



**Yacktman Asset Management LP
Form ADV Part 2A
Firm Brochure**

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This Form ADV Part 2A ("Firm Brochure") provides information about the qualifications and business practices of Yacktman Asset Management LP. If you have any questions about the contents of this Firm Brochure, please contact us at (512) 767-6700 or (800) 356-6356. The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

Yacktman Asset Management LP is a registered investment adviser. This registration does not imply a certain level of skill or training.

March 15, 2024

Item 2: Material Changes

Material changes since our last annual Firm Brochure filing, dated March 27, 2023, include the following:

- Item 6: Performance dispersion analysis has changed from quarterly to annually, which aligns more with our long-term investing focus.

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Item 4: Advisory Business

Yacktman Asset Management LP (“Yacktman” or the “Firm”) is an investment advisory firm specializing in equity strategies which has served long-term oriented investors since 1992.

Yacktman provides investment management and supervisory services on a discretionary basis and, for a limited number of clients, on a non-discretionary basis. We serve as an investment adviser or sub-adviser to a variety of clients. See “Item 7: Types of Clients” for more information with respect to our clients. As of December 31, 2023, Yacktman had assets under management of \$16,182,551,870, of which \$16,176,945,232 was managed on a discretionary basis and \$5,606,638 was managed on a non-discretionary basis.

Principal Ownership

Yacktman’s institutional partner, Affiliated Managers Group, Inc. (“AMG”), a publicly-traded asset management company (NYSE: AMG), holds a majority equity interest in the Firm. The remaining equity interests are held directly and indirectly by Yacktman’s Limited Partners. AMG also holds equity interests in other investment management firms (“AMG Affiliates”). Further information on both AMG and AMG’s Affiliates is provided in “Item 10: Other Financial Industry Activities and Affiliations” of this Firm Brochure.

Advisory Services

As noted above, Yacktman is an investment manager specializing in equity strategies. However, our investments may include, but are not limited to, foreign equities, domestic and foreign fixed income securities, and options. We are research-oriented, and primarily utilize fundamental analysis for the selection of investments. We employ a disciplined strategy and invest in securities of any size at prices that we believe offer an attractive forward rate of return.

We serve as sub-adviser to the AMG Yacktman Funds, for which AMG Funds LLC (“AMG Funds”), a wholly-owned subsidiary of AMG, is the sponsor and adviser. We also serve as sub-adviser to an Undertakings for Collective Investment in Transferable Securities (“UCITS”) fund, which is a pooled investment vehicle domiciled in Europe. We provide investment advisory services to other pooled investment vehicles, as well as accounts managed on behalf of a single entity or individual. We also serve as an adviser to a private pooled fund.

At the commencement of an advisory relationship, we request from each client their investment objectives, investment preferences, and any investment restrictions that are applicable to our management of their assets. This customization can involve restricting or reducing exposure to certain securities or economic industries, as well as adding exposure to assets other than those we typically recommend. Customization can also influence the degree of concentration in the account or the yield characteristics of the portfolio. As such, we may modify our primary investment strategies, as necessary, to meet the goals that clients specify, to accommodate the particular investment objectives and accompanying restrictions they request.

We will refuse to enter into an investment advisory arrangement with a prospective client whose investment objectives are considered incompatible with our basic investment philosophy or strategies, or if the prospective client seeks to impose unduly restrictive investment guidelines, or if we cannot determine the identity of the ultimate investor.

Wrap Account Programs

We provide portfolio management services to certain “wrap fee” or “wrap account” programs (“wrap accounts”). Wrap accounts involve individually managed accounts for individual or institutional clients. Wrap accounts are offered as part of a larger program by a “sponsor,” usually a brokerage, banking, or investment advisory firm, and managed by one or more investment advisers. Yacktman is not a wrap account program sponsor; rather, we serve as a sub-adviser to the investment adviser or sub-adviser over accounts directed to us by the wrap account program sponsor. We have agreements with various wrap account program sponsors through which our services are offered, and we provide investment management services to those clients who select Yacktman as part of such programs. Yacktman does not consider client referrals when placing client

trades or when determining best execution. See “Item 12: Brokerage Practices” for more information. We receive a portion of the wrap account fee for our services, and that fee can differ by program, as negotiated. See “Item 5: Fees and Compensation” for more information.

In managing accounts under these programs, our overall management approach does not differ materially from other accounts that we manage. However, certain differences do exist due to the nature of programs, which require, by way of example, that certain models be followed in managing the accounts, that certain program-specific restrictions be adhered to, and/or that certain program-specific operational procedures be followed. In addition, we cannot necessarily offer the same level of portfolio customization to wrap accounts that we offer to other accounts within an investment strategy. With respect to trading related to wrap account programs, see “Item 12: Brokerage Practices” sub-sections entitled “Directed Brokerage” and “Aggregation of Trades” for additional information.

Private Pooled Investment Vehicle Sponsored by Yacktman

Yacktman sponsors a privately offered pooled investment vehicle. This entity is neither registered under the Securities Act of 1933, nor registered under the Investment Company Act of 1940. Accordingly, interests in this fund are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. No offer to sell this fund is made by the descriptions in this Firm Brochure, and as noted, this fund is available only to investors that properly qualify.

