

YCG, LLC

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A SEC Registered Investment Adviser

Form ADV Part 2 —March 26, 2024

Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of YCG, LLC. If you have any 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 United States 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.

Item 2 – Material Changes

We updated **Item 4 and 5**, to remove the reference to the Ultra Concentrated and Concentrated with Options strategies which are no longer marketed. We updated **Item 5**, to reflect our account minimum for Institutional Clients and the fee schedule for such Clients. We also added language under Related Conflicts with regard to our Fiduciary Status under ERISA. **Item 7** was also updated to reflect the minimum account size for Institutional Clients. We add a disclosure to **Item 8** regarding the risks associated with the use of Margin. We also removed the language under Other Risks regarding the impact of COVID on the market and added language regarding protectionist trade practices, geopolitical risks and risks associated with volatility in the banking sector and changing interest rates. In **Item 15**, we added language to reflect that an Adviser with the authority to disburse assets/funds to a third-party on a client’s behalf pursuant to a SLOA constitutes custody. There have been no other material changes to our Brochure since our last filing on March 30, 2023.

A summary of any materials changes to this and subsequent Brochures will be provided to you within 120 days of the close of our business’ fiscal year. We may also provide you with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

You may request the most recent version of this brochure by contacting Ms. Lelia Long, at 347-891-8852 or info@ycgfunds.com.

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Item 4 – Advisory Business

Firm Description and Ownership

YCG, LLC (collectively, “YCG”, “us” or “we”) are an independent registered investment advisory firm, offering professional discretionary investment management services to open-end investment management companies (“Fund” or “Funds”), individuals, investment advisers, trusts, and other institutions. (collectively referred to herein as “Clients”). Our firm was established on November 5, 2007.

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

Advisory Services and Client Accounts

We manage stock portfolios using our own proprietary and fundamental research. Separate Account Clients are managed to our Concentrated Strategy (15 – 50 holdings). . 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.

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 their accounts with respect to: (1) the specific type of investments or asset classes that we will or will not purchase for their account. (2) the nature of the issuers of investments that we will or will not purchase for their account (e.g., no “sin” issuers such as companies primarily doing business related to alcohol or tobacco); or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole.

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 December 31, 2023, our firm managed approximately \$1.370 billion in assets, on a discretionary basis and \$45.3 million on a non-discretionary basis.

Throughout this brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Fund investors, Clients and prospective clients to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, conflicts of interest and specific risks are identified in the prospectus and SAI materials of Funds that we manage. Please request a copy of the relevant Fund’s most current offering materials for a description of other conflicts and risks that might exist.

Item 5 – 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 typically \$1,000,000. For accounts that are less than \$1,000,000, please contact us so that we can discuss the options available to you. The minimum account size for our Institutional Clients is typically \$20,000,000. We do not charge performance based fees and we do not charge hourly or flat fees. Our fee schedule is progressive. Our standard fee schedule relating to our different account strategies is as follows:

| Assets under Management | Annual Fee (% of assets) SMA Clients Concentrated Strategy |
|---------------------------------|---|
| From \$0 to \$4,999,999 | 1.25% |
| Then \$5,000,000 to \$9,999,999 | 1.00% |
| Then \$10,000,000 and above | 0.75% |

| Assets under Management | Annual Fee (% of assets) Institutional Clients Concentrated Strategy |
|--------------------------------|---|
| From \$0 to \$20,000,000 | 0.75% |
| Next \$10,000,000 | 0.65% |
| Next \$20,000,000 | 0.55% |
| Over \$50,000,000 | 0.50% |

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 calendar 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 Item 12 - Brokerage Practices.

None of our Principals or Supervised Persons receives 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.

Related Conflicts:

Fiduciary Status under ERISA. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Affiliated and Unaffiliated Mutual Funds. From time to time, Clients may have supervised assets that are invested in non-affiliated mutual funds (including money market funds). Compensation (including, without limitation, management and other fees, carried interest, profit participation and reimbursement of operating and other expenses) to mutual funds that are not affiliated with us will be borne by Clients, and we will not offset, or pay such fees from, our management fees. However, we do offset the compensation we receive against compensation received by us on mutual funds that are affiliated with us to avoid a "double-dip" on fees for the same portion of assets.

