



ADV Part 2A
CLIENT DISCLOSURE BROCHURE

PYA Waltman Capital, LLC

2076 Lakeside Centre Way

Knoxville, Tennessee 37922

(865) 693-6301

www.pyawaltman.com

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

PYA Waltman is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about us is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: SUMMARY OF MATERIAL CHANGES

This Brochure, dated September 20, 2019, replaces the March 28, 2019 version, which was our last annual amendment. PYA Waltman will provide you with an updated Brochure, as required, based on changes or new information, at any time without charge. To request a copy of our Brochure please contact Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com.

Updates were made to the following section(s) of Part 2A since our last filing:

- Item 4: Advisory Business was updated to remove the recommendation of options.
- Item 5: Fees and Compensation was revised to reflect updated financial planning, investment supervisory, and investment management fee schedule.
- Item 8: was revised to more thoroughly describe Methods of Analysis, Investment Strategies, and Risk of Loss.

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ITEM 4: ADVISORY BUSINESS

Our Owners and Principals

PYA Waltman Capital, LLC (“PYA Waltman”) was established in 2005 and the firm’s principal owners are J. William Waltman, Jr and Douglas Yoakley. For purposes of this section, the persons owning twenty-five percent (25%) or more of our firm’s membership interests are our principal owners.

Our Advisory Services

We offer a variety of services to both existing and prospective clients, including financial planning, investment supervisory and management services, and retirement plan services. We tailor our advice and services to the stated objectives of each of our clients.

Financial Planning Services

Our financial planning services typically involve reviewing the client’s overall financial situation, personal and financial goals, risk tolerance and objectives. When we provide financial planning services, we will rely on the information you provide to us. We will not verify this information when preparing our recommendations. Our financial planning services may include one or more of the following:

Portfolio Review and Evaluation	Retirement Planning
Retirement Account Analysis	Education Funding Planning
Insurance Review and Analysis	Cash Flow and Net Worth Analysis
Consulting with Retirement Plan Sponsors	Estate Analysis and Planning
Consulting on the Purchase of Substantial Assets	Tax Planning
Developing a Comprehensive Written Financial Plan	Financial Planning Education

As part of your financial plan, we may recommend other services we offer or the services of other professionals to implement our recommendations. While recommending our own services may present a conflict of interest, you are under no obligation to act upon any of our recommendations and you are not required to engage the services of any recommended professional, including us as an investment manager. You retain absolute discretion over all financial planning implementation decisions and may accept or reject any of our recommendations. It is your responsibility to notify us promptly if there is any change in your financial situation or investment objectives so that we may review, evaluate, or revise our previous recommendations and services.

We provide financial planning services pursuant to a written financial planning agreement with the client. This financial planning agreement may be terminated by the client or us at any time by giving five business days prior written notice.

Investment Supervisory Services and Investment Management Services

We offer investment management services in which we actively manage client assets based upon the client's individual financial and personal needs, investment objectives, time horizon and risk tolerance. We employ a tactical style of investment management, which means that we may overweight or underweight various asset classes (i.e. equities, bonds, cash, etc.) depending upon market conditions. Each client's account will be individually managed and, as such, may contain different securities from clients with similar objectives. Additional differences in holdings may stem from securities transferred into the account, cash available for the purchase of securities and gradients of risk tolerance requested by clients within the same investment objective. The unique nature of each client's account may result in the client's investment returns being different from other clients with the same investment objective.

PYA Waltman employs model portfolios for trading: they include Growth, Growth and Income, Income and Growth, and Current Income. In addition to these trading models, we also maintain a model allocation for our Contra Strategy (performance-based fee strategy).

Our investment management services may include, without limitation, the use of no-load mutual funds, load-waived mutual funds, individual securities (i.e. stocks and bonds), exchange traded funds and separate accounts. We actively manage the client's assets on a discretionary or non-discretionary basis, as determined by the client and set forth in the written investment management agreement signed by us and the client. When managing assets on a discretionary basis, clients may provide us with written guidelines and restrictions with respect to our authority to invest in certain securities or types of securities. If we manage the client's assets on a non-discretionary basis, then the client ultimately has the authority to make the investment decisions.

