

# PROSPECTUS

April 30, 2010

## THE YACKTMAN FUNDS, INC.

6300 Bridgepoint Parkway

Building One, Suite 320

Austin, Texas 78730

1-800-525-8258

The Yacktman Funds are no load mutual funds seeking long-term capital appreciation and, to a lesser extent, current income. The Yacktman Funds are:

- ▲ The Yacktman Fund – (Ticker Symbol: YACKX)
- ▲ The Yacktman Focused Fund – (Ticker Symbol: YAFFX)

Please read this Prospectus and keep it for future reference. It contains important information, including information on how The Yacktman Funds invest and the services they offer to shareholders.

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

---



## TABLE OF CONTENTS

Summary Information .....	3
Investment Objectives, Strategies and Risks ....	13
Management of the Funds .....	15
The Funds' Share Price .....	15
Purchasing Shares .....	16
Redeeming Shares .....	20
Exchanging Shares .....	24
Dividends, Distributions and Taxes .....	24
Financial Highlights .....	26
To Learn More about the Funds .....	28

---

## SUMMARY INFORMATION

### The Yacktman Fund

#### Investment Objective

The Fund seeks long-term capital appreciation and, to a lesser extent, current income.

#### Fund Fees and Expenses

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load)	
Imposed on Purchases	No Sales Charge
Maximum Deferred Sales Charge (Load)	No Deferred Sales Charge
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Distributions	No Sales Charge
Redemption Fee (as a percentage of amount redeemed within 30 calendar days)	2%
Exchange Fee	None

#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.64%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.29%
Total Annual Fund Operating Expenses	0.93%

#### Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes

that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of these periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

One Year	Three Years	Five Years	Ten Years
\$95	\$296	\$515	\$1,143

#### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expense or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 14% of the average value of its portfolio.

#### Principal Investment Strategies of the Fund

The Fund invests in both domestic and foreign equity securities and debt securities. The Fund may invest up to 20% of its assets in foreign equity securities. This 20% limit does not apply to investments in the form of American Depositary Receipts (ADRs).

The Fund's investments in equity securities may include common stocks, preferred stocks, convertible preferred stocks and ADRs. Some, but not all, of the equity securities may pay a dividend.

The Fund's investments in debt securities may include U.S. Treasury notes and bonds, investment grade corporate debt securities, convertible debt securities and debt securities below investment grade (high yield or junk bonds). The Fund may invest up to 20% of its assets in such debt securities, including junk bonds, in any proportion provided that the total invested does not exceed the 20% threshold.

The Fund's investment adviser employs a disciplined investment strategy. The Fund invests in securities of any size company at levels the investment adviser thinks offer an attractive forward rate of return. When the investment adviser purchases stocks, it looks for companies with the following three attributes: (1) good business; (2) shareholder-oriented management; and (3) low purchase price. The Fund sells companies that no longer meet its investment criteria, or if better investment opportunities are available.

### Principal Risks of Investing in the Fund

Investors in the Fund may lose money. There are risks associated with investments in the types of securities in which the Fund invests. These risks include:

- ▲ **Market Risk:** The prices of the securities in which the Fund invests 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 Fund's relative performance may suffer.
- ▲ **Smaller-Capitalization Companies Risk:** Smaller-capitalization 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 smaller-capitalization companies tend to have less trading volume than stocks of larger-capitalization companies. Less trading volume may make it more difficult for our investment adviser to sell securities of smaller-capitalization companies at quoted market prices. Finally, there are periods when investing in smaller-capitalization stocks falls out of favor with investors and the stocks of smaller-capitalization companies underperform.
- ▲ **Interest Rate Risk:** In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations. While bonds and other debt securities normally fluctuate less in price than common stocks, there have been extended periods of increases in interest rates that have caused significant declines in bond prices.
- ▲ **Credit Risk:** The issuers of the bonds and other debt securities held by the Fund may not be able to make interest or principal payments. Even if these issuers are able to make interest or principal payments, they may suffer adverse changes in financial condition that would lower the credit quality of the security, leading to greater volatility in the price of the security.
- ▲ **Junk Bond Risk:** Although junk bonds generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that may cause income and principal losses for the Fund. The major risks of junk bond investments include:
  - ▲ Junk bonds may be issued by less creditworthy issuers. Issuers of junk bonds may have a larger amount of outstanding debt relative to their assets than issuers of investment grade bonds. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of junk bond holders, leaving few or no assets available to repay junk bond holders.
  - ▲ Prices of junk bonds are subject to extreme price fluctuations. Adverse changes in an is-

suer's industry and general economic conditions may have a greater impact on the price of junk bonds than on other higher rated fixed-income securities.

- ▲ Issuers of junk bonds may be unable to meet their interest or principal payment obligations because of an economic downturn, specific issuer developments, or the unavailability of additional financing.
- ▲ Junk bonds frequently have redemption features that permit an issuer to repurchase the security from the Fund before it matures. If the issuer redeems junk bonds, the Fund may have to invest the proceeds in bonds with lower yields, with a corresponding reduction in future income.
- ▲ Junk bonds may be less liquid than higher rated fixed-income securities, even under normal economic conditions. There are fewer dealers in the junk bond market, and there may be significant differences in the prices quoted for junk bonds by the dealers. Because they are less liquid, judgment may play a greater role in valuing certain of the Fund's securities than is the case with securities trading in a more liquid market.
- ▲ The Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer.

The credit rating of a high yield security does not necessarily address its market value risk. Ratings and market value may change from time to time, positively or negatively, to reflect new developments regarding the issuer.

- ▲ **Foreign Securities Risk:** The securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. The costs associated with securities transactions are often higher in foreign countries than the U.S. The U.S.