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

As noted in Item 5 above, we do not charge performance-based fees to any Clients. However, we recognize that conflicts related to side-by-side management may exist for other reasons.

We manage Funds and separately managed accounts, some of which have objectives that are similar to, or which overlap with, those of other Clients. Additionally, we, or our employees, may own interests in those Funds and separately managed accounts. Our ownership interest in these accounts may give us an incentive to favor these accounts over other Client accounts. However, as discussed further in Item 12 below, this generally means that all accounts managed using the same investment strategy will participate pro rata in all investment opportunities that we allocate to any other account using that strategy.

The portfolio strategies we use for certain Clients could conflict with the transactions and strategies we employ in managing other Clients and may affect the prices and availability of the securities and other financial instruments in which Clients invest.

Item 7 – Types of Clients

We offer discretionary investment management services to separately managed accounts for individuals, investment advisers, trusts, and other institutions and also provide advisory services to open-end investment management companies (mutual funds). We generally require a minimum account size of \$1,000,000 for our Separate Account Clients, and \$20 million for Institutional Clients. However, we have discretion to waive the account minimum. Our mutual fund clients have investment minimums as set forth in their respective prospectuses.

Termination provisions for advisory contracts for separately managed accounts are subject to negotiation but generally may be terminated at any time without penalty either by the Client or YCG® upon 30 days written notice to the other party.

Item 8 – 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 believe that holding a relatively small number of stocks allows our “best ideas” to have a meaningful impact on our Client’s performance. We may invest more in our top choices than in investments we think are less attractive. At times, depending on market and other conditions, and in our sole discretion, we may invest a substantial portion of Client assets in a small number of issuers, business sectors or industries. Generally, our portfolios will hold between 15-50 securities, not including options.

We may buy companies of any size market capitalization. If all else is equal, we prefer larger companies to smaller companies with regards to market capitalization.

We believe the key is to invest in businesses that can compound capital at high rates of return for long periods of time. Businesses with this capability are extremely rare because competition and innovation drive down real pricing to the cost of capital, leaving little excess returns for investors. Therefore, we pay particular attention to identifying businesses with enduring pricing power, which we view as the single most important characteristic on which to focus.

We utilize a proprietary framework to identify these rare businesses, which tend to possess the following characteristics:

Global Champions

- Deeply entrenched in the economic system
- Globally-networked brand or service
- Geographically-diverse revenue streams

- High market share

Enduring Pricing Power

- Ability to charge a large premium for products or services that are virtually identical to those of their competitors and maintain or grow that premium for decades while maintaining volume growth
- Capability to overcome deflationary pricing that comes as a result of competition and innovation
- Prefer global network economics where the value scales exponentially as the network grows
- More immune to disruption due to slow changing industry and/or difficult to replicate competitive advantages

Long-Term Volume Growth Opportunities

- Long runway of reinvestment at high rates of return
- Benefits from the growth in the global middle and upper classes
- Benefits from urbanization
- Pricing power combined with volume growth means they will be indexed to GDP growth or better

Ownership-Minded Management Team

- High family, founder, or other insider ownership
- History of treating minority owners fairly
- History of wise capital allocation decisions
- Proven track record of ignoring short-term Wall Street pressures
- Focus on aligning employee incentives with owners (principal-agent problem)

Conservatively Capitalized

- Can survive or even thrive in a deep recession
- Possess financial flexibility to fend off new and existing competitors
- Prefer businesses with high returns on tangible assets (thus not requiring leverage)

We then strive to construct a portfolio of these sustainably high returning businesses that we believe is both attractively priced and diversified across multiple dimensions including macroeconomic sensitivity, product category, and geography. We hope to benefit from the superior economics of these businesses for many years to come.

For our Mutual Fund which has the Option Enhancement component, 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*, *options*, 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.

Options Risk: The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments, and could increase the volatility of a client portfolio. Leverage, including borrowing, may also cause the value of a portfolio to decline.

Use of Margin Risk: While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a Client’s holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the Client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the Client’s outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a Client’s borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a Client’s portfolio.

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.

The securities we recommend and invest in on behalf of our Clients include publicly traded equities, options, mutual funds, fixed income (U.S. Treasuries), and possibly exchange traded funds (ETFs).