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

Also, if we give notice of any proposed "assignment" of the agreement, the client may immediately give notice to terminate the investment management agreement. Termination of an investment management agreement will not affect any liabilities or obligations we have incurred or that have arisen from transactions initiated under the agreement prior to the termination date, such as the purchase of investments by us for the client's account. The client is responsible for any cost incurred in transferring assets from his or her account to a different account.

Wrap Fee Program

We also offer investment management services to our clients under a Wrap Fee Program (the "**Program**"). If a client participates in the Program, we charge their account a specified fee which covers our advisory services and the fees for executing transactions within the account. We cover all brokerage commissions on these accounts.

A complete description of the Program and its fees are contained in our Part 2A Appendix, which is the Wrap Fee Program Brochure. To request a copy of the Program Brochure, please contact Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com.

Retirement Plan Services

We offer retirement plan consulting services to plan sponsors. When we provide consulting services to a plan sponsor, we may assess the existing plan, manage the request-for-proposal process, provide advice on plan design, conduct due diligence on investment offerings and provide participant education. Plan sponsors may also engage us to provide investment advice to the participants of the qualified plan, which may include providing plan participants with a presentation or informational flyer containing our investment recommendations within the plan's available funds based on the current market conditions.

Assets Under Management

We manage client assets on either a discretionary or nondiscretionary basis. As of December 31, 2018, we had \$227,564,160 in client assets managed on a discretionary basis and \$403,280,324 in client assets managed on a nondiscretionary basis.

ITEM 5: FEES AND COMPENSATION

Although fees for our services may be negotiated under certain circumstances, our standard fees are set forth below.

Fees for Financial Planning Services

Our fees for financial planning services are negotiable and will vary depending upon the scope of services provided, complexity of the process undertaken, the types of issues addressed and the frequency that the services are rendered. All financial planning fees described below are for services rendered by us. Client fees will not be increased when we engage Mr. Yoakley to provide guidance on the client's tax and estate planning matters. The financial planning fees described below do not include fees incurred by our clients with other professionals (i.e. personal attorney, accountant, etc.) in connection with the financial planning or implementation process.

Financial planning fees are payable in one of several ways:

- Flat fee payable upon delivery of the completed financial plan;
- Flat fee of which half is payable on execution of the financial planning agreement and the remainder in 6 months or upon delivery of the completed financial plan, whichever comes first;
- Hourly fee billed in arrears monthly, quarterly or upon completion of engagement.
- When combined with investment management services, based on a percentage of the client's assets under our management.

The billing method chosen will be set forth in the financial planning agreement signed by us and the client.

Financial Planning, Investment Supervisory and Investment Management Fees

Fees for our combined financial planning and investment advisory services are negotiable based upon the size and complexity of the account. Our standard combined investment management fee schedule is as follows:

Client Assets Under Management	Maximum Advisory Fee
\$0 - \$750,000	1.50% (annualized rate)
\$750,000 - \$1,500,000	1.25% (annualized rate)
\$1,500,000 - \$2,500,000	0.95% (annualized rate)
\$2,500,000 - \$4,000,000	0.80% (annualized rate)
Greater than \$4,000,000	0.70% (annualized rate)

Fees are assessed quarterly in advance and based on a percentage of the client's assets under our management. We calculate fees based on the market value of the client's account(s) on the last day of the previous quarter (including dividends and accrued interest payment). No adjustments will be made for deposits or withdrawals that occur during the billing period. If the investment management agreement is terminated by either party prior to the end of a billing period, we will prorate any fees, and if greater than \$5.00, return the prorated amount to the client. Accounts initiated during a calendar quarter will be charged a prorated fee.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers or third-party investment managers. There may also be custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we do not receive any portion of these commissions, fees and costs.

Wrap Fee Program Fees

Clients who utilize our investment management services under the Wrap Fee Program are charged an annual fee based upon a percentage of the market value of the client's assets under our management. Our fee for the Program is called a "wrap fee," which means that our fee includes all commissions or transaction fees which otherwise would be incurred by the client.

For a complete description of the Program and its fees, please see our Part 2A Appendix, which is the Wrap Fee Program Brochure. To request a copy of the Program Brochure, please contact Jessica Ott, our Chief Compliance Officer, at (865) 693-6301 or jott@pyawaltman.com.