Item 5: Fees and Compensation

Standard Fee Schedule for Separately Managed Accounts

We are compensated for investment advisory services for separately managed accounts through the payment of fees made by our clients. Our standard fee schedule for separately managed accounts is as follows:

<i>Percentage Fee</i>	<i>Market Value</i>
1%	On First \$100 million
Negotiated	Above \$100 million

Fees are negotiated at our sole discretion considering each client’s circumstance, such as asset levels, service requirements, or other factors. In some cases, we will agree to a fee schedule that is lower than that of other comparable clients in the same investment style. In addition, there are historical fee schedules with long-standing clients that can differ from those applicable to new client relationships. Therefore, fee schedules vary from client to client.

The fees charged to clients are computed as a percentage of the value of the client’s assets under management. To calculate advisory fees, we rely on prices provided by third-party providers for purposes of valuing portfolio securities held in the client’s account. On occasion, we are required to or deem it prudent to “fair value price” a security when a market price for that security is not readily available or when we have reason to believe that the market price is unreliable. When “fair value pricing” a security, we typically use various sources of information to determine a fair price that the security would obtain in the marketplace if, in fact, a market for the security existed. For any fair value priced securities, we maintain policies and procedures relating to the pricing process, in an effort to mitigate any conflicts of interest with respect to valuation.

Our fees are generally billed and payable in advance per the client agreement. The initial advisory fee is payable when the account is established, and prorated for the first partial billing cycle, if any. After that, the advisory fee will be billed based on the market value of the portfolio on the last business day of the preceding calendar billing cycle. Agreements terminated will receive a prorated portion of the prepaid fee based on the days remaining in the applicable billing cycle unless there is less than one month remaining, or the client agreement or program terms dictate differently.

In some instances, upon a client's authorization, we will submit requests for fee payment directly to the client's custodian. In such instances, we take reasonable measures to confirm that such custodian is sending statements showing the deduction of our advisory fee from the client's account.

Fees for Specialized Accounts and Advisory Services

Sub-Advisory Arrangements

We are engaged by certain investment advisers (including advisers to registered investment companies) to manage certain portfolios of such advisers. In our capacity as sub-adviser to such accounts, our fees and services are determined by contract with the adviser. Information concerning these sub-advised funds, including a description of the services provided and advisory fees, is contained in each fund's prospectus.

Other fees payable as an investor in a sub-advised fund or other account are described in the fund's prospectus, the adviser's firm brochure, or the investment advisory agreement.

Wrap Account Programs

For additional information with respect to wrap account programs, please see the sub-section entitled "Wrap Account Programs" under "Item 4: Advisory Business" of this Firm Brochure.

Clients participating in these programs pay the wrap program sponsor a single fee (called a "wrap fee") for consulting, brokerage, custodial, portfolio monitoring, and investment management services. The fee clients pay for participating in a wrap account program are set by the sponsor and are disclosed in the sponsor's agreement with the client. The wrap account program sponsor pays Yacktman a portion of the wrap fee.

Regarding wrap accounts, the all-inclusive fee may differ by program and exceed the aggregate cost of services provided if such services were negotiated and purchased separately. For detailed information on the wrap fees charged by each wrap program sponsor, please refer to the specific sponsor's Part 2A of Form ADV.

Private Fund

See the sub-section entitled "Private Pooled Investment Vehicle Sponsored by Yacktman" under "Item 4: Advisory Business" of this Firm Brochure for more information. The fee schedule for this fund is an annual management fee as a percentage of client assets under management plus a performance fee, as described in the fund's offering documents. Yacktman reserves the right to waive some or all fees for certain investors in the fund, including for investors who are affiliated with Yacktman.

Performance-Based Fees

While we do not typically charge performance-based fees for the management of separate accounts, a performance-based fee may be assessed for the private fund, as set forth in the offering documents. Yacktman reserves the right to waive some or all of the performance fee for certain investors in the fund, including for investors who are affiliated with Yacktman.

In addition to the base investment management fee, a performance adjustment is in place for one of the mutual funds that we sub-advise. This fee is based on the mutual fund's performance relative to a defined benchmark (net) over the prior rolling twelve months, as set forth in the fund's prospectus.

Additional Fees and Expenses Paid by Client

Our fees are exclusive of brokerage commissions, transaction fees, service provider fees, and other related costs and expenses which are incurred by the client. See "Item 12: Brokerage Practices" of this Firm Brochure, which describes the factors that we consider in selecting or recommending broker-dealers for the execution of transactions and determining the reasonableness of their compensation (e.g., commissions). Investment activity may also involve other transaction fees payable by clients, such as sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, clients will often incur certain charges imposed by custodians, broker-dealers, third-party

investment consultants, and other third parties, such as custodial fees, consulting fees, administrative fees, and transfer agency fees.

Fees for the Sale of Securities

We do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Performance-Based Fees

Performance-based fees, described in the “Performance-Based Fees” sub-section in Item 5, create certain inherent conflicts of interest with respect to Yacktman’s management of assets. Specifically, our entitlement to a performance-based fee in managing an account creates an incentive for us to take risks in managing assets that we would not otherwise take in the absence of such arrangements. Additionally, since performance-based fees reward us for strong performance in an account which is subject to such fees, we may have an incentive to favor this account over those that have only asset-based fees (i.e., fees based simply on the amount of assets under management in an account) with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities.

