



Firm Brochure

Part 2A of Form ADV

Item 1 Cover Page

A. Yacktman Capital Group, LLC (“YCG”)

Address: 11701 Bee Cave Road, Suite 217

Austin, Texas 78738

Contact Information: Will Kruger, Chief Compliance Officer

512-505-2347

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Date of Brochure: January 1, 2012

- B. This brochure provides information about the qualifications and business practices of Yacktman Capital Group. If you have any questions about the contents of this brochure, please contact us at 512-505-2347 or info@yacktmancapitalgroup.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 Yacktman Capital Group also is available on the SEC’s website at www.adviserinfo.sec.gov.

- C. Yacktman Capital Group is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The term “registered” does not imply a certain level of skill or training. Rather it means that we have filed the appropriate registration documents with either the SEC or with the state securities authorities of states where we conduct business.

Item 2 Material Changes

Since our last annual update, the following is a list of material changes to our Firm Brochure that is worthy of note:

- Item 1: “Cover Page” - Our physical office location changed address to 11701 Bee Cave Road, Suite 217, Austin, Texas 78738 from 119 Sebastians Run, Austin, Texas 78738
- Item 5: “Fees and Compensation” – due to the growth in assets and clients at YCG, we have changed our fee structure and associated break points to allow us to maintain the level of service we provide to our current client base and prospective clientele.
- Item 14: “Client Referrals and Other Compensation” – YCG will now work with other registered advisors qualified to refer clients to YCG. YCG will enter into solicitation agreements with these advisors where a negotiated percentage of the management fee will be shared with the soliciting or referring advisor. YCG ensures that all agreements and disclosure statements with advisors and their end clients regarding cash fees paid to the advisor adhere to Rule 206(4)-3 “Cash Payments for Client Solicitations” contained in the Investment Advisers Act of 1940.

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Item 4 **Advisory Business**

YCG is an independent registered investment advisory firm with the SEC, wholly owned by its' principals. The firm offers professional investment management services to individuals, investment advisers, trusts, endowments and other institutions. The business was established on November 5, 2007. We have two principal owners, the business is structured as follows:

Brian A. Yacktman	50% ownership
William D. Kruger	50% ownership

Our primary service offering is our equity management separate account strategy. We manage stock portfolios using our own proprietary and fundamental research. Clients have the choice to select three different strategies that have three levels of concentration: Ultra-Concentrated (5 - 15 holdings), Concentrated (15 – 30 holdings), and Diversified (30 – 75 holdings). Accounts that are greater than \$500,000 in assets may elect to add our Option Enhancement component. Our Option Enhancement strategy seeks to enhance portfolio returns and generate more cash through the sale of put and call option contracts.

At YCG our goal is to help clients achieve their financial goals through a disciplined investment approach. To achieve this objective we tailor our advisory services to the individual needs of each client. Before assets are transferred over for our management, we have the new client complete a Risk Profile questionnaire. This questionnaire covers many topics such as retirement plans, financial goals, how the client defines risk etc. Clients may also elect to impose restrictions on investing in certain securities or types of securities. Upon completion of the questionnaire our registered investment advisers discuss in more detail the appropriate portfolio strategy and any other specific requests that meet the needs and desires of the client.

YCG does not participate in any wrap fee programs.

Our total Assets Under Management (“AUM”) as of December 31, 2011:

Discretionary Assets:	\$55,300,000	Rounded to the nearest \$100,000
Non-discretionary Assets:	\$60,000,000	Rounded to the nearest \$100,000
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Total AUM:	\$115,300,000	

Item 5 Fees and Compensation

Compensation for our advisory and investment management services are based on a percentage of assets under management. Our fee schedule is as follows:

Separate account minimum is \$500,000. The below fee schedule is progressive.

For Non-Option Enhanced Strategies:

First \$500,000 - \$999,999 at	2.00%
Then the next \$1,000,000 - \$4,999,999 at	1.50%
Then anything over \$5,000,000 at	1.00%

For Option Enhanced Strategies:

First \$500,000 - \$999,999 at	2.50%
Then the next \$1,000,000 - \$4,999,999 at	2.00%
Then anything over \$5,000,000 at	1.50%

At the sole discretion of YCG, management fees and asset minimums may be negotiable. As such, it is important to note that fees for the same or similar services may vary from client to client. To the extent that fees are negotiable, some clients may pay more or less than other clients for the same asset management services, depending for example, on the account inception date, number of related accounts, total assets to be managed, and the investment strategy chosen by the client. Another example is that many clients are being charged management fees based on older fee schedules which were available to them when they began their account relationships with YCG. In many cases, these fees will be different from the fee schedule that is currently available for the same or similar services.