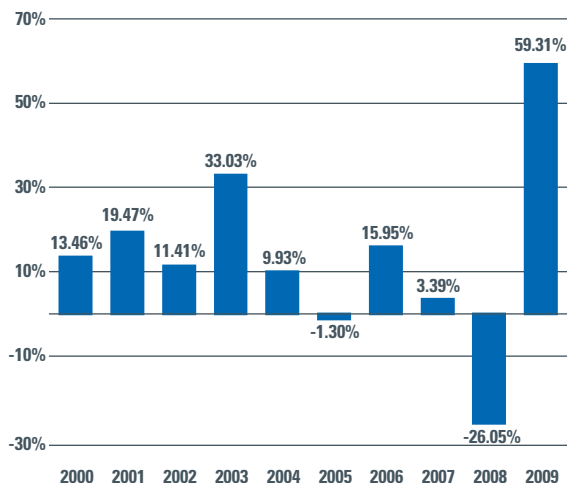
dollar value of foreign securities traded in foreign currencies (and any dividends and interest earned) held by the Fund may be affected favorably or unfavorably by changes in foreign currency exchange rates. An increase in the U.S. dollar relative to these other currencies will adversely affect the Fund. Additionally, investments in foreign securities, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies often are less stable than the U.S. Government and the U.S. economy.

Because of these risks the Fund is a suitable investment only for those investors who have long-term investment goals. Prospective investors who are uncomfortable with an investment that will increase and decrease in value should not invest in the Fund.

### Performance Information

The bar chart and table that follow provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns over 1, 5, and 10 years compare with those of a broad measure of market performance. Please remember that the Fund's past performance (before and after taxes) is not necessarily an indication of its future performance. Updated performance information is available on the Fund's website [www.yacktman.com](http://www.yacktman.com), or by calling toll-free at 1-800-525-8258.

**THE YACKTMAN FUND**  
**Total Return per Calendar Year**



Note: During the ten year period shown on the bar chart, the Fund's highest total return for a quarter was 34.83% (quarter ended June 30, 2009) and the lowest total return for a quarter was -18.44% (quarter ended December 31, 2008).

**Average Annual Total Returns as of December 31, 2009**

	One Year	Five Years	Ten Years
<b>The Yacktmann Fund</b>			
Return before taxes	59.31%	6.87%	11.90%
Return after taxes on distributions	58.87%	5.65%	10.40%
Return after taxes on distributions and sale of Fund shares	38.84%	5.60%	9.94%
S&P 500 (reflects no deductions for fees, expense, or taxes)	26.46%	0.42%	-0.95%

The after-tax returns are calculated using the historical highest individual federal marginal income

tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown and after-tax returns shown are not relevant to investors who hold their Fund shares through tax deferred arrangements, such as 401(k) plans or individual retirement accounts. The Fund's returns after taxes on distributions and sale of Fund shares may be higher than its returns after taxes on distributions because they include a tax benefit resulting from the capital losses that would have been incurred.

**Investment Adviser**

Yacktmann Asset Management Co. is the investment adviser to the Fund.

**Portfolio Managers**

Donald A. Yacktmann, his son, Stephen Yacktmann, and Jason Subotky are the portfolio managers for the Fund. Donald Yacktmann has been a portfolio manager of the Fund since its inception, and he has been President of the investment adviser since its organization in 1992. Stephen Yacktmann became a portfolio manager for the Fund in December 2002 and has been employed by the investment adviser since 1993 and a senior vice president of the investment adviser since 2004. Jason Subotky became a portfolio manager for the Fund in December 2009 and has been employed by the investment adviser since 2001 and a vice president of the investment adviser since 2006.

**Purchase and Sale of Fund Shares**

The minimum initial investment in the Fund's shares is \$2,500. However, the initial minimum for Individual Retirement Accounts and the Fund's Automatic Investment Plan is \$500. There is a \$100 subsequent investment requirement for the Fund, including for each additional investment made through the Automatic Investment Plan.

You may redeem and purchase shares of the Fund each day the New York Stock Exchange is open. You may redeem or purchase Fund shares by mail (The Yacktman Funds, Inc., P.O. Box 701, Milwaukee, WI 53201-0701), or by telephone at 1-800-457-6033. Investors who wish to redeem or purchase shares through a broker-dealer or other financial intermediary should contact the intermediary regarding the hours during which orders may be placed.

### **Tax Information**

The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. Specifically, the Fund and/or the Fund's investment adviser may pay fees to broker-dealers and other financial intermediaries to compensate them for the services they provide their customers, to reimburse them for the marketing expenses they incur, or to pay for the opportunity to have them distribute the Fund. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.

## The Yacktman Focused Fund

### Investment Objective

The Fund seeks long-term capital appreciation and, to a lesser extent, current income.

### Fund Fees and Expenses

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load)	No Sales Charge
Imposed on Purchases	
Maximum Deferred Sales Charge (Load)	No Deferred Sales Charge
Maximum Sales Charge (Load)	No Sales Charge
Imposed on Reinvested Dividends and Distributions	
Redemption Fee	
(as a percentage of amount redeemed within 30 calendar days)	2%
Exchange Fee	None

#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	1.00%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.28%
Total Annual Fund Operating Expenses	1.28%
Fee Waiver	0.03% <sup>(1)</sup>
Total Annual Fund Operating Expenses After Fee Waiver	1.25%

<sup>(1)</sup> The Fund's investment adviser has contractually agreed to waive its advisory fee to the extent necessary to ensure that the Fund's Total Annual Fund Operating Expenses do not exceed 1.25% of the Fund's daily net assets. The investment adviser may terminate this waiver at any time, for any reason, but may not do so prior to April 30, 2011.

### Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of these periods. The example also assumes that your investment has a 5% return each year, and that the Fund's expenses are equal to the total annual fund operating expenses after fee waiver for the first year and the total annual fund operating expenses for the remaining years. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

One Year	Three Years	Five Years	Ten Years
\$127	\$406	\$702	\$1,545

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expense or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 8% of the average value of its portfolio.

### Principal Investment Strategies of the Fund

The Fund invests in both domestic and foreign equity securities and debt securities. The Fund may invest up to 20% of its assets in foreign equity securities. This 20% limit does not apply to investments in the form of American Depositary Receipts (ADRs).

The Fund's investments in equity securities may include common stocks, preferred stocks, convertible preferred stocks, warrants, options and ADRs. Some, but not all, of the equity securities may pay a dividend.

The Fund's investments in debt securities may include U.S. Treasury notes and bonds, investment grade corporate debt securities, convertible debt securities and debt securities below investment grade (high yield or junk bonds). The Fund may invest up to 20% of its assets in such debt securities, including junk bonds, in any proportion provided that the total invested does not exceed the 20% threshold.