To maintain fair and equitable treatment of accounts over time, Yacktman has implemented a series of controls to further its efforts to treat accounts fairly, regardless of their corresponding fee structure. Those controls are discussed below.

Side-by-Side Management

Yacktman’s Investment Team simultaneously manages multiple types of portfolios (including, but not limited to, separately managed accounts, wrap accounts, UCITS funds, mutual funds, and private hedge funds) according to the same or a similar investment strategy. This practice is known as side-by-side management. As described in “Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” of this Firm Brochure, these accounts can include proprietary accounts in which Yacktman or its employees (including principals) have an interest. The simultaneous management of these different investment products creates certain conflicts of interest, as the fees for the management of certain types of products are higher than others. Nevertheless, when managing the assets of such accounts, we have an affirmative duty to treat all such accounts fairly and equitably over time.

Although we have a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that we use the same investment practices consistently across all portfolios. In general, investment decisions for each client account are made independently from those of other client accounts, and will be made with specific reference to the individual needs and objectives of each client account. In fact, different client guidelines and/or differences within particular investment strategies can lead to the use of different investment practices for portfolios within a similar investment strategy. In addition, we will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of capital or different amounts of investable cash available. As a result, although we manage numerous portfolios with similar or identical investment objectives or manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, differs from portfolio to portfolio.

Since side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of a portfolio or a group of portfolios, we have procedures designed and implemented to further our efforts to treat all portfolios fairly and equitably over time. An analysis of the performance of client accounts managed with the same investment style occurs annually. Outliers having performance levels

significantly different than the others will receive additional scrutiny. Security holdings in client accounts are reviewed to make sure they reflect securities and portfolio management techniques that are consistent with applicable restrictions, investment guidelines, client mandates, diversification and liquidity requirements, and other similar requirements. Anomalies are discussed with the Portfolio Managers, as necessary. By utilizing these procedures, we believe portfolios subject to side-by-side management receive fair and equitable treatment over time.

Item 7: Types of Clients

We provide investment advisory services to the following types of clients:

- A. High net worth individuals;
- B. Investment companies;
- C. Pooled investment vehicles;
- D. Pension and profit-sharing plans;
- E. Estates, trusts, or charitable organizations; and
- F. Corporations or business entities not set forth above.

Generally, we require a minimum account size of \$100,000,000; however, the minimum account size is subject to negotiation at our discretion. In circumstances where we serve as an adviser within a wrap fee program or are an adviser or sub-adviser to other funds or accounts, the account minimums are determined by our agreement with the relevant wrap fee program sponsor, fund, or account. We do not impose any specific requirements with respect to asset size to maintain an account.

Item 8: Method of Analysis, Investment Strategies, and Risk of Loss

As noted in “Item 4: Advisory Business” of this Firm Brochure, we specialize in equity strategies. We are research-oriented and primarily utilize fundamental analysis for the selection of equity investments.

Strategy Overview and Fundamental Analysis

We invest in domestic and foreign equities, debt securities, and options. Some, but not all, of the equity securities will pay a dividend. Our investments in debt securities may include, but are not limited to, U.S. Treasury notes and bonds, investment grade corporate debt securities, convertible debt securities, and debt securities below investment grade (high yield or junk bonds).

We have a fundamental approach to our security analysis, relying on a variety of information sources including, but not limited to, company filings, financial periodicals, and corporate rating services relating to historical prices of securities, dividends, and earnings, annual reports, prospectuses, and research materials prepared by third parties. This information allows us to perform a fundamental analysis, a method of evaluating a security in which we attempt to determine the intrinsic value of a security by examining certain economic, financial, and other qualitative and quantitative factors, including both micro and macroeconomic factors.

Portfolios are adjusted when shifts in our expectation of risk and reward for each security varies sufficiently. Turnover can be low, and at other times it will rise.

Related Risks

Our investment strategies carry different levels of risk. In each strategy, all securities include a risk of loss of principal and any profits that have not been realized. As a result, there is a risk of loss of the assets we manage on a client’s behalf, and as such, we cannot guarantee any level of performance and cannot guarantee that a client will not experience a loss of their account assets. There is also a risk that we may make poor security selections or focus on securities in a particular sector, category, or group of companies that underperform, which may result in us unsuccessfully executing our strategies or losses to our clients.

As noted above, we primarily invest in domestic and foreign equities. The material risks of equity securities in which we invest include:

Currency Risk: Fluctuations in exchange rates may affect the total loss or gain on a non-U.S. dollar investment when converted back to U.S. dollars and exposure to non-U.S. currencies may subject a portfolio to the risk that those currencies will decline in value relative to the U.S. dollar.

Debt Securities Risk: the value of a debt security changes in response to various factors, including, for example, market-related factors, such as changes in interest rates or changes in the actual or perceived ability of an issuer to meet its debt obligations. Investments in debt securities are subject to credit risk, interest rate risk, extension risk, prepayment risk, and liquidity risk, among other risks.

Emerging Markets Risk: Investments in emerging markets are subject to the general risks of foreign investments, as well as additional risks which can result in greater price volatility. The markets of developing countries are generally more volatile than the markets of developed countries with more mature economies. Many emerging markets companies in the early stages of development are dependent on a small number of products and lack substantial capital reserves. In addition, emerging markets often have less developed legal, accounting, and financial systems and requirements. These markets often have provided significantly higher or lower rates of return than developed markets and usually carry higher risks to investors than securities of companies in developed countries.

