



FIRM BROCHURE

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A SEC Registered Investment Adviser

This brochure provides information about the qualifications and business practices of YCG Capital Partners, LLC. If you have questions about the contents of this brochure, please contact Mr. Will Kruger at 512-505-2347 or by email at info@ycgfunds.com. The information in this brochure has not been approved or verified by the Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

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

MATERIAL CHANGES

In this Brochure, you will find information discussing the following changes since our firm last updated our brochure on June 30, 2012. The summary below only includes material changes that have taken place since the firm's last brochure update on June 30, 2012.

ADVISORY BUSINESS

Firm Description and Ownership- The ownership structure of the firm has been amended to provide greater detail.

Assets Under Management- This Section has changed to reflect a significant increase in assets under management.

TYPES OF CLIENTS- This Section has changed to reflect that YCG now serves as investment advisor to an open-end mutual fund family.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS- This Section has been amended to significantly enhance the discussion of our investment strategies and philosophies.

VOTING CLIENT SECURITIES- This Section has changed to reflect that YCG votes proxies for its open-end mutual fund client.

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ADVISORY BUSINESS

Firm Description and Ownership

We are an independent registered investment advisory firm, offering professional discretionary investment management services to individuals, investment advisers, trusts, endowments, other institutions and open-end investment management companies (mutual funds). Our firm was established on November 5, 2007.

YCG is 100% owned by its principals. The owners of the firm are Mr. Brian Yacktmann, Member and Chief Investment Officer, Mr. William Kruger, Member and Chief Executive Officer, and Mr. Elliott Savage, Member and Portfolio Manager.

Advisory Services and Client Accounts

We manage stock portfolios using our own proprietary and fundamental research. Separate Account Clients have the choice to select three different strategies: Ultra-Concentrated (5 - 15 holdings), Concentrated (15 - 50 holdings), and Concentrated with Option Enhancement (15 - 50 holdings, and options contracts). Our Option Enhancement strategy seeks to enhance portfolio returns and generate more cash through the sale of put and call option contracts. Our mutual fund client is managed in accordance with the restrictions and mandates set forth in its prospectus and statement of additional information.

We invest our client accounts primarily in equity securities without regard to market capitalization that we believe will produce high, risk-adjusted, forward rates of return (i.e. the long-term annualized return that a given security can achieve when purchased at the current market price). For certain of our client accounts, we may also write put options and covered call options on a portion of the portfolio as a means to generate additional income and to tax-efficiently enter and exit positions. We do not use this strategy as a means of generating implicit leverage. In other words, if all put options were to be exercised, the account will generally have enough cash on hand to purchase the assigned shares.

We employ a disciplined, “bottom-up” analytical approach focused on individual companies. We generally do not focus on macroeconomic factors. We search for above average businesses trading at below average prices. We believe this approach combines the best features of so-called “growth” and “value” investing.

In order to select investments, we utilize independent, in-house, fundamental research to analyze each company, and choose securities with a 10 year plus time horizon in mind. We seek to purchase stocks which possess one or more of the following “three P’s”:

1. Price – securities trading at prices that the Adviser believes will produce attractive long-term annualized returns with reasonable investment risk.
2. Product – companies that have some or all of the following characteristics: high market share in core product or service lines, high cash returns on assets, low cyclicity, and high returns on incremental invested capital.
3. People – companies run by management teams that emphasize shareholder value through prudent capital allocation.

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 each 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, your representative will discuss in more detail the appropriate portfolio strategy and any other specific requests that meet your needs and desires.

Wrap Fee Programs & Financial Planning Services

Our firm does not currently sponsor or participate in wrap fee programs, nor do we offer financial planning services.

Assets Under Management

As of January 31, 2013, our firm managed approximately \$217.5 million in assets, held by approximately 186 accounts.

FEES AND COMPENSATION

Compensation for our advisory and investment management services is based on a percentage of assets under management. The minimum account size for our Separate Account Clients is \$500,000. We do not have performance based fee schedules and we do not charge hourly or flat fees. Our fee schedules relating to our different account strategies are as follows:

For Non-Option Enhanced Strategies:

Assets under Management	Annual Fee (% of assets)
\$500,000 to \$999,999	2.00%
\$1,000,000 to \$4,999,999	1.50%
\$5,000,000 and above	1.00%

For Options Enhanced Strategies:

Assets under Management	Annual Fee (% of assets)
\$500,000 to \$999,999	2.50%
\$1,000,000 to \$4,999,999	2.00%
\$5,000,000 and above	1.50%

At our sole discretion, we may negotiate fees with clients on a case-by-case basis. Accordingly, 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.