The Fund's investment adviser employs a disciplined investment strategy. The Fund invests in securities of any size company at levels the investment adviser thinks offer an attractive forward rate of return. The Yacktman Focused Fund is non-diversified. When the investment adviser purchases stocks, it looks for companies with the following three attributes: (1) good business; (2) shareholder-oriented management; and (3) low purchase price. The Fund sells companies that no longer meet its investment criteria, or if better investment opportunities are available.

### Principal Risks of Investing in the Fund

Investors in the Fund may lose money. There are risks associated with investments in the types of securities in which the Fund invests. These risks include:

- ▲ **Market Risk:** The prices of the securities in which the Fund invests 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 Fund's relative performance may suffer.
- ▲ **Non-Diversification Risk:** The Fund is a non-diversified investment company. As such it will

likely invest in fewer securities than diversified investment companies and its performance may be more volatile. If the securities in which the Fund invests perform poorly, the Fund could incur greater losses than it would have had it invested in a greater number of securities.

- ▲ **Smaller-Capitalization Companies Risk:** Smaller-capitalization 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 smaller-capitalization companies tend to have less trading volume than stocks of larger-capitalization companies. Less trading volume may make it more difficult for our investment adviser to sell securities of smaller-capitalization companies at quoted market prices. Finally, there are periods when investing in smaller-capitalization stocks falls out of favor with investors and the stocks of smaller-capitalization companies underperform.
- ▲ **Interest Rate Risk:** In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations. While bonds and other debt securities normally fluctuate less in price than common stocks, there have been extended periods of increases in interest rates that have caused significant declines in bond prices.
- ▲ **Credit Risk:** The issuers of the bonds and other debt securities held by the Fund may not be able to make interest or principal payments. Even if these issuers are able to make interest or principal payments, they may suffer adverse changes in financial condition that would lower the credit quality of the security, leading to greater volatility in the price of the security.

▲ **Junk Bond Risk:** Although junk bonds generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that may cause income and principal losses for the Fund. The major risks of junk bond investments include:

- ▲ Junk bonds may be issued by less creditworthy issuers. Issuers of junk bonds may have a larger amount of outstanding debt relative to their assets than issuers of investment grade bonds. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of junk bond holders, leaving few or no assets available to repay junk bond holders.
- ▲ Prices of junk bonds are subject to extreme price fluctuations. Adverse changes in an issuer's industry and general economic conditions may have a greater impact on the price of junk bonds than on other higher rated fixed-income securities.
- ▲ Issuers of junk bonds may be unable to meet their interest or principal payment obligations because of an economic downturn, specific issuer developments, or the unavailability of additional financing.
- ▲ Junk bonds frequently have redemption features that permit an issuer to repurchase the security from the Fund before it matures. If the issuer redeems junk bonds, the Fund may have to invest the proceeds in bonds with lower yields, with a corresponding reduction in future income.
- ▲ Junk bonds may be less liquid than higher rated fixed-income securities, even under normal economic conditions. There are fewer dealers in the junk bond market, and there may be significant differences in the prices quoted for junk

bonds by the dealers. Because they are less liquid, judgment may play a greater role in valuing certain of the Fund's securities than is the case with securities trading in a more liquid market.

- ▲ The Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer.

The credit rating of a high yield security does not necessarily address its market value risk. Ratings and market value may change from time to time, positively or negatively, to reflect new developments regarding the issuer.

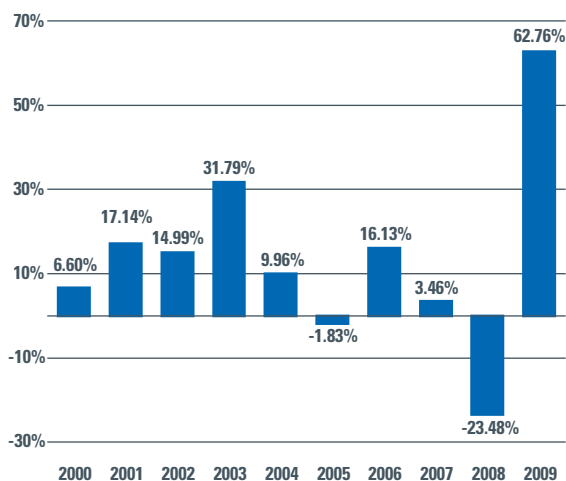
- ▲ **Foreign Securities Risk:** The securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. The costs associated with securities transactions are often higher in foreign countries than the U.S. The U.S. dollar value of foreign securities traded in foreign currencies (and any dividends and interest earned) held by the Fund may be affected favorably or unfavorably by changes in foreign currency exchange rates. An increase in the U.S. dollar relative to these other currencies will adversely affect the Fund. Additionally, investments in foreign securities, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies often are less stable than the U.S. Government and the U.S. economy.

Because of these risks the Fund is a suitable investment only for those investors who have long-term investment goals. Prospective investors who are uncomfortable with an investment that will increase and decrease in value should not invest in the Fund.

### Performance Information

The bar chart and table that follow provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns over 1, 5, and 10 years compare with those of a broad measure of market performance. Please remember that the Fund's past performance (before and after taxes) is not necessarily an indication of its future performance. Updated performance information is available on the Fund's website [www.yacktman.com](http://www.yacktman.com), or by calling toll-free at 1-800-525-8258.

#### THE YACKTMAN FOCUSED FUND Total Return per Calendar Year



Note: During the ten year period shown on the bar chart, the Fund's highest total return for a quarter was 36.91% (quarter ended June 30, 2009) and the lowest total return for a quarter was -18.84% (quarter ended December 31, 2008).

### Average Annual Total Returns as of December 31, 2009

	One Year	Five Years	Ten Years
<b>The Yacktman Focused Fund</b>			
Return before taxes	62.76%	8.00%	11.82%
Return after taxes on distributions	62.61%	6.75%	10.82%
Return after taxes on distributions and sale of Fund Shares	40.99%	6.57%	10.25%
S&P 500 (reflects no deductions for fees, expenses or taxes)	26.46%	0.42%	-0.95%

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown and after-tax returns shown are not relevant to investors who hold their Fund shares through tax deferred arrangements, such as 401(k) plans or individual retirement accounts. The Fund's returns after taxes on distributions and sale of Fund shares may be higher than its returns after taxes on distributions because they include a tax benefit resulting from the capital losses that would have been incurred.

### Investment Adviser

Yacktman Asset Management Co. is the investment adviser to the Fund.