Focused Investment Risk: To the extent a portfolio invests a substantial portion of its assets in a relatively small number of securities or a particular market, industry, group of industries, country, region, group of countries, asset class or sector, it generally will be subject to greater risk than a portfolio invested in a more diverse investment mixture. In addition, the value of a focused portfolio would be more susceptible to any single economic, market, political or regulatory occurrence affecting, for example, that particular market, industry, region, or sector.

Foreign Investment Risk: Investments in foreign issuers involve additional risks (such as risks arising from less frequent trading, changes in political or social conditions, and less publicly available information about non-U.S. issuers) that differ from those associated with investing in securities of U.S. issuers and may result in greater price volatility. Investments outside the U.S. may also be subject to different settlement and accounting practices and different regulatory, legal and reporting standards, and may be more difficult to value, than those securities issued in the U.S.

Geographic Focus Risk: To the extent a portfolio focuses its investments in a particular country, group, group of countries or geographic region, the portfolio is particularly susceptible to economic, political, regulatory, or other events or conditions affecting such countries or regions which may result in losses.

Large-Capitalization Stock Risk: The stocks of large-capitalization companies are generally more mature and may not be able to reach the same levels of growth as the stocks of small- or mid-capitalization companies.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to sell. Although most of our portfolios' securities are generally liquid at the time of investment, securities may become illiquid after purchase, such as during periods of market turmoil. Illiquid investments may be harder to value, especially in changing markets, and if a portfolio is forced to sell these investments to meet redemptions or for other cash needs, the portfolio may suffer a loss.

Management Risk: With respect to an actively managed investment portfolio, security selection or focus on securities in a particular style, market sector, or group of companies may cause a portfolio to incur losses

or underperform relevant to benchmarks or other portfolios with a similar investment objective. There can be no guarantee that Yacktman's investment technique and risk analysis will produce the desired result.

Market Risk: Market prices of investments may fall rapidly or unpredictably due to a variety of factors, including economic, political, or market conditions, or other factors including terrorism, war, natural disasters and the spread of infectious illness or other public health issues, including epidemics or pandemics, or in response to events that affect particular industries or companies.

Micro-Capitalization Stock Risk: Stocks of micro-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

Non-Diversified Risk: Portfolios that are "non-diversified" invest a greater percentage of assets in a single issuer or a small number of issuers, and are therefore generally more concentrated than a diversified portfolio, and may be subject to greater credit, market, and other risks. As a result, poor performance by a single issuer may have a greater impact on a non-diversified portfolio than a diversified portfolio, and non-diversified portfolios tend to be more volatile than diversified portfolios.

Political Risk: Changes in the general political and social environment of a country can have substantial effects on the value of investments exposed to that country.

Sector Risk: Companies or issuers that are in similar industry sectors may be similarly affected by particular economic or market events; to the extent a portfolio has substantial holdings within a particular sector, the risks associated with that sector increase.

Small- and Mid-Capitalization Stock Risk: The stocks of small- and mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

Value Stock Risk: From time to time, value stocks fall out of favor with investors and may perform differently from the market as a whole and may be undervalued by the market for a long period of time.

In addition to our investments in equity securities, we have the option to use other instruments and investment techniques in our portfolios. For example, we may also invest in both foreign and domestic debt. Additionally, we may use strategies which include long and short-term purchases, margin transactions, short sales, hedging, and options writing, including both covered and uncovered options. Such investing involves additional risks other than those discussed above, including, but not limited to, the following:

Call Risk: Some bonds give the issuer the option to call or redeem the bonds prior to maturity date. If an issuer calls its bonds in a period of declining interest rates there is a risk that there may not be bonds with similar characteristics paying the same interest rate available to buy with those proceeds. Callable bonds can be susceptible to greater price fluctuation than non-callable bonds during periods of market illiquidity or changing interest rates.

Convertible Securities Risk: Convertible preferred stocks, which are convertible into shares of the issuer's common stock and pay regular dividends, and convertible debt securities, which are convertible into shares of the issuer's common stock and bear interest, are subject to the risks of equity securities and fixed income securities.

Credit and Counterparty Risk: The issuer of bonds or other debt securities or a counterparty to a derivatives contract may be unable or unwilling, or may be perceived as unable or unwilling, to make timely interest, principal, or settlement payments or otherwise honor its obligations.

Derivatives Risk: The use of derivatives involves costs, the risk that the value of derivatives may not correlate perfectly with their underlying assets, rates or indices, liquidity risk, and the risk of mispricing or improper valuation. The use of derivatives may not succeed for various reasons, and the complexity and rapidly changing structure of derivatives markets may increase the possibility of market losses.

Foreign Investment Risk: Investments in foreign issuers involve additional risks (such as risks arising from less frequent trading, changes in political or social conditions, and less publicly available information about non-U.S. issuers) that differ from those associated with investments in U.S. issuers and may result in greater price volatility.

Hedging Risk: Hedging strategies may not be successful. For example, changes in the value of a hedging transaction may not completely offset changes in the value of the assets and liabilities being hedged. Hedging transactions involve costs and may result in losses.

High Yield Risk: Below-investment grade debt securities and unrated securities of similar credit quality (commonly known as “junk bonds” or “high yield securities”) may be subject to greater levels of interest rate, credit, liquidity, and market risk than higher-rated securities. These securities are considered predominantly speculative with respect to the issuer’s continuing ability to make principal and interest payments.