Generally, the investment programs we employ for Clients give us the discretion to allocate capital to a wide variety of investment types. We make efforts to keep our Clients (including Fund investors) informed of any investments that constitute a material portion of their portfolio as soon as reasonably practicable.

We generally sell securities of companies 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 call options on specific stocks to exit a position or decrease its size. We will only write call options if we are willing to sell the stock at the exercise price.

Cybersecurity Risk: With the increased use of technologies such as the Internet 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 (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to

make network services unavailable to intended users). Cyber incidents affecting us or our service providers, or service providers to the Funds, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Funds' ability to calculate their NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which our clients, including the Funds, invest, counterparties with which we or the Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for shareholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While we, the Funds, and third-party service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, we cannot control the cyber security plans and systems put in place by third party service providers or any other third parties whose operations may affect us and our Clients. As a result, we and our Clients could be negatively impacted.

The use of internet- or cloud-based programs, technologies and data storage applications generally heightens cyber risks. Any of such circumstances could subject us and our Clients, including the Funds, to substantial losses, including losses relating to misappropriation of assets, intellectual property, or confidential information; corruption, deletion, or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state, or terrorist actors, may also attempt fraudulently to induce our personnel to disclose sensitive information (including passwords) to gain access to data, accounts, funds, or other assets, or otherwise to inflict harm.

Other Risks: A rise in protectionist trade policies, slowing global economic growth, risks associated with the United Kingdom's departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, tensions or open conflict between and among nations, such as between Russia and Ukraine, and Israel and Hamas in the Middle East, could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time, and may negatively impact the markets in which we invest. Additionally, securities in Client portfolios may underperform due to volatility in the banking sector, including bank failures, inflation (or expectations for inflation), increasing interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events and governmental or quasi-governmental actions. The occurrence of such events may result in market volatility and may have long-term negative effects on both the U.S. and global financial markets.

Other Related Procedures:

Valuation of Holdings: In the absence of a particular agreed-upon method for valuing securities, we will generally value exchange traded securities at the last exchange traded price as reported on the exchange where the issuer's securities are primarily traded. This is done automatically by our portfolio management system on an overnight basis. If no sales for those securities are reported on a particular day, the securities will be valued based upon their composite bid prices for securities held long as reported by the exchange. Securities traded primarily on NASDAQ will be valued at the NASDAQ Official Closing Price.

Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as YCG, LLC to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. At this time, we have no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Broker-Dealers

We are not registered, and do not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. YCG® has a material relationship with Vigilant Distributors, LLC, a broker-dealer registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and a registered broker-dealer member with the Financial Industry Regulatory Authority (“FINRA”). Vigilant Distributors, LLC is the distributor (also known as the principal underwriter) of the shares of the YCG Funds. Vigilant Distributors, LLC is not affiliated with YCG®, its affiliates, or any of its Clients. YCG® does not execute transactions for any of its Clients through Vigilant Distributors, LLC. Certain affiliated persons (i.e., personnel) of YCG® are registered representatives of Vigilant Distributors, LLC and hold FINRA licenses but do not receive any compensation from Vigilant Distributors, LLC.

We are not affiliated with any other financial industry firm. YCG® is only registered as an investment adviser. 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.

On occasion, we may recommend the YCG Enhanced Fund to Clients. We do so only when the investment is consistent with our Clients’ investment guidelines, and we do not include the value of this investment when calculating our management fees.

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

Code of Ethics and Personal Trading.

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the “Code”) to help us meet these standards. The Code incorporates the following principles:

- Our employees have a fiduciary duty to place the interests of clients first;
- Our employees should not take inappropriate advantage of their positions. Employees should avoid any situation that may compromise, or call into question, the exercise of their fully independent judgment in the interests of clients;
- All personal securities transactions should avoid any actual, potential or apparent conflicts of interest; and
- Independence in the investment making decision is paramount.