### Portfolio Managers

Donald A. Yacktman, his son, Stephen Yacktman, and Jason Subotky are the portfolio managers for the Fund. Donald Yacktman has been a portfolio manager of the Fund since its inception, and he has been President of the investment adviser since its

organization in 1992. Stephen Yacktman became a portfolio manager for the Fund in December 2002 and has been employed by the investment adviser since 1993 and a senior vice president of the investment adviser since 2004. Jason Subotky became a portfolio manager for the Fund in December 2009 and has been employed by the investment adviser since 2001 and a vice president of the investment adviser since 2006.

### **Purchase and Sale of Fund Shares**

The minimum initial investment in the Fund's shares is \$2,500. However, the initial minimum for Individual Retirement Accounts and the Fund's Automatic Investment Plan is \$500. There is a \$100 subsequent investment requirement for the Fund, including for each additional investment made through the Automatic Investment Plan.

You may redeem and purchase shares of the Fund each day the New York Stock Exchange is open. You may redeem or purchase Fund shares by mail (The Yacktman Funds, Inc., P.O. Box 701, Milwaukee, WI 53201-0701), or by telephone at 1-800-457-6033. Investors who wish to redeem or purchase shares through a broker-dealer or other financial intermediary should contact the intermediary regarding the hours during which orders may be placed.

### **Tax Information**

The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may

pay the intermediary for the sale of Fund shares and related services. Specifically, the Fund and/or the Fund's investment adviser may pay fees to broker-dealers and other financial intermediaries to compensate them for the services they provide their customers, to reimburse them for the marketing expenses they incur, or to pay for the opportunity to have them distribute the Fund. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.

## INVESTMENT OBJECTIVES, STRATEGIES AND RISKS

Each of the Funds seeks long term capital appreciation, and, to a lesser extent, current income. Each Fund may change its investment objective without obtaining shareholder approval. Please remember that an investment objective is not a guarantee. An investment in The Yacktman Funds might not appreciate and investors could lose money.

### Principal Investment Strategies

The Funds mainly invest in common stocks of United States companies, some, but not all of which, pay dividends. Our investment adviser employs a disciplined investment strategy. We buy growth companies at what we believe to be low prices. We think this approach combines the best features of “growth” and “value” investing. When we purchase stocks we look for companies with the following three attributes:



### GOOD BUSINESS

A good business may contain one or more of the following:

- ▲ High market share in principal product and/or service lines;
- ▲ A high cash return on tangible assets;
- ▲ Relatively low capital requirements allowing a business to generate cash while growing;
- ▲ Short customer repurchase cycles and long product cycles; and
- ▲ Unique franchise characteristics.

### SHAREHOLDER-ORIENTED MANAGEMENT

We believe a shareholder-oriented management does not overcompensate itself and allocates wisely the cash the company generates. We look for companies that:

- ▲ Reinvest in the business and still have excess cash;
- ▲ Make synergistic acquisitions; and
- ▲ Buy back stock.

### LOW PURCHASE PRICE

- ▲ We look for a stock that sells for less than what an investor would pay to buy the whole company.
- ▲ The stock prices of individual companies can vary significantly over short periods of time, and such price movements are not always correlated with changes in company fundamental performance. Accordingly, we generally prefer to wait for buying opportunities. Such opportunities do not always occur in correlation with overall market performance trends.

We follow many more companies than we actually buy. Since our investment adviser is a disciplined investor, we will increase our cash position if we cannot find companies that meet our investment requirements.

Each of the Funds will hold fewer stocks than the typical stock mutual fund. The Yacktman Focused Fund is non-diversified. We think it makes sense to invest more in our top choices than in investments we think are less attractive.

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

We sell companies if they no longer meet our investment criteria, or if there are better investment opportunities available. We are patient investors. We do not attempt to achieve our investment objectives by active and frequent trading of common stocks.

### **Non-Principal Investment Strategies**

Each Fund may, in response to adverse market, economic, political or other conditions, take a temporary defensive position. This means a Fund will invest some or all of its assets in money market instruments (like U.S. Treasury bills, commercial paper or repurchase agreements). The Funds will not be able to achieve their investment objective of capital appreciation to the extent that they invest in money market instruments since these securities earn interest but do not appreciate in value. When a Fund is not taking a temporary defensive position, it still will hold some cash and money market instruments so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities.

The Yacktman Focused Fund may purchase put options on specific stocks to hedge against losses caused by declines in the prices of stocks in its portfolio, and may purchase call options on specific stocks to realize gains if the prices of the stocks increase. The Yacktman Focused Fund may write put options on specific stocks to generate income, but only if it is willing to purchase the stock at the exercise price. The Yacktman Focused Fund may write call options on specific stocks to generate income and to hedge against losses caused by declines in the prices of stocks in its portfolio.

### **Non-Principal Risks**

*Risks associated with emerging markets.* Investing in emerging market countries involves certain risks not typically associated with investing in the United States, and imposes risks greater than, or in addition to, risks of investing in more developed foreign countries. These risks include, but are not limited to, the following: greater risks of nationalization or expropriation of assets or confiscatory taxation; currency devaluations and other currency exchange rate fluctuations; greater social, economic, and political uncertainty and instability (including amplified risk of war and terrorism); more substantial government involvement in the economy; less government supervision and regulation of the securities markets and participants in those markets; controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for U.S. dollars; unavailability of currency hedging techniques in certain emerging market countries; the fact that companies in emerging market countries may be smaller, less seasoned, and newly organized companies; the difference in, or lack of, auditing and financial reporting standards, which may result in unavailability of material information about issuers; the risk that it may be more difficult to obtain and/or enforce a judgment in a court outside the United States; and greater price volatility, substantially less liquidity, and significantly smaller market capitalization of securities markets.

*Risks associated with options (The Yacktman Focused Fund only).* When trading options, the Fund may incur losses or forego otherwise realizable gains if market prices do not move as expected.

*Risks associated with leveraging (The Yacktman Focused Fund only).* The Yacktman Focused Fund may borrow money for investment purposes,

which is known as leveraging. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so. Leveraging may cause the Fund to be more volatile than if the Fund had not been leveraged. This is because leverage tends to increase a Fund's exposure to market risk, interest rate risk or other risks by, in effect, increasing assets available for investment.