Interest Rate Risk: Fixed-coupon payments (cash flows) of bonds and debt securities may become less competitive with the market in periods of rising interest rates and cause bond prices to decline.

Short Sales Risk: A short sale of a security involves the theoretical risk of unlimited loss because of potential unlimited increases in the market price of the security sold short. A portfolio’s use of short sales, in certain circumstances, can result in significant losses.

Cybersecurity Risk

With the increased use of technologies to conduct business, we are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents have the ability to cause disruptions and impact business operations, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties or reputational damage. While we have established a business continuity plan, including a business impact analysis intended to identify and mitigate potential cyber-attacks, there are inherent limitations in such plans and programs, including the possibility that certain risks have not been identified. Furthermore, we cannot control the cybersecurity plans and programs put in place by third-party service providers and issuers in which client portfolios invest. Clients could be negatively impacted as a result.

Item 9: Disciplinary Information

We have no disciplinary information to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Affiliations

As noted in “Item 4: Advisory Business” of this Firm Brochure, AMG holds a majority equity interest in the Firm. AMG does not have any role in the day-to-day management of Yacktman. AMG also holds equity interests in certain other investment advisers (“AMG Affiliates”). Each of the AMG Affiliates, including Yacktman, is operated autonomously and independently, and except as described in this Firm Brochure, we do not have any business dealings with these AMG Affiliates and do not conduct any joint operations with them. Yacktman carries out its

asset management activity, including the exercise of investment discretion and voting rights, independent of the AMG Affiliates. Moreover, the AMG Affiliates do not formulate advice for our clients and do not, in our view, present potential conflict of interest with our clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at www.amg.com.

Mutual Fund Sub-advisory and Registered Representatives

We have mutual fund sub-advisory agreements with AMG Funds LLC, a wholly-owned subsidiary of AMG, under which we serve as sub-adviser to mutual funds in the AMG Funds family of mutual funds, which are sponsored and advised by AMG Funds LLC. As described in each fund's prospectus, the fund pays AMG Funds LLC an advisory fee, and AMG Funds LLC pays Yacktman a sub-advisory fee with respect to the funds that we sub-advise. The fees payable to Yacktman may be reduced by the amount of certain shareholder servicing fees, distribution-related expenses, and other expenses paid by AMG Funds LLC on behalf of the Funds, under an agreement by which we have agreed to reimburse AMG Funds LLC for a certain portion of these fees. In addition, under this agreement, AMG Funds, LLC pays certain additional services fees to Yacktman for portfolio marketing support, client and intermediary support, and such other services as agreed upon by AMG Funds LLC and Yacktman from time to time. Also, certain of Yacktman's employees are registered representatives of AMG Distributors, Inc., a limited purpose broker-dealer that is a wholly-owned subsidiary of AMG Funds LLC and that is the underwriter of the AMG Funds family of mutual funds.

We receive a material portion of our revenues from investment management fees from the AMG Yacktman Funds ("the Funds"). See "Item 5: Fees and Compensation" for a description of the advisory fees paid by the Funds. We may recommend to our clients the purchase of shares of the Funds, and our aggregate compensation will increase as a result of the purchase of shares of AMG Yacktman Funds by our clients. However, the value of such AMG Yacktman Fund shares is excluded from the value of a client's account for purposes of computing our management fee with respect to that account. This exclusion is done to prevent the Firm from receiving a fee from both the client and the Funds with respect to the same assets under management.

AMG Funds/AMG Distributors Arrangements

We have a marketing agreement with AMG Funds LLC, a wholly-owned subsidiary of AMG, under which AMG Funds LLC markets Yacktman's investment management services to unaffiliated third-party intermediaries that sponsor sub-advised mutual funds and/or other platforms. Yacktman pays AMG Funds LLC a fee for these services.

Additionally, Yacktman is party to client service/marketing agreements with various non-U.S. subsidiaries of AMG under which the non-U.S. AMG subsidiaries introduce Yacktman's investment management services to prospective institutional clients and/or provide institutional client services to certain of Yacktman's clients in various foreign jurisdictions. Yacktman pays the non-U.S. AMG subsidiaries a fee for these services. The non-U.S. AMG subsidiaries are not broker-dealers, investment advisers, or any of the other financial institutions described in Item 7.A. of Form ADV Part 1A. Depending on the foreign jurisdiction, the non-U.S. AMG subsidiaries may be registered or exempt from registration, as appropriate, with the relevant foreign financial regulatory authorities.

We do not believe these relationships present any potential conflict of interest for Yacktman with respect to our clients.

Other Financial Activities

Neither Yacktman nor any of its principals are registered representatives of a broker-dealer, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of one of the foregoing types of entities.

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

We have adopted a Code of Ethics (“CoE”) that applies to all Yacktman employees, including principals. The CoE describes the standard of business conduct required by employees, and sets forth provisions relating to confidentiality, insider trading, personal securities transactions, gifts and business entertainment, and political contributions, among other things.

In order to ensure that employees strictly adhere to the highest standards of conduct and integrity in handling business on behalf of our clients, employees sign an annual attestation that they have read and understand our CoE. Clients and prospective clients may request a complete copy of our CoE by writing to the Chief Compliance Officer (“CCO”) at the address listed on the cover page of this Firm Brochure.