YCG typically bills its fees on a calendar quarter basis three months in arrears. Fees will be based on account asset values as of the last business day at the end of the quarter (for example: March 31, June 30, September 30, and December 31). Management fees are deducted directly from the client's account, which is executed by the client's third-party custodian under the direction of YCG per the terms agreed upon the client advisory contract signed at the beginning of the relationship. Accounts that begin partway through a quarter will be charged on a prorated basis from the first day that YCG has discretion over the account through the end of the last business day of the calendar quarter end.

Important: Clients are hereby put on notice that the custodian will not verify YCG's fee calculation and that it is the client's responsibility to review their custodian statements to

ensure that fees were calculated accurately. YCG, upon request, will also furnish clients with a billing invoice to show exactly how fees were calculated for the quarter.

Clients or YCG may terminate the investment relationship upon 30-days written notice. In the event of such termination, the client agrees to pay any fees that have been earned by YCG prior to the date of our receiving the termination letter. Such termination shall be without penalty fees, however, the client's independent third party custodian may impose withdrawal or distribution fees as described in their own policy and disclosure statements.

Clients may make deposits and withdrawals to the account at any time. Management fees are calculated on a prorated basis where fund withdrawals or deposits that affect the billing invoice by more than \$10.00 are taken into consideration. No fee adjustments will be made for account appreciation or depreciation within a billing period.

Brokerage and custodian fees are not included in the YCG fee schedule. As such, clients will be charged separately by the custodian or broker. YCG's fees are exclusive of brokerage commissions, transaction fees, bank fees, margin interest, national securities exchange fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, exchange traded funds, or mutual funds. The factors that YCG considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions) is explained in this Brochure (ADV Form) in Item 12: "Brokerage Practices."

Our clients may elect to add the Option Enhancement component to their overall strategy as long as they meet the required account minimum. Option Enhancement seeks to enhance returns and or increase the cash flow generated by the invested portfolio through the sale of put and call option contracts. We charge an additional 0.50% per year for Option Enhancement compared to our long only strategies.

All Principals and Supervised Persons at the firm also do not receive any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Our clients do not pay management fees in advance.

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

Performance fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. YCG does not receive or accept any performance-based fees.

Item 7 Types of Clients

We provide investment management services and advice to individuals and their families, trusts, investment companies, and other investment advisors. Our minimum account size is \$500,000. We reserve the right to refuse service to any client or opportunity.

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

We are long-term investors and seek to achieve the highest possible returns with relatively minimal risk of a permanent loss of capital. Downside protection is always in the forefront of our minds as we evaluate risk and reward and strive to protect the capital of which we have stewardship. We define risk as the possibility of experiencing a permanent loss of capital.

We have a fundamental approach when evaluating any investment. When analyzing a company's value, we rely on a variety of information sources (for example, company filings, transcripts, press releases and presentations, financial periodicals and corporate rating services).

Our investment strategies are concentrated, having a range of 5 to 75 securities within any given portfolio depending on which strategy is selected. Our methods of analysis cover many angles where we seek to identify sound businesses that are undervalued relative to cash flows, earnings, assets and future prospects.

With this fundamental approach to investing we have three equity strategies to offer our clients.

1. Ultra-Concentrated Strategy (5 – 15 holdings)
2. Concentrated Strategy (15 – 30 holdings)
3. Diversified Strategy (30 – 75 holdings)

Clients who qualify, can also adopt our Option Enhancement component and apply it to these above strategies.

We believe strongly in our investment philosophy and approach. However, investing in securities involves inherent risks that our clients should be prepared to bear. Those risks include *market risk*, *value investing risk*, and *smaller-capitalization and medium-capitalization companies' risk*

Market Risk: The prices of the securities in which we invest may decline for a number of reasons. The price declines of common stocks, in particular, may be steep, sudden and/or prolonged.

Value Investing Risk: From time to time “value” investing falls out of favor with investors. When it does, there is the risk that the market will not recognize a company's improving fundamentals as quickly as it normally would. During these periods, the relative performance of our investment strategies may suffer.

Smaller-Capitalization and Medium-Capitalization Companies Risk: These companies typically have relatively lower revenues, limited product lines and lack of management depth,

and may have a smaller share of the market for their products or services, than larger-capitalization companies. The stocks of these companies also tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for us to sell securities of such companies at quoted market prices. Finally, there are periods when investing in smaller-capitalization and medium-capitalization stocks falls out of favor with investors and the stocks of such companies underperform.

