



WRAP FEE BROCHURE

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This wrap fee program brochure (this “Brochure”) provides information about the qualifications and business practices of PYA Waltman Capital, LLC. If you have any questions about the contents of this Brochure, please contact Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Registration of an 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 us is also available on the SEC’s website at www.adviserinfo.sec.gov.

SUMMARY OF MATERIAL CHANGES

This Summary of Material Changes is a requirement under the “Amendments to Form ADV” which was published by the SEC on July 28, 2010. Under the Amendments to the Form ADV, we may provide you with this Summary of Material Changes dated January 21, 2013, detailing any material changes that we made to our Brochure since the last annual update we provided to clients dated August 8, 2011, in lieu of sending a full copy of our Brochure to all of our clients.

We define a material change as any change an average client would consider important to know prior to making an investment decision. There have been no material changes to this document since our last update.

Currently, our Brochure may be requested by contacting Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com.

Additional information about us is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of our firm.

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SERVICES, FEES AND COMPENSATION

Our Services

We sponsor the PYA Waltman Wrap Fee Program, also known as the Program, which is a fee-only investment advisory program, offered on a discretionary basis. If a client participates in the Program, we charge their account a specified fee which covers our advisory services and fees for executing transactions within the account.

We emphasize continuous personal contact and interaction with clients when providing discretionary portfolio supervisory services in the Program. We base our services upon the client's individual financial and personal needs, investment objectives, time horizon and risk tolerance.

We receive discretionary authority in writing from clients at the outset of our relationship in our investment management agreement. Discretionary authority grants us the ability to determine, without obtaining specific client consent, the securities to be bought or sold for the portfolio and the amount of securities to be bought or sold. However, clients may provide us with written guidelines and restrictions with respect to our authority to invest in certain securities or types of securities.

Our Fees

Our fees are negotiable based upon the size and complexity of the account. Our standard fee schedule is as follows:

Client Assets Under Management	Advisory Fee
\$0 - \$1,000,000	1.25% (annualized rate)
\$1,000,000 - \$2,000,000	1.00% (annualized rate)
Greater than \$2,000,000	.80% (annualized rate)

Fees are assessed quarterly in advance and based on a percentage of the client's assets under our management. We calculate fees based on the market value of the client's account(s) on the last day of the previous quarter. No adjustments will be made for deposits or withdrawals that occur during the billing period. Accounts initiated during a calendar quarter will be charged a prorated fee.

Generally, clients authorize us under the investment management agreement to grant the custodian, Fidelity, permission to directly deduct our fees from the client's account. Fidelity's periodic statements will show all amounts disbursed from the account, including the amount of our fee. Clients may withdraw this authorization for direct billing of our fee at any time by notifying us or Fidelity in writing.

Termination

Our agreement may be terminated by us or the client any time by giving five business days written notice. If either party terminates the agreement, we will prorate and, if greater than \$5.00, refund our unearned advisory fees to the client.

Fee Comparison

Our fee includes such services as investment management (ETF analysis and market analysis), execution of securities, the custodian's monthly reports, account servicing, and continuous account management. Participation in our Program may cost the client more or less than purchasing these services separately. The portfolio size and amount, number of transactions made in the account, as well as the commissions charged for each transaction, will determine the relative cost of our program versus paying for executions on a per transaction basis and paying a separate fee for advisory services. Clients may be able to receive services similar to those offered through our program from other investment advisers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than our Program, depending on the fees charged by the other service providers.

Other Fees and Charges

In addition to our fee, clients may incur other fees and charges imposed by third-parties, including, but are not limited to, fees charged by the custodian, fund management and other fees imposed directly by a mutual fund purchased in the client's account as disclosed in the fund's prospectus, certain deferred sales charges on previously purchased mutual funds, transfer taxes, wire transfer and electronic fund fees, check writing fees, SEC expenses on securities transactions, custodial termination fees, and other fees and taxes on brokerage accounts and securities transactions.