The Code places restrictions on personal trades by employees. Employees are required to submit to the Chief Compliance Officer quarterly brokerage statements indicating their security holdings and transactions. The Code requires pre-approval of all personal securities transactions in New Issues or Private Placements. The Code also covers issues such as prohibited transactions and insider trading. Any breaches of the Code will be viewed as very serious and may result in disciplinary action up to and including dismissal. Clients and prospective clients may review a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

Participation or Interest in Client Transactions

We act as an Advisor to the YCG Enhanced Fund. On occasion, we may recommend this Fund to Clients. We do so only when the investment is consistent with our Clients' investment guidelines, and we do not include the value of this investment when calculating our management fees.

Personal Trading.

Subject to the Code, as described above, we and our partners, principals, and employees may engage in investment activities for our own account or for family members and friends. These activities may involve the purchase and sale of securities that are the same as, but in different concentrations or effected at different times and prices than, those purchased or sold for Client accounts. These activities may also involve the purchase and sale of securities that are different from those purchased for Client accounts.

Other Related Conflicts and Practices:

Gifts and Entertainment. Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We may enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients. To address this conflict, we have adopted policies and procedures to: 1) monitor gifts and entertainment given and received by our principals and employees; and 2) limit the value of gifts and entertainment given and received. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

Disclosure of Portfolio and Other Information. We sometimes provide portfolio holdings information to entities that have been retained by clients to evaluate portfolio risk. We provide this information in our sole discretion, and reserve the right to cease providing information at any time. We make reasonable efforts to preserve the confidentiality of the information we provide, but we cannot ensure that the entities we provide information to will fulfill their confidentiality obligations.

In the course of conducting due diligence, Fund investors periodically request information pertaining to their investments, and pertaining to us. We may respond to these requests, and may provide information that is not generally made available to other Fund investors. When we provide this information, we do so without an obligation to update any such information provided. However, we endeavor to provide the information requested in the most current form available.

Item 12 – Brokerage Practices

General Brokerage Practices

In instances where we have the discretion to select brokers, we allocate portfolio transactions for Client accounts to broker-dealers on the basis of best execution available—i.e., execution in a manner that the Client's total cost or proceeds in each transaction is most favorable under the circumstances. We do not receive client referrals from any broker as a result of executing client transactions. We consider a variety of factors regarding broker-dealers in seeking best execution, including:

- Average commission charged
- Executed prices of trades
- Services provided by the broker (other than execution, such as research, custodial and other services)
- Difficulty of transactions

- Type and size of transaction
- Operational facilities of the broker

Clients should expect that their securities transactions will generate a substantial amount of brokerage commissions and other costs, all of which is borne by the Client, and not us. Except in cases where an individually managed account Client has directed us to use a specific broker-dealer, we have complete discretion to decide what broker-dealers or other counterparties will be used in executing transactions for Clients, and we negotiate the rates of compensation that Clients will pay.

In addition to using brokers as “agents” and paying resulting commissions, we sometimes cause Client accounts to buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or mark-downs, and may also cause Client accounts to buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Although we may select brokers for execution of trades in Client accounts for a limited number of accounts, most Clients of YCG® select the broker or brokers for their account or often direct that trades in their account be handled pursuant to their pre-existing brokerage and custodian arrangements. YCG® has no preferences where clients’ custody assets or the brokers that are selected for trading.

Directed Brokerage

We permit separately managed account Clients to select their own counterparties and direct us to execute transactions through a specified broker-dealer or broker-dealers. However, when acting pursuant to these instructions we may be unable to achieve most favorable execution, which can result in additional costs and expenses for the Client. For example, Clients may pay higher brokerage commissions and may receive a less favorable price when buying or selling if they cannot participate in an aggregated trade along with other Client orders executed through broker-dealers that we selected.

Research and Other Soft Dollar Benefits

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

Any research or research services received by YCG® from brokers will fall within the “Safe Harbor” provisions of Section 28(e) of the Securities Exchange Act of 1934.

Section 28(e) Safe Harbor. Section 28(e) of the Exchange Act provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain certain research and brokerage services. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Section 28(e) permits an investment adviser, under certain circumstances, to cause an account to pay a broker a commission for effecting a transaction in excess of the amount of commission another broker would have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker. We may use commissions that Clients generate for any of these eligible research and brokerage services as well as any others that fall within the safe harbor of Section 28(e).

