

**Item 1 – Cover Page**

**Wertz York Capital Management Group, LLC**

**5502 North Nebraska Ave.**

**Tampa, FL 33604**

**Phone - 813-238-4800**

**Fax – 813-238-4810**

**[www.wertzyork.com](http://www.wertzyork.com)**

**March 31, 2011**

This “Brochure” provides information about the qualifications and business practices of Wertz York Capital Management Group, LLC [“Wertz York”]. If you have any questions about the contents of this Brochure, please contact us at 813-238-4800. 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.

Wertz York Capital Management Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Wertz York Capital Management Group, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure dated as noted in Item 1 is a new document prepared according to the SEC’s new requirements and rules. As such, this brochure is materially different in structure than the Form ADV Part II, dated February 4, 2010 (the “Old Part II”) that we previously delivered to clients and requires different information than our Old Part II provided. In the future, this Item 2 will detail only specific material changes that are made to this brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

### Item 3 -Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes .....	ii
Item 3 -Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	1
Item 7 – Types of Clients .....	1
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	1
Item 9 – Disciplinary Information .....	3
Item 10 – Other Financial Industry Activities and Affiliations .....	3
Item 11 – Code of Ethics, Participation or Interest in Client Transactions .....	3
Item 12 – Brokerage Practices .....	4
Item 13 – Review of Accounts.....	5
Item 14 – <i>Client</i> Referrals and Other Compensation .....	5
Item 15 – Custody .....	5
Item 16 – Investment Discretion .....	5
Item 17 – Voting Client Securities.....	5
Item 18 – Financial Information.....	6
Item 19 – Requirements for State-Registered Advisers.....	6

#### **Item 4 – Advisory Business**

Wertz York Capital Management Group, LLC (“Wertz York”) has a written agreement with WY Funds, an open-ended investment company, to provide investment and advisory services and certain administrative functions to the Core Fund (a short-term US Government bond fund).

Wertz York created and manages "Florida Cash Solutions", a platform of institutional money market mutual funds from Morgan Stanley, Dreyfus and Federated. Wertz York offers money market asset allocation services and information gathering for participants in this program.

Wertz York also created and manages the “Florida – Fixed Income Investment Trust” (FL-FIT), providing Florida’s local governments unique investment pools consisting of SEC. registered funds.

Wertz York has been in business since June of 2000 and as of February 28, 2011 Wertz York has \$231,000,000.00 in discretionary assets under management and \$222,000,000.00 in non-discretionary assets under management.

#### **Item 5 – Fees and Compensation**

For managing the Core Fund (a registered investment company) the fee formula is an annual rate of 1.00% of assets under management from the Core Fund for both share classes (I shares and Y shares); 0.40% of the fee is refunded to the I share class for a net, universal management fee of 0.50% and 0.65% of the fee is refunded to the I share class for a net, universal management fee of 0.50%. From the fees received, the Advisor pays the Core Funds back office expenses including fund accounting, transfer agency, administration and custodial fees. The minimum initial investment is \$250,000 and the minimum subsequent investment is \$10,000. The Advisor also refers local governments to "Florida Cash Solutions" and receives a .05% annual revenue share trail based on assets under management from these money market funds.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Wertz York does not charge performance based fees.

#### **Item 7 – Types of Clients**

Wertz York’s client base consists of mutual funds and state or municipal government entities.

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

The Advisor seeks to achieve its investment objective by investing primarily in short-term government bonds. Government bonds include securities issued or guaranteed by the U.S. government, as well as securities issued by its agencies or instrumentalities, such as Federal Home Loan Bank securities. The Fund invests in investment grade securities that Wertz York believes offer attractive yields and are undervalued relative to other securities of similar credit quality and interest rate sensitivity. Wertz York expects that a significant portion of the Fund’s portfolio will consist of mortgage-backed securities such as Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae) certificates. Under normal circumstances, the Fund’s portfolio will have a dollar-weighted average maturity of no more than 3 years and at least 80% of the Fund’s assets (defined as net assets plus the amount of any borrowing for investment purposes) will be invested in government bonds.

### **Strategy Risks**

The risks associated with Wertz York's investment strategies include, but are not necessarily limited to, the following:

**Government Risk.** The U.S. Government's guarantee of ultimate payment of principal and timely payment of interest on certain U.S. Government securities owned by an investment account does not imply that an investment account overall value is guaranteed or that the price of an investment account's shares of a mutual fund will not fluctuate. In addition, securities issued or guaranteed by federal agencies or instrumentalities may or may not be backed by the full faith and credit of the U.S. Government.

**Interest Rate Risk.** The value of an investment account's fixed income securities will decrease when interest rates rise.