Personal Securities Trading

The CoE limits and provides for monitoring of the personal trading activity of our employees and certain members of our employees’ households. These limitations seek to further Yacktman’s efforts to prevent employees from personally benefitting from Yacktman’s investments for its clients and/or any short-term market effects of Yacktman’s recommendation to clients. While employees and members of their households may trade for their personal accounts in securities (including the Funds) which are owned by one or more of our clients, our applicable policies and procedures are designed such that the interests of our clients take precedence. For example, the CoE, with few exceptions, generally prohibits such persons from investing in initial public offerings (“IPOs”) and prohibits such persons from trading in securities during specific periods of time when they are being considered for purchase or sale by the Firm for our clients’ accounts (i.e., “blackout periods”). Such persons are also prohibited from profiting on the purchase and sale of the same security within sixty calendar days.

To monitor personal securities trading, the CoE requires employees and certain members of their households to report and/or “pre-clear” most personal trades with the CCO or his/her designee. The CoE also details required reporting of security holdings and transactions which are subject to review. These restrictions and requirements apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

Participation or Interest in Client Transactions

Employees, including principals, can invest in funds and/or in proprietary or separate accounts managed by Yacktman. These accounts can hold, purchase, or sell the same securities in which clients have interests, and will utilize the same investment strategies available to clients. As a result, we may have incentives to favor accounts in which employees invest with respect to trading opportunities, trade allocation, and allocation of investment opportunities. As such, Yacktman requires that any orders for such proprietary or separate accounts are pre-cleared in advance and are subject to blackout periods as needed, with few exceptions. We may also recommend to clients that they buy or sell securities in one of the Funds. See “Item 10: Other Financial Industry Activities and Affiliations” for a discussion on investments by clients in the Funds and the fees we receive.

In addition, due to the nature of our clientele, we may, from time to time, trade in securities issued by our clients. In all such instances, we will do so only when we believe this to be in the best interest of those clients on whose behalf we invest in such securities. We will not, under any circumstances, consider a security issuer’s status as a client of our Firm when determining to trade in that issuer’s security on behalf of other client accounts.

We do not engage in principal trades, where we as a company buy securities directly from or sell securities directly to, our clients.

Item 12: Brokerage Practices

Generally, Yacktman is retained on a discretionary basis and is authorized to determine and direct execution of portfolio transactions within our clients' specified investment objectives. We have a fiduciary duty to seek best execution, and to ensure that trades are allocated fairly and equitably among clients over time.

Brokerage Relationships

Our relationships with broker-dealers, particularly those affiliated with large financial services organizations, are complex. We use various broker-dealers to execute trades on our clients' behalf, but we also have other relationships with such firms. For example:

- We invest client assets in securities issued by broker-dealers or their affiliates;
- We provide investment management services to certain broker-dealers or their affiliates;
- Certain broker-dealers provide us with proprietary and/or third-party research; and
- Certain brokers-dealers refer clients to us.

Notwithstanding such relationships or business dealings with these broker-dealers, we have a fiduciary duty to our clients to seek best execution when trading with these firms, and we have implemented policies and procedures to monitor our efforts in this regard as described in the sub-section below.

Since certain broker-dealers refer clients to Yacktman, it could be argued that we may have an incentive to consider such referrals when deciding to place trade orders with a referring broker-dealer, and a broker-dealer may have an incentive to consider such trade orders when referring clients to Yacktman. However, we do not consider any client referrals from a broker-dealer when determining best execution or when placing client trades. Yacktman does not use affiliated brokers-dealers to trade client accounts. In furtherance of this policy, Yacktman has implemented a series of internal controls and procedures to address the conflicts of interest associated with our brokerage practices described below.

Best Execution – Selection Factors for Broker-Dealers

Many of the transactions that we effect for our clients involve payment of a brokerage commission by the client. As noted above, in placing purchase and sale orders for portfolio securities for our clients who have not directed us to use certain broker-dealers, we have a duty to seek best execution for transactions. "Best execution" of orders is understood to mean the most favorable total cost or proceeds reasonably obtainable under the circumstances. In selecting broker-dealers to effect portfolio transactions, the determination of what is expected to result in best execution at the most favorable price involves many largely judgmental considerations. Specifically, when we allocate trades to broker-dealers, we review and consider the following criteria which includes, but is not limited to:

- A. Past experience with the broker-dealer or the proven ability of the broker-dealer to perform the trades;
- B. Difficulty of executing the trade in question (whether due to liquidity, volatility, speed of the broker-dealer or communication feedback);
- C. Ability of the broker-dealer to allocate "block trades" for multiple accounts at average pricing;
- D. Whether the broker-dealer makes available soft dollar or other research incentives;
- E. Ability of the broker-dealer to handle size execution;

- F. Ability of the broker-dealer to report trades via the Depository Trust Company;
- G. Ability of the broker-dealer to service special needs, e.g., certifications, transfers, or restrictions;
- H. Price of the broker-dealer's commissions alone; and
- I. Access to investment opportunities.

Traders rate these qualities on a regular basis, and the CCO reviews results with the Trade Committee, comprised of the Chief Investment Officer, Portfolio Managers, and Trading and Compliance personnel. Yacktman's Trade Committee also reviews commissions rates paid to broker-dealers, any trade errors that may have occurred, soft dollar payments for research, and other considerations relevant for the given period, such as the approval of new broker-dealers or applicable regulatory changes which impact Yacktman's trading.