### Disclosure of Portfolio Holdings

The Statement of Additional Information for the Funds, which is incorporated by reference into this Prospectus, contains a description of the Funds' policies and procedures respecting disclosure of their portfolio holdings.

## MANAGEMENT OF THE FUNDS

Yacktman Asset Management Co. (the "Adviser") is the investment adviser to each of The Yacktman Funds. The Adviser's address is:

6300 Bridgepoint Parkway  
Building One, Suite 320  
Austin, Texas 78730

As the investment adviser to the Funds, the Adviser manages the investment portfolio of each Fund. It makes the decisions as to which securities to buy and which securities to sell. During the last fiscal year, each Fund paid the Adviser an annual investment advisory fee equal to the following percentages of average net assets:

The Yacktman Fund	0.64%
The Yacktman Focused Fund	1.00%

The investment advisory fee paid by The Yacktman Fund ranges from 0.65% to 0.55% depending on asset levels.

A discussion regarding the basis for the Board of Directors approving the investment advisory agreement with the Adviser is available in the semi-annual report of the Funds to shareholders for the most recent period ended June 30.

Donald A. Yacktman, his son, Stephen Yacktman, and Jason Subotky are the portfolio managers for the Funds. As such they are primarily, and equally, responsible for the day-to-day management of the portfolios of the Funds. Donald Yacktman has been a portfolio manager of the Funds since their inception. He has been President of the Adviser since its organization in 1992. Stephen Yacktman became a portfolio manager for the Funds in December 2002 and has been employed by the Adviser since 1993 and a senior vice president of the Adviser since 2004. Jason Subotky became a portfolio manager for the Fund in December 2009 and has been employed by the Adviser since 2001 and a vice president of the Adviser since 2006.

The Statement of Additional Information for the Funds, which is incorporated by reference into this Prospectus, provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities in the Funds.

## THE FUNDS' SHARE PRICE

The price at which investors purchase shares of each Fund and at which shareholders redeem shares of each Fund is called its net asset value. Each Fund normally calculates its net asset value as of the close of regular trading on the New York Stock Exchange (normally 4:00 p.m. Eastern Time) on each day the New York Stock Exchange is open for trading. The New York Stock Exchange is closed on holi-

days and weekends. Each Fund calculates its net asset value based on the market prices of the securities (other than money market instruments) it holds. Each Fund values most money market instruments it holds at their amortized cost. Each Fund will process purchase orders that it receives and accepts and redemption orders that it receives prior to the close of regular trading on a day that the New York Stock Exchange is open at the net asset value determined **later that day**. It will process purchase orders that it receives and accepts and redemption orders that it receives **after** the close of regular trading at the net asset value determined at the close of regular trading on the **next day** the New York Stock Exchange is open.

Any securities for which there are no readily available market quotations and other assets will be valued at their fair value as determined in good faith by the Adviser pursuant to procedures established by and under the supervision of the Board of Directors. The fair value of a security is the amount which a Fund might reasonably expect to receive upon a current sale. Short-term debt instruments (those with remaining maturities of 60 days or less) are valued by using the amortized cost method of valuation, which the Board of Directors has determined represents fair value. Other types of securities that the Funds may hold for which fair value pricing might be required include, but are not limited to: (a) illiquid securities, including "restricted" securities and private placements for which there is no public market; (b) securities of an issuer that has entered into a restructuring; and (c) securities whose trading has been halted or suspended. Further, if events occur that materially affect the value of a security between the time trading ends on that particular security and the close of the normal trading session of the New York Stock Exchange, the Funds may value the security at its fair market value. Valuing securities at fair value involves greater reliance on judgment than se-

curities that have readily available market quotations. There can be no assurance that the Funds could obtain the fair value assigned to a security if they were to sell the security at approximately the time at which the Funds determine their net asset value per share.

## PURCHASING SHARES

### HOW TO PURCHASE SHARES FROM THE FUNDS

1. Read this Prospectus carefully.
2. Determine how much you want to invest keeping in mind the following minimums (the Funds reserve the right to waive or reduce the minimum initial investment amounts described below for purchases made through certain retirement, benefit and pension plans, or for certain classes of shareholders):
  - a. **New accounts (minimum initial investment)**
    - ▲ Individual Retirement Accounts and other retirement plans \$500
    - ▲ Automatic Investment Plan \$500
    - ▲ All other accounts \$2,500
  - b. **Existing accounts (minimum additional investment)**
    - ▲ Dividend reinvestment No Minimum
    - ▲ All Accounts \$100
3. Complete the Purchase Application accompanying this Prospectus, carefully following the instructions. For additional investments, complete the reorder form attached to your confirmation statements (the Funds have additional Purchase Applications and reorder forms if you need them). If you have any questions, please call 1-800-457-6033.

In compliance with the USA Patriot Act of 2001, please note that U.S. Bancorp Fund Services, LLC, the Funds' Transfer Agent, will verify certain information on your Purchase Application as part of the Funds' Anti-Money Laundering Program. As requested on the Purchase Application, you must supply your full name, date of birth, social security number and permanent street address. The Funds might request additional information about you (which may include certain documents, such as articles of incorporation for companies) to help the Funds' Transfer Agent verify your identity. Mailing addresses containing only a P.O. Box will not be accepted.

If the Funds do not have a reasonable belief of the identity of a customer, the account will be rejected or the customer will not be allowed to perform a transaction on the account until such information is received. The Funds also reserve the right to close the account within 5 business days if clarifying information/documentation is not received.

4. Make your check payable to "The Yacktman Funds, Inc." All checks must be in U.S. dollars drawn on U.S. banks. The Funds will not accept payment in cash or money orders. The Funds also do not accept cashier's checks in amounts of less than \$10,000. To prevent check fraud, the Funds will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. The Funds are unable to accept postdated checks, postdated online bill pay checks, or any conditional order of payment. **U.S. Bancorp Fund Services, LLC, the Funds' Transfer Agent, will charge a \$25 fee against a shareholder's account, in addition to any loss sustained by the Funds, for any payment that is returned. It is the policy of the Funds not to accept applications under certain circumstances or in amounts considered disad-**

**vantageous to shareholders. The Funds reserve the right to reject any application.**

5. Send the Purchase Application and check to:

**By First Class Mail**

The Yacktman Funds, Inc.  
Shareholder Services Center  
P.O. Box 701  
Milwaukee, WI 53201-0701

**By Overnight Delivery Service or Registered Mail**

The Yacktman Funds, Inc.  
Shareholder Services Center  
615 East Michigan Street  
Milwaukee, WI 53202

**Please do not send letters by overnight delivery service or registered mail to the Post Office Box address. The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, deposits in the mail or with such services, or receipt at the post office box of U.S. Bancorp Fund Services, LLC, of purchase applications or redemption requests does not constitute receipt by the Transfer Agent of the Funds.**

You may purchase shares by wire transfer.