Additional Compensation

As described in more detail below in the section titled "Other Financial Industry Activities and Affiliations" on page 6, one of our investment adviser representatives, Eric Foster, is also independently registered to sell insurance through various insurance companies. When clients choose to purchase insurance through Mr. Foster, he will receive commission from the insurance company, which results in additional compensation to him, and may create a potential conflict of interest. To mitigate this conflict of interest, clients have the option of choosing to purchase the recommended insurance through other insurance agents.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Requirements

We impose certain conditions for opening and maintaining an investment supervisory account. Generally, a minimum of \$500,000 of cash and/or securities is required to open an

account. We have discretion to waive this minimum for any reason. There is no minimum asset size for any of our other services.

Types of Clients

We provide our services to individuals, entities, pension and profit-sharing plans, IRAs, tax deferred qualified retirement plans, trusts, estates, and charitable organizations.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Advisory Business

We are the portfolio manager for all accounts in the Program. We also offer a variety of services to both existing and prospective clients, including financial planning, investment supervisory and management services, and retirement plan services. We tailor our advice and services to the stated objectives of each of our clients.

Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We utilize both fundamental and technical methods when analyzing securities for client investments. Fundamental analysis is a technique that focuses on the economic well-being of a financial entity as opposed to only its price movements to attempt to determine a security's value. When conducting fundamental analysis, we will review information, such as annual reports and SEC filings, for information regarding the company's financial well-being and value. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, including financial newspapers and magazines, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases. We believe these resources for

information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on the client's circumstances and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short-term purchases (held less than a year), and trading (held less than 30 days). Also, if appropriate, we may recommend the purchase or sale of long-term call options or the purchase of long-term put options to implement advice that we give clients.

We may recommend implementing these strategies using stocks, bonds, mutual funds (held directly or held within variable annuities or life insurance products), municipal securities, options contracts, and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international or equities/bonds. We may recommend periodic purchases, sales and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in client needs, market conditions or economic developments.

Types of Investments and Risk of Loss

We offer advice about a wide variety of investment types, including mutual funds, index funds, exchange traded funds ("ETFs"), limited partnerships, real estate investment trusts and fixed and variable annuities, each having different types and levels of risk. We will discuss these risks with each client in determining the investment objectives that will guide our investment advice for their account. We will explain and answer any questions clients have about these kinds of investments, which present special considerations such as the following.

Investing in securities involves risk of loss that clients should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with clients to attempt to identify the balance of risks and rewards that is appropriate and comfortable for each client. However, it is still the client's responsibility to ask questions if they do not fully understand the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on our clients' behalf, many economic and market variables beyond our control can affect the performance of client investments and we cannot assure clients that their investments will be profitable or assure clients that no losses will occur in their investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment adviser, but it is not a predictor of future performance.

Mutual Funds, Index Funds and Exchange-Traded Funds

Mutual funds and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses and sometimes a distribution fee. If the fund also imposes sales charges, clients may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to clients upon request.

Consequently, for any type of fund investment, it is important for clients to understand that they are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally speaking, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

Most mutual funds offer several "classes" of their shares which may be purchased by different types of investors or investors with different investment objectives. These are also described in the mutual funds' prospectuses. Depending on the client's investable assets, investment objectives and time horizon, different classes may be more appropriate for the client's circumstances. We can discuss with the client the available classes of mutual fund shares, the different purposes for which they may be purchased and the differences in commissions and charges associated with each share class.

Variable Annuities

Variable annuities are highly complex financial products offered by insurance companies. Investment in a variable annuity contract is subject to both general market risk and the insurance company's credit risk. These and other risks are described in the variable annuities' prospectuses. Variable annuities are regulated under both securities and insurance laws and related rules and regulations. Variable annuities offer various benefits and features which may or may not have value to a client depending on their circumstances, which we can discuss with the client. Like other types of investments, commissions are paid for the purchase of variable annuities and there may be substantial surrender charges. These commissions, surrender charges and other expenses are disclosed in the prospectus.

Like mutual funds, insurance companies charge a variety of fees and charges against the assets invested in the separate accounts of their policy holders. As noted previously, this means that there are two layers of advisory fees incurred – one layer by the insurance company and one layer to our firm for our advisory services.

