serves as sole Managing Member. As part of this business, Mr. Rowe sells insurance products for which he receives direct compensation from the carrier. When one of Covenant's duly licensed members refers clients to CFR for these products, such related licensed member receives a share of the commissions, which is fully disclosed to each referred client. No additional fees are paid by such client for these referral commissions. The receipt of commissions from CFR creates a conflict of interest between Covenant and its clients by raising the possibility that insurance products could be recommended because of the referral commissions generated rather than because of the overriding benefit to the client. This conflict is mitigated by Covenant, Mr. Rowe and CFR by diligently confirming the appropriateness of each product for each client, and by making full disclosure of the referral fee relationship, as well as the fact that every client has the option to purchase such products through other, non-affiliated parties.

Mr. Rowe receives certain ongoing payments from client relationships with a prior firm with whom he was employed prior to 1999. These payments are not related to, nor do they directly or indirectly benefit, Covenant. As such, these payments do not create any conflict of interest between Covenant and its clients.

B. In addition to performing investment-related services for his clients at Covenant, Mr. Ukrainskyj also provides financial counseling services through his wholly-owned company, Anchor Divorce Financial Advisory Services, LLC. These services target specific counseling topics applicable to clients budgeting for and planning divorce settlements and are not considered general financial planning services or investment advisory services.

Additional Compensation

Covenant's supervised persons do not receive any additional compensation based upon the amount of client assets referred by such person to Covenant.

Supervision

John Guarino, President, Chief Investment Officer, (phone: (908) 879-4090) supervises Timothy Rowe, Christopher Clark, Don Weir, Mark Ukrainskyj, Gabriel Rowe and Bill Cunliffe. Christopher Clark (phone: (201) 201-1952) supervises the accounts of John Guarino.

In an effort to monitor the advice given to clients, John Guarino has access to copies of all email and written communication from and to each of the supervised persons listed above. In addition, material verbal communications between the supervised persons and clients are communicated to John Guarino either verbally or through email.