Direct Billing to Client's Custodian

Clients may elect to be billed directly for fees or to authorize us to directly bill our fees to the custodian for the client account. Generally, clients authorize us under the Investment Management Agreement to grant the custodian permission to directly deduct our fees from the client's account. The custodian's periodic statements will show each fee deduction from the client's account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

Fees for Retirement Plan Services

Fees for our retirement plan services will vary based upon several factors, including the needs of the client, complexity of the engagement and the number of retirement plan participants. Fees will be agreed to at the time the client agreement is executed and may be payable in one or more of the following manners:

- Flat fee up to \$30,000 payable in installments with the final payment due upon completion of the engagement;
- Hourly fee of up to \$250 billed in arrears monthly, quarterly, or upon completion of the engagement;
- Annual fee of up to \$30,000 billed quarterly in advance; and/or
- A fee based upon assets under management using the fee schedule above.

Other Compensation/Advisory Fee Off-Sets

As described in more detail in Item 10, "**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**", Eric Foster, our Director of Institutional Services and investment adviser representative, is also independently registered to sell insurance through various insurance companies. When clients choose to purchase insurance through Mr. Foster, the insurance company will charge an additional fee to the client and, in turn, pay commission to Mr. Foster. This payment results in additional compensation to him, and creates a potential conflict of interest as the payment of the commission could influence Mr. Foster's recommendations. To mitigate this conflict of interest, clients have the option of choosing to purchase the recommended insurance through other insurance agents. These fees are in addition to any investment advisory fees charged by PYA Waltman.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

"Qualified clients" (who have a net worth of more than \$2.1 million or at least \$1 million under management with our firm) may be charged a performance based fee. Performance fees are appropriate only for qualified clients who have the capacity to bear the risk associated with performance fee arrangements.

The performance based fees are based on profits generated for clients subject to certain conditions described below. In each case, the performance fees are specifically authorized by the investment management agreement with the client.

We typically charge performance based fees of 33% on an annual basis of the profits generated in the account above 6%, billed annually based upon the asset value of the account on the anniversary date. This performance fee will comply in full with Rule 205-3 under the Investment Advisers Act of 1940.

The performance fee calculation may create an incentive for our firm to make investments that are riskier or more speculative than would be the case in the absence of a performance fee formula.

The prospect of receiving higher compensation through a performance fee rather than from an account with traditional, asset based fee structures creates a conflict of interest for us, because differences in the fee arrangements provide us with an incentive to favor a strategy with a performance fee over other accounts when, for example, placing securities transactions that we believe could result in more favorable performance. Currently, many, although not all, of the same securities that are held in performance based fee accounts are also held within our model portfolios just in a much smaller weighting. We seek to treat all clients reasonably in light of all factors relevant to managing a particular account. If our investment committee believes a security is appropriate for one of our model portfolios, as well as for an account charged a performance based fee, we will purchase the security in a block trade following our policies and procedures, including those for trade aggregation, which are designed to treat clients fairly and equitably over time. For additional information please see Item 12, “**BROKERAGE PRACTICES**”.

It is also possible that real, potential, or apparent conflicts of interest may arise when an advisory representative has day-to-day investment responsibilities with respect to more than one type of clients (i.e., individuals or qualified clients). For example, an advisory representative may have conflicts of interest in allocating management time and resources among the different clients he advises. Our investment committee and your investment adviser representatives work together to research appropriate investments for all client accounts.

ITEM 7: TYPES OF CLIENTS

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

We impose certain conditions for opening and maintaining an investment supervisory account. Generally, a minimum of \$500,000 of cash and/or securities is required to open an account. We have discretion to waive this minimum for any reason. There is no minimum asset size for any of our other services.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Our primary method of investment analysis is fundamental value, but we also review technical considerations as part of investment decisions. Fundamental analysis is a technique that focuses on the economic well-being of a financial entity as opposed to only its price movements to attempt to determine a security's value. When conducting fundamental analysis, we will review information, such as annual reports and SEC filings, for information regarding the company's financial well-being and value. Because it can take an extended period for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

While fundamental analysis typically drives our research approach, we may also use technical analysis to a lesser extent, to gauge near-term supply and demand to help determine timing, as well as entry and exit points of investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the stock's price movement in the market. There are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, including financial newspapers and magazines, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases. We believe these sources of information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on the client's circumstances and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short-term purchases (held less than a year) and trading (held less than 30 days).