We typically bill our 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 generally deducted directly from the client's account, which is executed by the client's third-party custodian under our direction 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 we have discretion over the account through the end of the last business day of the calendar quarter end. Certain clients have us send invoices to them, and they effect payment, either directly or through their custodians.

Important: Clients are hereby put on notice that the custodian will not verify our fee calculation and that it is the

client's responsibility to review their custodian statements to ensure that fees were calculated accurately. Upon request, we will also furnish clients with a billing invoice to show exactly how fees were calculated for the quarter.

We and our clients 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 our fee schedule. As such, clients will be charged separately by the custodian or broker. Our 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 we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions) is explained in this Brochure in the Section "Brokerage Practices".

None of our Principals or Supervised Persons 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.

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. We do not charge performance based fees on our client accounts. We do not engage in the practice of side-by-side management.

TYPES OF CLIENTS

We offer discretionary investment management services to individuals, investment advisers, trusts, endowments, other institutions and open-end investment management companies (mutual funds). We require a minimum account size of \$500,000 for our Separate Account Clients. However, we have discretion to waive the account minimum. Our mutual fund clients have investment minimums as set forth in their respective prospectuses.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

We employ a disciplined investment process for each of our investment strategies. In making our investment decisions, we use a "bottom-up" approach focused on individual companies, rather than focusing on macroeconomic factors. We search for above average businesses trading at below average prices. We think this approach combines the best features of so-called "growth" and "value" investing. In order to select investments, we use independent, in-house, fundamental research to analyze each company. With a 10 year plus time horizon in mind, we seek to purchase stocks which possess one or more of the following "three P's": (1) Price; (2) Product; and/or (3) People.

Price- Even a great business purchased at a high price is a poor investment. As such, we first seek to identify companies trading at prices that we believe will produce high, risk-adjusted, forward rates of return. When evaluating any investment, the returns will be based upon the future cash flows generated. Thus, we place a strong emphasis on analyzing cash flow and seek to answer four basic questions: How much normalized cash flow (cash flow adjusted for cyclicalities in sales and margins) will the investment produce, after adjusting for often-overlooked items such as option issuance, pensions, and capital expenditures that will reabsorb the cash generated? When will

that estimated cash flow arrive? How predictable or risky is that estimated cash flow? What is the price to receive that estimated cash flow? Based on these estimates, we treat stocks like bonds and calculate an implied expected return and then look at the yield spread between stocks of varying quality levels. This method turns on its head the common, mechanical practice of estimating distant future cash flows, valuing those cash flows at an arbitrary discount rate, and then purchasing those cash flows at some predetermined discount to intrinsic value. We find this approach allows us to compare investment opportunities and objectively prioritize and focus in on the best ideas.

The stock prices of individual companies can vary significantly over short periods of time, and such price movements are not always correlated with changes in company fundamental performance. Accordingly, we generally prefer to wait for buying opportunities because we believe that focusing on the price paid for a security aids in managing risk. Such opportunities do not always occur in correlation with overall market performance trends.

Product- “Product” refers to certain innate characteristics that makeup a high quality company. We search for these high quality companies because we believe that, counter-intuitively, high quality businesses tend to outperform low quality businesses over the long term with less volatility. Additionally, we believe these types of businesses tend to significantly outperform their lower quality peers during catastrophic periods. Generally, these companies possess one or more of the following attributes:

- High cash return on tangible assets allowing a business to generate cash while growing;
- Low cyclicalities, often due to short customer repurchase cycles (recurring revenue), long product cycles (non-fad like), or inelastic customer demand;
- High returns on incremental invested capital;
- Wide and stable profit margins;
- High market share in core products and/or service lines;
- Pricing power ;
- Conservative use of leverage; and
- Growing competitive advantage or unique franchise characteristics

While some businesses may lack these qualities, the aforementioned process of calculating a forward rate of return helps us to develop a frame of reference for how much extra return we should require before purchasing lower quality stocks. This point should not be overlooked because one would not want to fall into the trap of purchasing a security that appears statistically cheap, regardless of the quality of the assets and without understanding the reinvestment rate or the long-term viability of the business. However, at a price, when the expected forward rate of return sufficiently compensates for the additional risk, we may venture into lower quality fare.

People- We seek to identify management teams that wisely allocate capital. A management team essentially has five options with the cash the company generates and we evaluate how effectively they “GARDD” this cash:

- Grow the existing business profitably
- Acquire synergistic businesses without overpaying
- Repurchase their own stock at value prices
- Dividend issuance when no other favorable investments exist or when in low tax environments
- Debt pay down or build up cash

We believe that holding a relatively small number of stocks allows our “best ideas” to have a meaningful impact on performance. As a result, we may invest more in our top choices than in investments we think are less attractive.