We believe as we invest in businesses that generate predictable cash flows that have low cyclicalities and capital intensity that we stack the odds in our client's favor and in the long-run we believe our clients will come out ahead.

More information on our Option Enhancement strategy can be found on our website by visiting:

http://www.yacktmancapitalgroup.com/option_enhancement

The securities we recommend and invest in on behalf of our clients include publicly traded equities, options, mutual funds, and possibly exchange traded funds (ETFs).

Item 9 Disciplinary Information

We have had no disciplinary actions taken against us or any of our employees since the inception of our business which started on November by any domestic, foreign or military court; the SEC, or any other federal regulatory agency; any state regulatory agency or any foreign financial regulatory authority; or any self-regulatory organization (SRO).

Item 10 Other Financial Industry Activities and Affiliations

We are a registered investment adviser where our management personnel are compensated with the net income of the business. See Item 4 – “Advisory Business” to see the compensation breakdown of the firm's principal ownership and see Item 5 – Fees and Compensation to understand how the firm's revenues are calculated. No management personnel have any material conflict of interest with any related persons or clients. We are an independent investment advisory firm and as such do not receive any compensation direct or indirect from any other financial advisors, investment management companies or publicly traded companies as a result of investing in any mutual fund, ETF or public equity on behalf of our clients or ourselves, unless it's compensation that is a result of any solicitation agreements in place See Item 14 “Client Referrals and Other Compensation.”

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

We have adopted a Code of Ethics. “The Code” sets forth the Company’s policy that clients’ interests are always placed ahead of any personal interest. The Company’s policy requires buying and selling after or with transactions completed for clients and includes procedures requiring all employees of the firm to report their personal securities transactions to the CCO, William Kruger, on a periodic basis. The Code also forbids any member or employee of the firm from trading, either personally or on behalf of others on material non-public information or communicating material non-public information to others in violation of the law (i.e., insider trading). Clients and prospective clients may request a complete copy of our Code of Ethics by writing to our CCO at the address listed on the cover page of this brochure.

Item 12 Brokerage Practices

We work with two custodians or broker-dealers where we transact all client transactions. Currently, we use the services of Charles Schwab & Company (“Schwab”) and TD Ameritrade Institutional, a division of TD AMERITRADE, Inc. Member FINRA/SIPC/NFA (“TDA”). We do not receive any proprietary research or have any soft dollar benefits from Schwab or TDA. We or any related persons do not receive client referrals from Schwab or TDA as a result of executing transactions at these particular broker-dealers. We do not permit our clients to direct brokerage, however, our CCO, William Kruger, conducts annual best execution analyses to compare brokerage costs of that of Schwab or TDA and their peers or competitors. Client trades are executed with the broker/dealer or independent custodian where their account(s) are in custody. Every effort is made on our client’s behalf to provide them with the best service possible as far as our selected broker-dealers and custodians are concerned. YCG currently only uses Schwab or TDA as the primary independent custodians.

Item 13 Review of Accounts

We generally review our client accounts at least on a monthly basis. The nature of these reviews entail an overall analysis of each accounts asset allocation or security positioning; the level of cash available to invest, in addition to an analysis where if all options (this only applies for Option Enhanced strategies) were assigned how much cash would be remaining once all positions were bought and/or sold as a result of all settled option trades; and a review is conducted to ensure each account is following the desired financial strategy discussed with the client and to ensure that the account is being invested in a manner that qualifies for a particular composite or strategy as discussed previously with the client. Our

accounts are reviewed by the following employees of YCG: Brian A. Yacktman, President & Chief Investment Officer, William D. Kruger, Chief Executive Officer and Chief Compliance Officer, and Michael A. Yacktman, Senior Financial Analyst.

All trades are submitted via a “block trade” therefore if an investment is made where all levels of concentration (See Item 4. B – “Advisory Business” for a description of our individual strategies and various levels of concentration) require the purchase or sale of a particular security, this will likely result in a review of all accounts. Clients receive monthly statements from Schwab and/or TDA that shows the current allocation, transaction history for the month, including the cost of commissions charged by Schwab or TDA, and when applicable will also show the amount of management fees deducted from a client’s account.