Directed Brokerage

We permit clients to direct brokerage, although we may reserve the right to reject or limit client requests for directed brokerage. Specifically, to request a particular broker-dealer, a client must notify us in writing as to which broker-dealer they want to utilize. For directed brokerage accounts, we may be unable to achieve the most favorable execution of that client's transactions, and the client may pay higher brokerage commissions for the reasons discussed below.

If a client has directed brokerage (or excludes the use of certain broker-dealers), we will not negotiate commissions on the client's behalf. As a result, the client may pay materially different commissions from those paid by our other clients. The amount of such commissions will depend on the client's commission arrangement with the broker-dealer. Clients who choose to designate the use of a specific broker should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

In instances where the participating accounts in a transaction include accounts of clients who have requested that brokerage be directed, thus requiring Yacktman to use more than one broker-dealer, Yacktman will use a trade rotation process described in the "Trade Rotation" sub-section below in an effort to treat client accounts fairly and equitably over time.

For directed brokerage accounts, we will not negotiate volume discounts on so-called "block trades" (namely, orders for the purchase or sale of the same security for more than one of our accounts, including the client). For those clients who do not direct us to use a particular broker-dealer, we have negotiated reduced commission rates for transactions through certain broker-dealers. Such reduced commission rates apply to all transactions effected through the broker-dealer, including so-called "block trades." See "Aggregation of Trades" sub-section below.

When trading in wrap fee accounts, trades are typically directed to the program sponsor (or its designated broker-dealer) as brokerage commissions are often included in the wrap fee. In such situations, we may be required to trade a wrap account program's accounts separately from other accounts being managed within the same strategy. While directed brokerage is designed to benefit the wrap account program through lower trading costs, there may be some circumstances where directed trades do not receive the best price, or where dividing the trade into separate components inhibits our ability to obtain the same level of or as timely an execution we otherwise would obtain if we had been able to execute the entire trade with one broker-dealer. For example, certain wrap sponsors may require trade execution to occur on a specific trading platform that may increase or decrease the time required to execute trades. As such, these wrap accounts may trade before or after other non-directed accounts and may not receive the same price as other accounts. For additional information with respect to trading

related to wrap account programs, please see the sub-section entitled "Wrap Account Programs" under "Item 4: Advisory Business" of this Firm Brochure.

Soft Dollars

As noted above, in allocating brokerage business, we also take into consideration the research, analytical, statistical and other information and services provided by the broker-dealer in exchange for client commission dollars. This practice is commonly referred to as using "soft dollar benefits" or "soft dollars." This practice creates a conflict of interest because soft dollar transactions generally cause clients to pay a commission rate higher than would be charged for execution only. When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. As such, we have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving the most favorable execution.

The products and services paid with soft dollars are designed to augment our own internal research and investment strategy capabilities, and may include:

- A. Proprietary research reports or research developed by a third party on companies and industries of particular interest to us;
- B. Current and historical statistical information, general economic data, information on pertinent federal and state legislative developments and changes in accounting practices;
- C. Direct access by telephone or meeting with leading research analysts throughout the financial community, corporate management personnel, industry experts, leading economists and government officials;
- D. Comparative performance evaluation and technical measurement services;
- E. Economic advice; and
- F. Securities quotations.

We are not obligated to choose the broker-dealer offering the lowest available commission rate if, in our reasonable judgment, the total cost or proceeds from the transaction may be less favorable than what may be obtained elsewhere or if a higher commission is justified by the service and/or research provided by another broker-dealer. The research products/services provided by broker-dealers through soft dollar arrangements benefit our investment process for client accounts and may be used in formulating investment advice for any and all clients, including accounts other than those that paid commissions to the broker-dealers for a particular transaction. Nonetheless, not all research generated by a particular client's trade will necessarily benefit that particular client's account.

Our procedure used to direct client transactions to specific broker-dealers in return for soft dollar benefits is simple. We decide as to whether there is a need for soft dollar benefits. If there is such a need, all trades for the selected broker-dealer are designated as soft dollar trades until the determination for the need of additional soft dollar benefits is unnecessary. During that period, client trades executed at the selected broker-dealer pay soft dollar commissions.

Trade Rotation

When circumstances require that a trade involving a single security for multiple client accounts be executed through multiple broker-dealers, we seek to submit the trade orders among the broker-dealers in a manner that is designed to provide no advantage to any individual account or group of accounts over time. Where the timing of order submission is deemed likely to materially affect execution, an automated tool is used to determine the order

of the submission of transactions among the relevant broker-dealers. However, when determining the order of submitting transactions, we will also consider several other factors, including, but not limited to:

- A. The liquidity of the issue in question and the broker-dealer's speed of response and ability to execute without negatively effecting the price;
- B. The availability or need of cash in a given account or group of accounts;
- C. The relative size or position of the issue in question relative to other accounts or groups of accounts;
- D. The size of the order to be executed through each broker-dealer; and
- E. Client mandates or restrictions on using certain broker-dealers.