For our clients that choose our Option Enhancement Strategy, once we determine the companies in which we would like to become business owners, we may also choose to strategically write put options on specific stocks to establish a position or further increase its size. We view this as a possible way to help provide additional margin of safety to the alternative of buying the stock at prevailing market prices. We will only write put options if we are willing to purchase the stock at the exercise price. We view this as similar to being paid a premium to enter a limit

order to buy a stock we desire to own.

We generally sell securities when the expected rate of return becomes inadequate, or if we believe there are better investment opportunities available, or if the securities no longer meet our investment criteria. We may write covered call options on specific stocks to exit a position or decrease its size. We view this as a way to provide additional income to our Option Enhancement portfolios.

While we seek to augment returns primarily through the sale of puts and calls, this “option enhancement” component may involve additional options 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 cyclicity 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.ycginvestments.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).

DISCIPLINARY INFORMATION

YCG has not been and is not now subject to any legal or disciplinary event or action that would be material to a client or prospective client's evaluation of the firm's business or the YCG of the firm's management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We are not affiliated with any other financial industry firm.

Our policy is that the interest of our clients takes precedence over our interests, and the interest of our affiliates, employees and representatives. Accordingly, our personnel will disclose any material relationships that they may have with respect to any investment recommended to clients. In addition, we will make recommendations based upon client suitability and objectives without regard to personal benefit.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics which governs the personal trading activities of our Supervised Persons. The Firm's Chief Compliance Officer is responsible for implementing and overseeing compliance with the Code. We will provide a copy of our Code of Ethics to any client, free of charge, upon request.

Our Code of Ethics governs the personal trading practices of our Access Persons, and provides policies, restrictions and prohibitions designed to address and avoid conflicts of interest that may arise between an employee and a client. Certain personal securities purchases and sales must be pre-approved by the Chief Compliance Officer, and all transactions must be reported on a quarterly basis.

Our personnel will not purchase or sell securities for their own account if the transaction will disadvantage clients in any way. YCG maintains transaction records for all employee securities transactions. YCG also prohibits insider trading and has adopted written policies and procedures to ensure that the firm complies with applicable provisions of state and federal law.

BROKERAGE PRACTICES

We do not determine the commission rates at which securities transactions are effected for our Separate Account Clients who choose custodians that require that securities transactions be effected through them. Separate Client Account 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 has no preferences where clients custody assets or the brokers that are selected for trading.

We work with multiple custodians/broker-dealers and we transact all client transactions through those brokers. We do not receive client referrals from any broker as a result of executing client transactions. Our Chief Compliance Officer conducts annual best execution analyses to compare brokerage costs/services provided by the brokers and their peers or competitors.

For our mutual fund clients, we have full discretion to choose the broker/dealers that execute securities transactions on behalf of the Fund. As a result, our mutual fund client(s) may have the opportunity to obtain more favorable execution than other firm clients whose trading must be effected through the custodial broker/dealer.

YCG does not currently participate in any commission recapture or soft dollar arrangements.

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 account's 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. Yacktmann, Principal and Chief Investment Officer, William D. Kruger, Principal, Chief Executive Officer, Elliott Savage, Portfolio Manager, Ronald Ball, Portfolio Manager, and Michael A. Yacktmann, Senior Financial Analyst. Our Chief Compliance Officer also performs client account reviews.

All trades are submitted via a "block trade", therefore if an investment is made where all levels of concentration require the purchase or sale of a particular security, this will likely result in a review of all accounts. Clients receive periodic statements from their custodian showing current asset allocation, transaction history for the period, including the cost of commissions charged, and when applicable, will also show the amount of management fees deducted from the client's account.

In addition to the statements provided by each client's custodian, our firm provides each client with 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.

CLIENT REFERRALS AND OTHER COMPENSATION

YCG does participate in client referral compensation agreements with third parties. Such arrangements must be in writing and must be fully disclosed to potential clients. Payments made to third parties for client referrals do not result in the client paying an additional fee.

CUSTODY

YCG does not maintain custody of any client account.

INVESTMENT DISCRETION

YCG accepts only discretionary client accounts.

VOTING CLIENT SECURITIES

For non-discretionary accounts, YCG will not vote (by proxy or otherwise) in any matter for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in the client's account. With regard to all other matters for which shareholder action is required or solicited with respect to securities beneficially held by the client's account such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations), YCG affirmatively disclaims responsibility for voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters.

For discretionary accounts, YCG may vote proxies if the client and YCG mutually agree that YCG should accept that responsibility.

FINANCIAL INFORMATION

YCG does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. The firm has no financial condition that is reasonably likely to impair its ability to meet any contractual requirements relating to any aspect of its business. The firm has never been the subject of a bankruptcy petition.