As noted above, in allocating Client brokerage, we generally consider, among other things, research and execution services provided by brokers. We do not preclude allocations to brokers that do not provide research and other soft dollar services, but the proposed relationships with brokerage firms that do provide soft dollar services to us influences our judgment in allocating brokerage business and creates a conflict of interest.

We believe that our allocation of brokerage business will help Clients to obtain research and execution capabilities and will provide other benefits to Clients, but Client trades executed through these brokers or dealers or any other brokerage firm may or may not be at the best or lowest price otherwise available.

Trade Aggregation

When buying and selling investments for Clients, we generally aggregate multiple transactions into one order so that as many eligible Clients may participate equally over time on a fair and equitable basis, in terms of best available cost, efficiency and terms. Although certain Clients may be excluded from a given aggregated order, no Client is favored over any other on an overall, long-term basis. Each Client that participates in an aggregated order participates at the average price for all our transactions in that security on a given business day, and transaction costs will be shared pro-rata based on each Client's participation in the transaction.

In assembling an aggregated order in specific securities (including privately offered investments and securities for which market quotations are not readily available) we consider the appropriateness of the investment for each Client based on their risk tolerances and objectives, as well as other factors such as when Clients have accounts held in custody at the same brokerage firm.,

Allocation of Aggregated Orders and Other Investment Opportunities

We consider a number of factors when allocating aggregated orders and other investment opportunities to individual Client accounts. Because of the difference in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may, however, be differences among Clients in invested positions and securities held. The following factors may be taken into account by us in allocating securities among investment advisory Clients:

- Client's investment objective and strategies;
- Client's risk profile;
- Client's tax status;
- any restrictions placed on a Client's portfolio by the Client or by virtue of federal or state law (such as the Employee Retirement Income Security Act of 1974, as amended);
- size of Client account;
- total portfolio invested position;
- nature of the security to be allocated;
- size of available position;
- timing of cash flows and account liquidity;

We strive to provide all Clients with meaningful investment allocations over time, although each and every Client will not receive an allocation of each and every profitable investment. We will provide additional detail about our order aggregation and allocation policy upon request. Although the above discussion provides a summary of our policy, our actual practices are governed by the policy we currently have in place, and not by this summary. We may revise or amend our policy at any time, without notice to Clients.

Other Brokerage Practices, Issues, and Conflicts:

Allocation of Our Time and Resources. Generally, we are not subject to specific obligations or requirements concerning the allocation of our time, efforts, resources, or investment opportunities to any particular Client. We are not obligated to devote any specific amount of time to the affairs of any Client and are generally not required to accord exclusivity or priority to any Client in the event of limited investment opportunities arising from the application of speculative position limits or other factors. Our personnel devote time to the affairs of our Clients as they, in their discretion, determine to be necessary for the conduct of our business.

Cross Trades. We may sometimes effect "cross" transactions between Client accounts, if permitted by applicable law. In a "cross" transaction, one Client account will purchase securities held by another Client account. We will only effect these transactions if we have written authority to do so from the Client.

We do not receive any compensation in connection with cross transactions. "Inadvertent" cross transactions may also occur when trades cross in the market. For example, when we periodically rebalance Client accounts, certain accounts

may sell securities into the market at the same time that other accounts are purchasing the same securities in the market, resulting in an inadvertent or “deemed” market cross.

Re-Allocations. Occasionally, with respect to a particular aggregated order, an allocation to a Client account would result in violation of a Client investment restriction or guideline, or may otherwise be impermissible (e.g., it would result in an overdraw on the account). In these situations, we have policies and procedures in place designed to help us detect these impermissible transactions before settlement (typically three days after the trade date for publicly traded equity securities, but often longer for other types of investments). If detected before settlement, in accordance with our policies and procedures, we may determine to re-allocate the aggregated order among the other participating Client accounts, to the extent that we believe it to be suitable and appropriate for the other participating Client accounts. If an impermissible allocation is not detected before settlement, it may result in a trade error subject to our policies and procedures regarding the handling of trading errors in Client accounts, discussed below.

Trade Errors. We have established policies and procedures regarding the handling of trading errors in Client accounts (e.g., the purchase or sale of a security in the wrong amount, or contrary to Client investment guidelines). In accordance with these policies and procedures, we try to correct errors as soon as practicable after discovery to ensure that Clients do not incur a loss. Where trading errors result in gains for the Client account, the account is credited with such gains. On the other hand, if a trading error result in a loss, we make Clients whole by reversing out the trade at our own expense.