Aggregation of Trades

When two or more accounts are simultaneously engaged in the purchase or sale of the same security, we may, but are not obligated to, combine and aggregate the transactions to form a "block trade." In such cases, these accounts will receive the average price of the transactions executed as part of the block trade. When in our judgment it is reasonable for the benefit of our clients, we generally aggregate purchases and sales of securities in block trades. When we engage in block trades, we allocate securities to individual client accounts in a manner that is designed so that no individual account is intentionally disadvantaged over time.

Since more than one account's orders are included in a block trade, we have adopted a policy of generally using a "pro-rata allocation" to allocate the trade among the various accounts comprising the block in the proportion by which each account's order size (as determined by the Portfolio Manager at the time of order entry) makes up a percentage of the entire block.

In some circumstances, a block trade can result in a partial fill. In allocating a partial fill, we allocate in a manner that is designed to provide no advantage to any individual account over time. In making this determination, we will generally allocate based on a pro-rata basis, although we will also consider the following factors:

- A. The availability or need of cash in a given account; and
- B. The relative size or position of the issue compared to the rest of the accounts.

Accounts that do not receive an allocation with respect to a particular security will generally be considered first when the next partial fill occurs. We believe that, in most instances, a pro-rata allocation of block trades among participating accounts will assure equitable treatment. However, we also recognize that no rigid formula will necessarily lead to a fair and reasonable result, and that a degree of flexibility to adjust the formula to accommodate specific circumstances is necessary when determining how to allocate block trades. Therefore, under certain circumstances, allocation of block trades on a basis other than strictly pro-rata may occur if we believe that such allocation is fair and reasonable. Nevertheless, all securities purchased or sold through a block trade, including expenses incurred in the transaction, will be allocated on a fair and equitable basis over time, to the extent practicable, without intentionally favoring any account or type of account or client (including any proprietary or affiliated account).

The ability of a client account to participate with other accounts in block trades may produce better execution for the individual client account. However, in some instances, a client has designated a specific broker-dealer to whom trades must be directed. See the "Directed Brokerage" sub-section above. In such cases, since we will place the client's trade with the designated broker-dealer as instructed rather than include the client's order in the block trade, the client may not necessarily receive a better price and/or level of execution than those clients who participated in the block trade.

Certain circumstances may make it inadvisable or impractical to aggregate trades. Conditions in which orders will not be aggregated include, but are not limited to: disparate client guidelines and/or regulatory restrictions, unequal client cash flow-related timing and need, differing acceptability or urgency of execution at a given price

point (typically due to price limits or timing differences), market conditions, and/or contractual restrictions, such as the required use of a different trading platform. In some situations, we may determine it appropriate to simultaneously enter multiple orders with different instructions necessary for the immediate needs of the various accounts in order to obtain the best execution and most favorable outcome for all accounts. This practice may affect the price paid or received by certain accounts as compared to other accounts.

Item 13: Review of Accounts

Portfolio Managers regularly review the assets and holdings of the accounts under their supervision. More frequent reviews are triggered by unusual market activity or changes in a client's investment circumstances.

The Manager of Portfolio Administration performs reconciliations of our records of the securities and cash within client accounts against the records of the custodians who actually hold the securities and cash. Security positions and cash are typically reconciled daily and a comprehensive reconciliation occurs monthly. To the extent any discrepancy is identified through the performance of these reconciliations, the Manager of Portfolio Administration will work with both our internal team and the custodian to resolve any such discrepancy.

Periodic reviews of client accounts are also conducted by the Compliance Team for adherence to internal investment guidelines, client-mandated or contractual guidelines, and regulatory requirements. Accounts are also compared against other accounts invested in a similar manner to assess the consistency of holdings and performance, and to reconcile any outliers or other exceptions that are found.

We typically provide clients with written reports regarding their accounts on a quarterly basis, unless arranged differently. These reports summarize clients' individual holdings, asset allocation, industry diversification, yield, cost basis, market values, realized gains and losses, and transaction activity. Depending on a client's particular needs, reports are further customized if mutually agreed upon.

Clients will receive confirmations for transactions and periodic statements from the custodian of their account(s). Custodians generally issue quarterly statements if no monthly account activity has taken place. Yacktman's reports can vary from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities. The statements and records of the custodian are the official books and records for the account upon which Yacktman's reconciliations are based.

Item 14: Client Referrals and Other Compensation

Yacktman has entered into agreements with certain AMG subsidiaries, pursuant to which Yacktman pays AMG a fee for services provided to Yacktman in support of its provision of advisory services to its clients. See "Item 10: Other Financial Industry Activities and Affiliations" for additional details about these arrangements.

We also have an agreement with an unaffiliated third-party solicitor to refer prospective institutional clients and, in return, Yacktman pays a fee to the solicitor. This arrangement is governed by a written agreement that describes the solicitor's responsibilities to Yacktman and the required disclosures the solicitor must provide to prospective clients describing the solicitor's compensation received from Yacktman. This compensation is assessed as a portion of the advisory fee paid to Yacktman by any client retained by Yacktman through the solicitor.

Item 15: Custody

We do not act as a custodian over the assets in the accounts we manage for clients, except as deemed a "custodian" by applicable law, as discussed below. Clients must make arrangements for actual custody of securities in their accounts with a qualified custodian. Such custodians are broker-dealers, banks, trust companies, or other qualified institutions. This qualified custodian will typically provide clients with account statements on at least a quarterly basis. Clients should carefully review these statements upon receipt to determine that they completely and