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

Material Risks of Investment Strategies

Market Risk

There is a possibility that either the market as a whole, or the value of an individual company may decline due to daily fluctuations in the securities market, resulting in a decrease in the value of client investments. In addition, investment portfolios may be affected by other economic conditions such as changes in interest rates, foreign currency fluctuations, availability of credit, inflation rates, changes in laws, and national and international political circumstances.

Accuracy of Public Information

PYA Waltman may rely, in part, on the basis of information and data filed by issuers with various government regulators, information made directly available to PYA Waltman by the issuers, or information access through available sources other than the issuers. Although PYA Waltman evaluates all such information and data and typically seeks independent corroboration when PYA Waltman considers information to be appropriate and reasonably available, PYA Waltman is not in a position to guarantee the completeness, genuineness or accuracy of such information and data.

Management Risk

Assessments about the value and potential appreciation of a security may not be right and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole.

Material Risks of Securities Used in Investment Strategies

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

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

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

Mutual Funds, Index Funds and Exchange-Traded Funds

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

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

Most mutual funds offer several "classes" of their shares which may be purchased by different types of clients or clients with different investment objectives. These are also described in the mutual funds' prospectuses. Depending on the client's investable assets, investment objectives and time horizon, different classes may be more appropriate for the client's circumstances.

Variable Annuities

Variable annuities involve investment risk. The investment value may fluctuate, including possible loss of the principal amount invested. Annuity payments are guaranteed solely by the financial strength and claims-paying ability of the issuing company. In addition, variable annuities deduct investment division charges (these consist of fund-level expenses and are similar to the charges on traditional mutual funds), as well as annual mortality and expense risk charges ("M&E") and administrative expenses under the annuity contract. Depending on the specific contract, Contingent Deferred Sales Charges (CDSCs) may apply for surrender or withdrawals, based on the number of years the contract has been in force.

Real Estate Investment Trusts (REITs)

The value of REITs can be negatively impacted by declines in the value of real estate, adverse general and local economic conditions and environmental problems. REITs are also subject to certain other risks related specifically to their structure and focus, such as: (a) dependency upon management's skills; (b) limited diversifications; (c) heavy cash flow dependency; (d) possible default by borrowers; and (e) in many cases, less liquidity and greater price volatility.

ITEM 9: DISCIPLINARY INFORMATION

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

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment adviser, we are required to disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry and any arrangements with related persons that are material to our advisory business or clients.

As part of our financial planning advice, we may recommend that a client purchase insurance. As we stated previously, Eric Foster, our Director of Institutional Services and investment adviser representative, is also independently registered to sell insurance through various insurance companies. When clients choose to purchase insurance through Mr. Foster, the insurance company will charge an additional fee to the client and, in turn, pay commission to Mr. Foster. This payment results in additional compensation to him, and creates a potential conflict of interest as the payment of the commission could influence Mr. Foster's recommendations. To mitigate this conflict of interest, clients have the option of choosing to purchase the recommended insurance through other insurance agents. These fees are in addition to any investment advisory fees charged by PYA Waltman.

As of April 27, 2018, one of our owners, Edward Pershing, is serving on the board of directors of Provectus Biopharmaceuticals, Inc. a publicly traded company specializing in the development of oncology and dermatology therapies ("Provectus"). From January 1, 2017 to the date he joined the board of directors, Mr. Pershing acted as an advisor to the board of directors of Provectus. Although we previously recommended that our clients sell their shares of Provectus stock, some of our clients opted to retain the shares with the understanding that we no longer provide investment advice with respect to such shares. Mr. Pershing receives compensation for serving on the board of directors which creates a conflict of interest. We mitigate this conflict by no longer recommending an investment in Provectus or otherwise providing investment advice on this security. To the extent that a client chooses to invest in the security, it is not charged a PYA Waltman management fee. Additionally, Mr. Pershing is not involved in the day-to-day business operations of PYA Waltman and / or the recommendation of securities, nor does Mr. Pershing have access to investment or nonpublic client information.