Voting Client Securities

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities

held in a client's account. Proxy solicitation materials will be forwarded to the client for response and voting.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As the portfolio manager, our investment adviser representatives have access to all of the information clients provide to us, including financial information. Our firm has adopted a Privacy Policy which restricts our firm and our investment adviser representatives' use of and access to clients' nonpublic personal information. In order for us and our investment adviser representatives to effectively manage client's accounts and assist in meeting their financial objectives, we ask clients to update us as soon as possible when any changes to personal or financial information occur. A complete copy of our Privacy Policy may be obtained by contacting Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

We are open Monday through Friday from 8 a.m. to 5 p.m. There are no restrictions on when clients may contact or consult with us regarding the Program or the client's account.

ADDITIONAL INFORMATION

Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

As a registered investment adviser, we are required to disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry and any arrangements with related persons that are material to our advisory business or clients. As part of our financial planning advice, we may recommend that a client purchase insurance. As we stated previously, Eric Foster, our Vice-President and investment adviser representative, is independently licensed to sell insurance through various insurance companies. If a client purchases insurance through Mr. Foster, he receives commission from the insurance company, and the receipt of this compensation may create a potential conflict of interest. However, to mitigate this conflict of interest, clients have the option of choosing to purchase the recommended insurance through other insurance agents or agencies.

Code of Ethics

We have adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act describing the standards of business conduct we expect all officers, directors, employees and advisory representatives to follow. The Code also describes certain reporting

requirements with which particular individuals associated with or employed by us must comply. We will provide a copy of the Code to any client or prospective client upon request.

The firm's employees may, from time to time, buy or sell securities for their own accounts that are the same as, similar to or the opposite of those that the firm recommends to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance and the timing of purchases and sales. Jessica Ott, the Chief Compliance Officer of our firm, receives and reviews the quarterly brokerage statements belonging to all access persons for possible conflicts of interest.

Our Code is in place and enforced to ensure that no one is taking advantage of their position, or placing their own interests above that of our clients. Clients or prospective clients can request a full copy of the Code by contacting Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com.

Review of Accounts

Review

Client investment management accounts are reviewed on a regular basis, at least quarterly, by your investment adviser representative. These reviews ensure that accounts are being managed in accordance with the client's chosen investment objective and risk tolerance, and to verify the accuracy of account holdings.

At least annually, we will contact each client in writing to request information to determine whether there has been any change in the client's financial situation, investment objectives or instructions. Based upon the information we receive or other information known to us, we may meet with the client in person. We will also meet with the client at the client's request or as we otherwise deem necessary.

Also, we notify clients, at least quarterly, in writing that they should contact us if there have been any changes in their financial situation or investment objectives.

Reports

We send investment management clients periodic quarterly reports reflecting the performance of their investment portfolio. Clients may also have electronic access to their portfolio through Fidelity's website and may be able to create and/or print various information concerning their portfolio investments. Clients will receive confirmations of their purchases and sales and monthly statements from Fidelity containing account information such as account value, transactions and other relevant account information.

Client Referrals and Compensation

From time to time, we may enter into written agreements with third parties to market our services and solicit potential advisory clients for us. If we engage a third party solicitor, we will

enter into a written solicitation agreement with that person or entity and the written agreement will comply with Rule 206(4)-3 and other applicable requirements under the Investment Advisers Act of 1940. If there is a solicitor involved in a client's account, they will receive a separate solicitor's disclosure brochure describing our solicitation arrangement with the solicitor, the compensation we pay to the solicitor, and the terms of that relationship. The client will also receive a copy of this Brochure.

In addition, several owners of our firm, who are not engaged in our day to day business, refer clients to us. As owners, these individuals share in the profits of our firm and thus indirectly benefit from any client referrals made to our firm. All clients and prospective clients referred by such owners are given a solicitor's disclosure brochure explaining that the referring owner has a financial interest in referring business to us.

Regardless of whether a client became a client through a third party solicitor or one of our owners, the client will not be charged additional fees or a higher investment advisory fee as a result of the referral.

Financial Information

As a registered investment adviser, we are required to provide clients with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to our clients.

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