*Initial Investment by Wire* – To open an account by wire, a completed Purchase Application is required before your wire can be accepted. If you wish to open an account by wire, please call 1-800-457-6033 or 1-414-765-4124 before you wire funds in order to make arrangements with a telephone service representative to submit your completed Purchase Application via mail, overnight delivery, or facsimile. Upon receipt of your Purchase Application, your account will be established and a service representative will contact you within 24 hours to provide an account number and wiring instructions. You may then contact your bank to initiate the wire using the instructions you were given.

*Subsequent Investments by Wire* – Please call 1-800-457-6033 or 1-414-765-4124 before you wire funds in order to advise the Transfer Agent of your intent to wire funds. This will ensure prompt and accurate credit upon receipt of your wire.

**You should wire funds to:**

U.S. Bank, N.A.  
777 East Wisconsin Avenue  
Milwaukee, WI 53202  
ABA #075000022

**Credit:**

U.S. Bancorp Fund Services, LLC  
Account #112952137

**Further Credit:**

The Yacktman Funds, Inc.  
(name of Fund to be purchased)  
(shareholder registration)  
(shareholder account number)

**Please remember that U.S. Bank, N.A. must receive your wired funds prior to the close of regular trading on the New York Stock Exchange for you to receive same day pricing. The Funds and U.S. Bank, N.A. are not responsible for the consequences of delays resulting from the banking or Federal Reserve Wire system, or from incomplete wiring instructions.**

**Purchasing Shares from Broker-Dealers, Financial Institutions and Others**

Some broker-dealers may sell shares of The Yacktman Funds. These broker-dealers may charge investors a fee either at the time of purchase or redemption. The fee, if charged, is retained by the broker-dealer and not remitted to the Funds or the Adviser.

The Funds may enter into agreements with broker-dealers, financial institutions or other service providers (“Servicing Agents”) that may include the

Funds as investment alternatives in the programs they offer or administer. Investors purchasing or redeeming through a Servicing Agent need to check with the Servicing Agent to determine whether the Servicing Agent has entered into an agreement with the Funds. Servicing Agents may:

- ▲ Become shareholders of record of the Funds. This means all requests to purchase additional shares and all redemption requests must be sent through the Servicing Agents. This also means that purchases made through Servicing Agents are not subject to the Funds’ minimum purchase requirements.
- ▲ Use procedures and impose restrictions that may be in addition to, or different from, those applicable to investors purchasing shares directly from the Funds.
- ▲ Charge fees to their customers for the services they provide them. Also, the Funds and/or the Adviser may pay fees to Servicing Agents to compensate them for the services they provide their customers.
- ▲ Be allowed to purchase shares by telephone with payment to follow the next day. If the telephone purchase is made prior to the close of regular trading on the New York Stock Exchange, it will receive same day pricing.
- ▲ Be authorized to accept purchase orders on behalf of the Funds (and designate other Servicing Agents to accept purchase orders on the Funds’ behalf). This means that a Fund will process the purchase order at the net asset value which is determined following the Servicing Agent’s (or its designee’s) acceptance of the customer’s order.

If you decide to purchase shares through Servicing Agents, please carefully review the program materials provided to you by the Servicing Agent be-

cause particular Servicing Agents may adopt policies or procedures that are separate from those described in this Prospectus. When you purchase shares of the Funds through a Servicing Agent, it is the responsibility of the Servicing Agent to place your order with the Funds on a timely basis. If the Servicing Agent does not do so, or if it does not pay the purchase price to the Funds within the period specified in its agreement with the Funds, it may be held liable for any resulting fees or losses.

### **Other Information about Purchasing Shares of the Funds**

The Funds may reject any Purchase Application for any reason. Shares of the Funds have not been registered for sale outside of the United States. The Funds generally do not sell shares to investors residing outside of the United States, even if they are United States citizens or lawful permanent residents, except to investors with United States military APO or FPO addresses. The Funds will not accept initial purchase orders made by telephone unless they are from a Servicing Agent which has an agreement with the Fund.

The Funds will issue certificates evidencing shares purchased only upon request. The Funds will send investors a written confirmation for all purchases of shares.

The Funds offer an Automatic Investment Plan allowing shareholders to make purchases on a regular and convenient basis. Under the Automatic Investment Plan, after the initial investment (a minimum of \$500), a shareholder authorizes the Funds to withdraw from a designated bank or other financial institution each month an amount to be invested in shares of the Funds, which must be at least \$100. No service fee is currently charged by the Funds for participating in the Automatic Investment Plan. A \$25 fee will be imposed by U.S. Bancorp Fund Services, LLC for any Automatic Investment Plan purchase that cannot be completed. To begin

participating in the Automatic Investment Plan, a shareholder should complete the Automatic Investment Plan section on the Purchase Application or call the Funds' Transfer Agent at 1-800-457-6033. The Funds' Statement of Additional Information, which is incorporated by reference into this Prospectus, contains a more detailed description of the Automatic Investment Plan.

The Funds also offer a telephone purchase option permitting shareholders to make additional purchases by telephone (\$100 minimum) using the investor's bank account to clear the purchase via electronic funds transfer. Only bank accounts held at domestic financial institutions that are Automated Clearing House members can be used for telephone transactions. Shares of the Funds will be purchased on the day your order is placed if your call is received prior to the close of regular trading. If an account has more than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person. Telephone transactions may not be used for initial purchases of shares of the Funds. No fee is currently charged for this service. To establish the telephone purchase option, please complete the appropriate section of the Purchase Application. Inquiries concerning this option may be directed to the Funds' Transfer Agent at 1-800-457-6033. The Funds' Statement of Additional Information, which is incorporated by reference into this Prospectus, contains a more detailed description of the telephone purchase option.