One of our owners and Investment Advisor Representatives, Douglas Yoakley, currently serves as a consultant for Oak Springs Wealth Management ("Oak Springs"), an investment adviser. Mr. Yoakley is engaged by Oak Springs to provide tax and estate planning advice. This position creates a potential conflict as Mr. Yoakley could receive information regarding securities in which Oak Springs clients invest. Additionally, Mr. Yoakley receives compensation for these services and must determine how to allocate time between PYA Waltman and Oak Springs. To mitigate this conflict of interest, Mr. Yoakley is not involved in Oak Springs' investment management recommendations and / or the recommendation of securities. Additionally, Mr. Yoakley does not have access electronic records related to investment or nonpublic client information of Oak Springs.

ITEM 11: CODE OF ETHICS

We have adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act describing the standards of business conduct we expect all officers, directors, employees and advisory representatives to follow. The Code includes provisions relating to confidentiality of client information, a prohibition on insider trading, reporting of gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at PYA Waltman must acknowledge the terms of the Code annually, or as amended. We will provide a copy of the Code to any client or prospective client upon request.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of PYA Waltman will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of PYA Waltman’s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The firm’s employees may, from time to time, buy or sell securities for their own accounts that are the same as, similar to or the opposite of those that the firm recommends to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance and the timing of purchases and sales. Employee trading is continually monitored under the Code to reasonably prevent conflicts of interest between PYA Waltman and its clients. Jessica Ott, the Chief Compliance Officer of our firm, receives and reviews the quarterly brokerage statements belonging to all access persons for possible conflicts of interest.

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

ITEM 12: BROKERAGE PRACTICES

Directed Brokerage & Soft Dollars

PYA Waltman’s objective in selecting broker-dealers in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts’ portfolio transactions. The best net price, brokerage commissions, spreads, and other costs are normally important factors in the decision-making process, but a number of other factors are also considered as they are deemed relevant. In applying these factors, PYA Waltman recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities.

PYA Waltman generally recommends that clients establish accounts with Fidelity Registered Investment Advisor Group (“Fidelity”) to maintain custody of the clients’ assets and to effect trades for their account. Although we recommend that clients establish accounts at Fidelity, it is the client’s decision to custody assets with Fidelity. PYA Waltman is independently owned and operated and not affiliated with Fidelity. Commissions our clients pay to Fidelity are not negotiable. The cost of any trade is dependent upon the size of the account, statement delivery options, type of trade and number of shares being traded.

Our arrangement with Fidelity provides us with free access to some macro-level research such as Argus Research Company and Decision Economics, and access to certain software (such as Morningstar) and research (Standard & Poor’s, Argus, etc.) at reduced rates. Research services we receive as a result of commissions paid by a particular account may be used to service other accounts, including those accounts where the clients directed their brokerage. In evaluating whether to recommend that clients custody their assets at Fidelity, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which may create a potential conflict of interest. We have not and do not intend to enter into any contractual third-party soft-dollar arrangements, such as where we commit to place a specific level of brokerage with a specific firm in return for which the brokerage firm will pay for various research related products or services for us that are generally available for cash purchase.

In order to ensure that our clients continue to receive “best execution” for their transactions, we annually review Fidelity’s performance and compare it to the performance of other institutional broker-dealers. We review both quantitative factors (such as price and speed of execution) as well as qualitative factors (such as technology, customer service and available research).

While PYA Waltman generally recommends Fidelity for brokerage services for client accounts, PYA Waltman will accept direction from a client as to which broker is to be used for a client account. If the client directs the use of a particular broker-dealer, the client should be aware that (1) the client will be solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements; (2) we will not seek better execution services or prices from other brokers and dealers in connection with transactions for the client’s account; (3) we will not be able to aggregate transactions for the account of the client with transactions for our other clients not subject to a similar such arrangement; (4) we will not monitor the performance of or the services provided by the brokers and dealers so designated; (5) and as a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. However, we may seek better execution services or prices from other brokers or dealers or aggregate the client’s transactions for execution if such action is required by law or fiduciary duties, including but not limited to, the fiduciary duty provisions under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), if the client is a plan subject to ERISA, or if the designated broker or dealer is unable or unwilling to effect a particular transaction or transactions, which may occur with certain transactions involving fixed-income securities.