Item 13 – Review of Accounts

We generally review our Client accounts at least on a monthly basis. The nature of these reviews entail an overall analysis of each 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, Founding Principal and Chief Investment Officer, William D. Kruger, Principal, and Chief Executive Officer, Elliott Savage, Principal and Portfolio Manager, and Michael A. Yacktmann, Senior Financial Analyst and Trader.

All trades are submitted via a “block trade” where possible, 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.

The relevant Client custodian sends statements to the Client at least quarterly. In addition to the statements provided by each Client's custodian, our firm provides each Client with a Client investment letter which discusses the performance of the investment strategy.

Item 14 – 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.

If you have been introduced to us by a promoter, we may pay that promoter a referral fee in accordance with the requirements of the Advisers Act. This fee is calculated based on a percentage of the investment management fees charged to the Client. We pay this referral fee from the fees we earn, and these fees do not result in any additional charge to you. Clients that are referred to us through a promoter pay higher fees than our standard fee schedule, and generally do not meet our minimum account size for direct investment with us. We aggregate the accounts that come through the promoter for purposes of calculating the referral fees.

Item 15 – Custody

All individually managed account Clients of YCG® use a third-party custodian to hold the Clients' investment assets. These custodians prepare quarterly or monthly statements for each Client itemizing the securities held by that Client. YCG® compares the statements prepared by the third-party custodians to its internal records and takes steps to reconcile any material differences. YCG® urges you to carefully review the statements that you receive from the custodian and to compare such official custodial records to the account statements that you receive from YCG®. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. YCG® may affect asset/fund transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization ("SLOA"). An Adviser with the authority to disburse assets/funds to a third-party on the client's behalf pursuant to a SLOA constitutes custody. We comply with Rule 206(4)-2 under the Investment Advisers Act of 1990, as amended.

Item 16 – Investment Discretion

We generally receive and exercise discretionary authority to manage investments on behalf of Clients. As noted in Item 4 above, Clients may impose limitations on this discretion with respect to (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account (e.g., no "sin" issuers, such as companies primarily doing business related to alcohol or tobacco); or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole. Clients may also direct us to use a particular broker-dealer.

We typically assume this authority through a power of attorney or contract provision granted or entered into by a Client.

Item 17 – Voting Client Securities

YCG® generally 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.

YCG® may vote proxies if the client and YCG® mutually agree that YCG® should accept that responsibility. Under our Proxy Policies, our general policy is to vote proxy proposals, amendments, consents or resolutions relating to Client securities in a manner that serves the best interests of Client accounts. In determining how to vote proxies, we:

- Generally, we will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock;
- Generally, we will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting. For other proposals, we shall determine whether a proposal is in the best interests of our clients and may take into account the following factors, among others:
 - whether the proposal was recommended by management and our opinion of management;
 - whether the proposal acts to entrench existing management; and
 - whether the proposal fairly compensates management for past and future performance.

If a Client makes a specific request, we will vote Client proxies in accordance with that Client's request even if it is in a manner inconsistent with our policies and procedures. Such specific requests must be made in writing by the individual Client or by an authorized officer, representative or named fiduciary of the Client.

YCG® will attempt to identify any conflicts that exist between our interests and the interests of our Clients. This examination will include a review of the relationship we have with the issuer of each security and any of the issuer's affiliates to determine if the issuer is a Client of ours or has some other relationship with us or a Client of ours.

If a material conflict exists, we will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Client. We will also determine whether it is appropriate to disclose the conflict to the affected Clients and, except in the case of Clients that are subject to ERISA, give the Clients the opportunity to vote their proxies themselves. In the case of ERISA Clients, if the Investment Management Agreement reserves to the ERISA Client the authority to vote proxies when we determine we have a material conflict that affects our best judgment as an ERISA fiduciary, we will give the ERISA Client the opportunity to vote the proxies themselves.

You may request a copy of our Proxy Policies and the proxy voting record relating to your account by contacting us at the address or telephone number listed on the first page of this document.

Item 18 – Financial Information

YCG® does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. 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.