The Funds offer the following retirement plans:

- ▲ Traditional IRA
- ▲ Roth IRA
- ▲ SEP-IRA
- ▲ SIMPLE IRA
- ▲ Coverdell Education Savings Account

Investors can obtain further information about the Automatic Investment Plan, the telephone purchase plan and the retirement plans by calling the Funds at 1-800-525-8258. The Funds recommend that investors consult with a competent financial and tax adviser regarding the retirement plans before investing.

## REDEEMING SHARES

### HOW TO REDEEM (SELL) SHARES BY MAIL

1. Prepare a letter of instruction containing:
  - ▲ the name of the Fund(s)
  - ▲ account number(s)
  - ▲ the amount of money or number of shares being redeemed
  - ▲ the name(s) on the account
  - ▲ daytime phone number
  - ▲ additional information that the Funds may require for redemptions by corporations, executors, administrators, trustees, guardians, or others who hold shares in a fiduciary or representative capacity. Please contact the Funds' Transfer Agent, U.S. Bancorp Fund Services, LLC, in advance, at 1-800-457-6033 if you have any questions.
2. Sign the letter of instruction exactly as the shares are registered. Joint ownership accounts must be signed by all owners.
3. If there are certificates representing your shares, endorse the certificates or execute a stock power exactly as your shares are registered.
4. Have the signatures guaranteed by a commercial bank or trust company in the United States, a member firm of the New York Stock Exchange or other eligible guarantor institution in the following situations:

- ▲ The redemption request exceeds \$25,000;
- ▲ If ownership is changed on your account;
- ▲ When redemption proceeds are payable or sent to any person, address or bank account not on record;
- ▲ Written requests to wire redemption proceeds (if not previously authorized on the account);
- ▲ When establishing or modifying certain services on an account; and
- ▲ If a change of address was received by the Transfer Agent within the last 10 business days.

In addition to the situations described above, the Funds and/or the Transfer Agent reserve the right to require a signature guarantee in other instances based on the circumstances relative to the particular situation. **A notarized signature is not an acceptable substitute for a signature guarantee.**

5. Send the letter of instruction and certificates, if any, to:

#### **By First Class Mail**

The Yacktman Funds, Inc.  
Shareholder Services Center  
P.O. Box 701 Milwaukee, WI 53201-0701

#### **By Overnight Delivery Service or Registered Mail**

The Yacktman Funds, Inc.  
Shareholder Services Center  
615 East Michigan Street  
Milwaukee, WI 53202

**Please do not send letters of instruction by overnight delivery service or registered mail to the Post Office Box address. Please do not send letters of instruction for redemptions to the Adviser, as this will cause delays in processing the redemption request. All redemption requests must be sent to the addresses above.**

## How to Redeem (Sell) Shares by Telephone

- ▲ Instruct U.S. Bancorp Fund Services, LLC that you want the option of redeeming shares by telephone. This can be done by completing the appropriate section on the Purchase Application. If you have already opened an account, you may write to U.S. Bancorp Fund Services, LLC requesting this option. When you do so, please sign the request exactly as your account is registered. A signature guarantee may be required in connection with your request. Shares held in retirement plans and shares represented by certificates cannot be redeemed by telephone.
- ▲ Assemble the same information that you would include in the letter of instruction for a written redemption request.
- ▲ Call U.S. Bancorp Fund Services, LLC at 1-800-457-6033. **Please do not call the Funds or the Adviser.**
- ▲ Telephone redemptions must be in amounts of \$1,000 or more and may not exceed \$25,000.
- ▲ You may not make a telephone redemption within ten business days of an address change.
- ▲ Once a telephone transaction has been placed, it cannot be canceled or modified. If an account has more than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person.

## How to Redeem (Sell) Shares through Servicing Agents

If your shares are held by a Servicing Agent, you must redeem your shares through the Servicing Agent. Contact the Servicing Agent for instructions on how to do so.

## Redemption Price

The redemption price per share you receive for redemption requests is the next determined net asset value after:

- ▲ U.S. Bancorp Fund Services, LLC receives your written request in proper form with all required information; or
- ▲ U.S. Bancorp Fund Services, LLC receives your authorized telephone request with all required information; or
- ▲ A Servicing Agent (or its designee) that has been authorized to accept redemption requests on behalf of the Funds receives your request in accordance with its procedures.

## Payment of Redemption Proceeds

- ▲ For those shareholders who redeem shares by mail or by telephone, U.S. Bancorp Fund Services, LLC normally will send the proceeds on the business day following the redemption. You may elect to have your proceeds mailed by check to your address of record, or if elected on your account application, you may have proceeds wired to your bank account of record, or funds may be sent via electronic funds transfer through the Automated Clearing House (ACH) network, also to the bank account of record. Wires are subject to a \$15 fee paid, but you do not incur any charge when proceeds are sent via the ACH system. Proceeds sent via ACH are usually available in 2-3 days. However, the Funds may direct U.S. Bancorp Fund Services, LLC to pay proceeds of a redemption on a date no later than the seventh day after the redemption request in proper form with all required information.
- ▲ For those shareholders who redeem shares through Servicing Agents, the Servicing Agent will transmit the redemption proceeds in accordance with its redemption procedures.

## Market Timing Procedures

Frequent purchases and redemptions of a Fund's shares by a shareholder may harm other shareholders of that Fund by interfering with the efficient management of that Fund's portfolio, increasing brokerage and administrative costs, and potentially diluting the value of their shares. Because there may be less liquidity in the stocks of small capitalization companies in which the Funds may invest, the Funds may be subject to greater risk of market timing activities than if the Funds invested only in large capitalization companies.

The Board of Directors has adopted the market timing policies and procedures below to discourage frequent purchases and redemptions of each Fund's shares.

- ▲ Each Fund reserves the right to reject any purchase order for any reason or no reason, including purchase orders from potential investors that a Fund believes might engage in frequent purchases and redemptions of that Fund's shares based on any unusual trading activity by such investor and/or such investor's trading history.
- ▲ Each Fund imposes a 2% redemption fee on redemptions that occur thirty calendar days or less after purchase. Any proceeds of the fee will be credited to the assets of the appropriate Fund.

The redemption fee will not apply to (1) shares purchased through reinvested distributions (dividends and capital gains), (2) shares held in retirement plans (other than IRAs), or (3) shares redeemed through any systematic transaction plans, but otherwise applies to all investors in the Funds, including those that invest through omnibus accounts at intermediaries such as broker-dealers.