**Market Risk.** The bond market may decrease in value, and it may decrease in value sharply and unpredictably.

**Management Risk.** The securities selected by the adviser may underperform the bond market or mutual funds with similar investment objectives and strategies. The adviser may not be successful in limiting an investment account's interest rate risk.

**Specific Maturity Risk.** The specific maturities in which an investment account invests may fall in value more than other maturities. Generally, due to changes in interest rates and other factors, the value of a portfolio of bonds with a longer effective maturity will fluctuate more than the value of a portfolio of bonds with a shorter effective maturity.

**Prepayment Risk.** The value of the callable, mortgage-backed and asset-backed securities held in an investment account may go down as a result of changes in prepayment rates on the underlying mortgages or consumer loans. During periods of declining interest rates, prepayment usually increases and an investment account may have to reinvest prepayment proceeds at a lower interest rate.

**Credit Risk.** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.

**Derivative Risk.** Clients may invest in structured instruments, which are considered derivatives. The value of derivative securities is dependent upon the performance of underlying securities or indices. If the underlying securities or indices do not perform as expected, the value of the derivative security may decline. Generally, derivatives are more volatile and riskier in terms of both liquidity and value than traditional investments.

**Futures and Options Risk.** The use of options, futures contracts or options on futures contracts for risk management or hedging purposes may not be successful, resulting in losses to an investment account. In addition, the cost of hedging may reduce an investment account's returns, and the use of futures and options for investment purposes increases an investment account's potential for loss.

**Leverage Risk.** This is the risk associated with securities or practices that multiply small market movements into large changes in value. Leverage is often associated with investments in derivatives,

such as futures and options. Reverse repurchase agreements, a form of borrowing, are subject to leverage risk.

**Reverse Repurchase Transaction Risk.** Reverse repurchase transactions also involve the risk that the market value of the securities sold by an investment account may decline below the price at which an investment account is obligated to repurchase the securities. In the event of bankruptcy or other default by the purchaser, an investment account could experience both delays in repurchasing the portfolio securities and losses. Reverse repurchase transactions may increase fluctuations in an investment account's net asset value.

**Liquidity Risk.** Liquidity risk exists when particular investments of a client would be difficult to purchase or sell, possibly preventing a client from selling such illiquid securities at an advantageous time or price. If an auction fails for an auction rate security, there may be no secondary market for the security and a client may be forced to hold the security until the security is refinanced by the issuer or a secondary market develops.

### **Item 9 – Disciplinary Information**

Wertz York has no disciplinary information to report at this time.

### **Item 10 – Other Financial Industry Activities and Affiliations**

As previously noted, Wertz York serves as the investment adviser to the WY Funds, an open-ended investment company. Additionally, Wertz York created and manages: (1) "Florida Cash Solutions", a platform of institutional money market mutual funds from Morgan Stanley, Dreyfus and Federated and (2) the "Florida – Fixed Income Investment Trust" (FL-FIT), providing Florida's local governments unique investment pools consisting of SEC. registered funds.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions**

Wertz York has adopted its Code of Ethics ("Code") which includes an Insider Trading Policy to establish principles of conduct and to detect and avoid conflicts of interests that may arise between employees and clients as a result of personal investing activities. The Code is designed to ensure, among other things, that employees conduct their investing activities in accordance with applicable law and in a manner where clients' interests are placed first and foremost. Wertz York's Code applies to all employees of Wertz York and any account in which an employee has control or a beneficial interest as well as the accounts of family members of each employee's immediate household, as further described in the Code.

Generally, the Code requires, among other things, for all employees to pre-clear securities transactions including transactions in initial public offerings and private placements. The Code also requires employees to report all accounts and securities holdings covered by the Code at the commencement of their employment and annually thereafter. In addition, on a quarterly basis, all employees are required to report all securities transactions executed during the quarter.

Certain securities are exempt from the requirements of the Code including open-end mutual funds which are neither managed nor affiliated with Wertz York, money market funds, money market instruments, unit investment trusts that are invested in open-end mutual funds and U.S. Government securities.

The Code imposes specific prohibitions on employee trades including (i) trades based on material non public information, (ii) trades intended to manipulate the market; (iii) trades in securities on Wertz York's restricted list, (iv) trades in securities subject to an open order or during the blackout period, and (v) trades in initial public offerings. Wertz York has exempted certain types of securities from some of the requirements and prohibitions of the Code. As part of its Code of Ethics, Wertz York has established an Insider Trading Policy. Wertz York's Insider Trading Policy includes specific requirements regarding the possession of material non-public information ("MNI") in order to avoid situations that may violate applicable statutes or regulations or create an appearance of impropriety. Wertz York's Insider Trading Policy strictly forbids any employee from (i) conducting trades, either personally or on behalf of others, including clients of Wertz York, while in possession of MNI; or (ii) communicating MNI to others.

A copy of Wertz York's Code of Ethics will be provided to any client, investor or prospective client or investor upon request.