In addition to these monthly statements from Schwab and TDA, YCG provides its’ clients quarterly statements that include a client investment letter and at the end of each year a summary of realized gains and losses and an income report that shows the total dividends and interest received are provided for tax purposes. Each quarterly letter also includes a portfolio appraisal for each account that includes an account summary showing the asset allocation, the weight of each security along with a description of the security, the quantity of shares, unit and total cost basis for each position, the current market price and value for each position, and the current yield.

Item 14 Client Referrals and Other Compensation

Although it’s not a large part of our business, YCG does enter into solicitation agreements with other advisors. Other advisors solicit their clients to invest a portion of their money with YCG and in return, if the client decides to invest with YCG, the advisor receives a portion of the management fee that YCG deducts from the client accounts. The advisor does not charge an additional fee to the client directly. These solicitation agreements state that YCG will pay a certain negotiated percentage of the total management fee YCG deducts directly from client accounts on a quarterly basis to the soliciting advisor. YCG ensures that all agreements and disclosure statements with advisors and their end clients regarding cash fees paid to the advisor adhere to Rule 206(4)-3 “Cash Payments for Client Solicitations” contained in the Investment Advisers Act of 1940. A separate written disclosure document is also furnished by the soliciting advisor to the end client disclosing all terms and agreements regarding the solicitor fee arrangement between YCG and the advisor. YCG receives copies of all signed solicitor fee disclosures from each client in addition to YCG’s Risk Profile and any other documentation pertinent to the relationship between YCG, the end client, and the soliciting advisor.

YCG has entered into solicitation agreements with the following firm:

- Halbert Wealth Management, an investment advisory firm in Austin, Texas.

Item 15 Custody

To the extent that we have, or may be deemed to have, custody of client funds or securities, all such funds or securities are maintained by a qualified custodian, namely Schwab and TDA. The aforementioned qualified custodians will provide our clients with account statements on a monthly basis. We will provide clients with an additional account statement on a quarterly basis. We urge our clients to carefully review and compare the account statements that they receive from their qualified custodians with those statements they receive from YCG.

Item 16 Investment Discretion

We generally have discretionary authority to buy and sell securities within the accounts of our clients. Our authority to exercise investment discretion is agreed upon in advance by the client through the terms of our investment advisory agreement with the client. For a summary of our Assets Under Management with regards to discretion and non-discretion see Item 4 "Advisory Business."

Item 17 Voting Client Securities

The Company will generally not vote proxies for its clients unless specifically agreed to at the request of the client. At YCG, the concept of owning common stock in a company gives the shareholder the privilege and right to vote as a part owner of the business. We encourage our clients to exercise this right and vote on matters that will help maintain shareholder influence on management and protect the potential value received by shareholders. If the firm agrees to vote on behalf of the client as requested, YCG will adhere to the following policies and procedures.

We take our fiduciary responsibility seriously and as such, the firm monitors proxy proposals just as it monitors other corporate events affecting the businesses our clients are shareholders and part owners in. When YCG votes proxies it generally follows the so-called "Wall Street Rule" in the sense that we will typically vote as management recommends on most routine matters. As a fiduciary, the firm believes this method is consistent with the economic best interests of its clients. However, the firm will vote against any proposal that limits shareholder influence on management, or adversely affects the potential value received by shareholders. In the circumstance the firm would vote against management's recommendations, an explanation as to the reason for divergence with the such recommendation would be put into writing and maintained in each client file.

There may be instances where the interests of the firm may conflict or appear to conflict with the interests of its clients. For example, YCG may manage a pension plan of a company whose management is soliciting proxies and there may be a concern that the firm would vote in favor of management because of its relationship with the company. In such situations, YCG will, consistent with its duty of care and duty of loyalty, vote the securities in accordance with its pre-determined voting policy, the "Wall Street Rule," but only after disclosing the conflict to clients and affording the clients the opportunity to direct the firm in the voting of such securities.

YCG will maintain the following records with respect to proxy voting:

1. A copy of this proxy voting policy;
2. A copy of all proxy statements received (the firm may rely on the EDGAR system to satisfy this requirement);
3. A record of each vote cast on behalf of a client (the firm may rely on a third party to satisfy this requirement);
4. A copy of any document prepared by the firm that was material to making a voting decision or that memorializes the basis for that decision;
5. A copy of each written client request for information on how the firm voted proxies on the client's behalf, and a copy of any written response to any (written or oral) client request for information on how the firm voted proxies on behalf of the requesting client.

Our firm will disclose to clients how proxies were voted upon request.

Item 18 Financial Information

YCG does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and accordingly is not required to include a balance sheet or other financial information for the current fiscal year.