Aggregation of Orders

Many of our clients are invested in accordance with a similar investment strategy. We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client's account. For clients invested in a similar strategy, we may purchase and sell the same securities for all clients invested in the same or similar strategy. In that case, we may (although we are not obligated to do so) aggregate the orders to be purchased or sold. The purpose of aggregating orders is for our administrative convenience and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately. We will not aggregate orders unless we believe doing so is consistent with our disclosures, the terms of our investment management agreements and any client's investment policy statement or other restrictions.

The custodian for our clients' accounts will execute the trades. The average cost of execution will not decrease. Instead, each client will pay a commission on the trade based upon the size of the client's account and the number of shares traded. Because of prevailing trading activity, it is frequently not possible to receive the same per share price on the entire volume of securities purchased or sold. When this occurs, each client account that participates in an aggregated order will receive the average share price for all of our transactions in that security on a given business day. We utilize software that will automatically allocate the average share price to those clients participating in the trade. If an aggregated order is partially filled, it will be allocated on a pro rata basis among the participating clients.

We will not include orders for a proprietary account (our firm account or an account of an "access person") in a partially filled aggregated order. Purchases and sales for a proprietary account will not be placed until all of our clients' orders have been completed except where the order is part of a fully filled aggregated order, for mutual fund shares, direct obligations of the U.S. government or other securities where the market's bid/ask price would not be affected by the order for a proprietary account.

ITEM 13: REVIEW OF ACCOUNTS

Review

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

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

Reports

We send investment management clients reports reflecting the performance of their investment portfolio upon request and / or as we deem necessary. Additionally, clients may also have electronic access to their portfolio through their custodian's website and may be able to create and/or print various information concerning their portfolio investments. Clients will receive custodian statements on at least a quarterly basis, containing account information such as account value, transactions, and other relevant account information from the account custodian.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

PYA Waltman has entered into written agreements with third parties to market our services and solicit potential advisory clients for us. For all such solicitors, we have entered into a written solicitation agreement with that person or entity and the written agreement will comply with Rule 206(4)-3 and other applicable requirements under the Investment Advisers Act of 1940 and will continue to do so for any newly engaged solicitors in the future. If there is a solicitor involved in a client's account, the client will receive a separate solicitor's disclosure brochure describing our solicitation arrangement with the solicitor, the compensation we pay to the solicitor and the terms of that relationship. The client will also receive a copy of our most recently filed Brochure.

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

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

ITEM 15: CUSTODY

Clients receive statements at least quarterly from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. We urge clients to carefully review such statements and compare such official custodial records to the account reports that we provide to clients, as described in Item 13, "**REVIEW OF ACCOUNTS**". Our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

ITEM 16: INVESTMENT DISCRETION

If a client grants us discretionary authority, that authority will be in writing in the agreement signed between the client and our firm. This discretionary authority gives us the

power to determine, without obtaining specific client consent, the securities to be bought or sold for the portfolio, the amount of securities to be bought or sold, and in most cases, the broker-dealer to be used. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account and by considering the size of the client's account and the client's risk tolerance. Our discretionary authority only permits us to transfer funds or securities in the client's name. We do not maintain custody of client accounts. Clients will likely sign an agreement with their custodian recognizing our power to authorize trades on the client's behalf and direct the purchase and sale of securities within the client's account.

When selecting securities and determining amounts, we observe the investment objectives, limitations and restrictions of the clients for which we advise. As described in more detail in Item 4, "**ADVISORY BUSINESS**", clients may establish written investment guidelines and restrictions.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in a client's account. Proxy solicitation materials will be forwarded to the client for response and voting from the custodian. A client may contact PYA Waltman regarding information relating to proxies by phone or email.

ITEM 18: FINANCIAL INFORMATION

PYA Waltman does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. Therefore, PYA Waltman is not required to include a balance sheet for its most recent fiscal year. PYA Waltman is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, PYA Waltman has not been the subject of a bankruptcy petition at any time.