### **Item 12 – Brokerage Practices**

Wertz York generally has the authority and responsibility of selecting broker-dealers for effecting transactions for client accounts. It is the policy of Wertz York to seek to obtain the best execution for client portfolio transactions. In seeking best execution and negotiating commission rates, the commission cost is one factor considered by Wertz York. Other factors considered in seeking best execution include the price, the quality and reliability of the brokerage services provided, execution capability and a firm's financial responsibility, research and other investment information or services provided by a broker-dealer.

Wertz York may receive a variety of brokerage and research services ("soft dollar services") from various firms, including third parties which provide research or services by or through brokerage firms, that are paid for by the use of clients' commissions ("soft dollars") for the execution by such brokerage firms of securities transactions for client accounts. These services include quantitative and qualitative research information, electronic databases and dedicated research information technology purchases (i.e., computer hardware and software), as well as analyses and reports covering a broad range of economic factors, markets and trends. Wertz York considers the quality and quantity of the brokerage and research services received along with the nature and difficulty of specific transactions in seeking best execution. Also considered are the costs of such brokerage and research services and an analysis of which services assist Wertz York in fulfilling its overall investment responsibilities to all its clients and which are in the long term best interests of its clients. Such services are of the types described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment Wertz York's internal research and investment strategy capabilities.

In its discretion, Wertz York does not obligate itself to seek the lowest commission cost on each individual transaction and may cause a client to pay commission costs which may exceed the cost charged by the executing broker-dealer or another broker-dealer. This may occur when Wertz York determines in good faith that the commission costs are reasonable in relation to the research and/or brokerage services provided by the broker-dealer.

On an ongoing basis, Wertz York monitors and evaluates the performance and execution capabilities of the firms which provide research and brokerage services and also monitors the levels of commission costs in comparison to those commissions paid by other institutional investment managers.

### **Item 13 – Review of Accounts**

The Core Fund is reviewed daily and Trade Activity reports are submitted daily. Other reports are provided to WY Funds quarterly and other times at the client's request. The calendar is the triggering factor.

### **Item 14 – Client Referrals and Other Compensation**

#### **Client Referrals**

Wertz York has entered into, and in the future may enter into, contractual agreements with individuals and organizations (hereafter referred to as "agents") that solicit clients for Wertz York. While the specific terms of each arrangement may differ, generally an agent's compensation is based upon the value of assets of the referred clients or a portion of the management fee paid by such clients. As disclosed to the client, the agent's compensation may or may not increase the referred client's fees beyond that which Wertz York would otherwise charge the client for similar services.

#### **Other Economic Benefits**

Wertz York has entered in to a soft-dollar agreement with Capital Institutional Services, Inc. (CAPIS). For directing purchases or sales of fixed income securities from client accounts to CAPIS, Wertz York receives a percentage of the commissions generated from each transaction (excluding new issues) to pay for research services. At present, CAPIS currently provides Bloomberg research services (software only, no hardware) to Wertz York, but Wertz York may obtain other products or services from CAPIS. Additionally, in the future, Wertz York may enter into soft dollar arrangements with other broker-dealers.

### **Item 15 – Custody**

Wertz York does not maintain custody of client assets.

### **Item 16 – Investment Discretion**

In providing investment supervisory services to the Core Fund, Wertz York invests client portfolios in accordance with the investment objectives and guidelines of the individual clients, subject to any investment restrictions or other limitations placed by a client upon the discretionary authority of Wertz York. These restrictions may include limitations on asset allocations, specific issuers or classes of securities or direction as to the use of specific broker-dealers. These objectives, guidelines and restrictions are detailed in the Core Fund's prospectus.

### **Item 17 – Voting Client Securities**

Given the nature of the investments purchased by Wertz York pursuant to its discretionary authority, proxy voting is expected to be a rare occurrence. Nonetheless, the custodian each client's custodian has been instructed to forward all proxies to Wertz York. Any proxy vote submitted by WYCM will be voted



solely in the best interest of the client and in accordance with Wertz York's policies and procedures. The CCO shall review each proxy vote submitted by WYCM no less frequently than annually.

There may be instances where Wertz York's interests conflict, or appear to conflict, with client interests in the voting of proxies. Wertz York addresses these conflicts or appearances of conflicts by ensuring that proxies are voted in accordance with recommendations made by an unaffiliated third-party.

A copy of Wertz York's Proxy Voting Policies and Procedures may be obtained by writing to David Scott at D.E. Scott & Associates, LLC, 21 Fifth Avenue, Suite 1700, New York, NY, 10175.

#### **Item 18 – Financial Information**

Wertz York does not have any financial condition that is likely to impair its ability to their contractual commitments to their clients.

#### **Item 19 – Requirements for State-Registered Advisers**

Not applicable