If inappropriate trading is detected in an omnibus account registered in the name of a nominee, financial intermediary or plan sponsor, a Fund may

request that the nominee, financial intermediary or plan sponsor take action to prevent the particular investor or investors from engaging in frequent or short-term trading. If inappropriate trading recurs, a Fund may refuse all future purchases from the plan, including those of plan participants not involved in the inappropriate activity. The Funds generally are dependent on the financial intermediaries in monitoring trading frequency and therefore in applying the Funds' market timing policies and procedures. In this regard, the Funds have entered into written agreements with each of the Funds' financial intermediaries, under which the intermediaries must, upon request, provide the Funds with certain shareholder and identity trading information to assist the Funds in enforcing their market timing policies and procedures.

In calculating whether a sale of Fund shares is subject to a redemption fee, a shareholder's holdings will be viewed on a "first in/first out" basis. This means that, in determining whether any fee is due, the shareholder will be deemed to have sold the shares he or she acquired earliest.

Although the Funds have taken steps to discourage frequent purchases and redemptions of their shares, they cannot guarantee that such trading will not occur.

## Other Redemption Considerations

The Funds offer a Systematic Withdrawal Plan allowing shareholders who own shares of the Funds worth at least \$10,000 at the current net asset value to have a fixed sum paid to the shareholders at regular intervals through redemption of shares of the Funds. The minimum amount of a withdrawal payment is \$100. The Funds recommend that investors participating in the Systematic Withdrawal Plan elect to reinvest all income dividends and capital gains distributions payable on the shares held in their accounts in additional shares of the Funds, at net asset value. The shareholder may deposit addi-

tional shares in his account at any time. To establish the Systematic Withdrawal Plan, a shareholder deposits shares of the Funds with The Yacktman Funds, Inc. and appoints it as agent to effect redemptions of Fund shares held in the account for the purpose of making withdrawal payments of a fixed amount to the shareholder out of the account. You may elect to terminate your participation in the Systematic Withdrawal Plan at any time by notifying U.S. Bancorp Fund Services, LLC five business days prior to the next transaction. The Funds' Statement of Additional Information, which is incorporated by reference into this Prospectus, contains a more detailed description of the Systematic Withdrawal Plan.

When redeeming shares of the Funds, shareholders should consider the following:

- ▲ The redemption may result in a taxable gain.
- ▲ Shareholders who redeem shares held in an IRA must indicate on their redemption request whether or not to withhold federal income taxes. If not, these redemptions, as well as redemptions of other retirement plans not involving a direct rollover to an eligible plan, will be subject to federal income tax withholding.
- ▲ The Funds may delay the payment of redemption proceeds for up to seven days in all cases. In addition, the Funds can suspend redemptions and postpone payments of redemption proceeds beyond seven days at times when the New York Stock Exchange is closed or during emergency circumstances, as determined by the Securities and Exchange Commission.
- ▲ If you purchased shares by check, the Funds may delay the payment of redemption proceeds until they are reasonably satisfied the check has cleared (which may take up to 15 days from the date of purchase).
- ▲ U.S. Bancorp Fund Services, LLC will send the proceeds of telephone redemptions only to your address of record, or if elected on your Account Application, to your predetermined bank account by electronic funds transfer through the Automated Clearing House (ACH) network or via Federal wire.
- ▲ The Funds reserve the right to refuse a telephone redemption request if they believe it is advisable to do so. The Funds and U.S. Bancorp Fund Services, LLC may modify or terminate their procedures for telephone redemptions at any time. Neither the Funds nor U.S. Bancorp Fund Services, LLC will be liable for following instructions for telephone redemption transactions that they reasonably believe to be genuine, provided they use reasonable procedures to confirm the genuineness of the telephone instructions. They may be liable for unauthorized transactions if they fail to follow such procedures. These procedures include requiring some form of personal identification prior to acting upon the telephone instructions and recording all telephone calls. During periods of substantial economic or market change, you may find telephone redemptions difficult to implement. If a shareholder cannot contact U.S. Bancorp Fund Services, LLC by telephone, he or she should make a redemption request in writing in the manner described earlier.
- ▲ U.S. Bancorp Fund Services, LLC currently charges \$15 for each wire redemption but does not charge a fee for Electronic Funds Transfers.
- ▲ If your account balance falls below \$1,000 because you redeem shares, you will be given 60 days to make additional investments so that your account balance is \$1,000 or more. If you do not, the Funds may close your account and mail the redemption proceeds to you.

- ▲ The Funds may pay redemption requests “in kind.” This means that the Funds may pay redemption requests entirely or partially with securities rather than with cash. Shareholders who receive a redemption “in kind” may incur costs to dispose of such securities.

## EXCHANGING SHARES

### ELIGIBLE FUNDS

Shares of either of the Funds may be exchanged for shares of the other Fund at their relative net asset values. You may have a taxable gain or loss as a result of an exchange because the Internal Revenue Code treats an exchange as a sale of shares.

### HOW TO EXCHANGE SHARES

- ▲ Read this Prospectus.
- ▲ Determine the number of shares you want to exchange keeping in mind that exchanges are subject to a \$1,000 minimum.
- ▲ Call U.S. Bancorp Fund Services, LLC at 1-800-457-6033. You may also make an exchange by writing to The Yacktman Funds, Inc., Shareholder Services Center, P. O. Box 701, Milwaukee, Wisconsin 53201-0701. U.S. Bancorp Fund Services, LLC charges a fee of \$5.00 for each telephone exchange. There is no charge for a written exchange.

## DIVIDENDS, DISTRIBUTIONS AND TAXES

Each Fund distributes substantially all of its net investment income and substantially all of its capital gains annually. You have two distribution options:

- ▲ **All Reinvestment Option** – Both dividend and capital gains distributions will be reinvested in additional Fund shares.
- ▲ **All Cash Option** – Both dividend and capital gains distributions will be paid in cash.

You may make your distribution election on the Purchase Application. You may change your election by writing to U.S. Bancorp Fund Services, LLC or by calling 1-800-457-6033.

Each Fund’s distributions, whether received in cash or additional shares of the Fund, may be subject to federal and state income tax. These distributions may be taxed as ordinary income, dividend income and capital gains (which may be taxed at different rates depending on the length of time the Fund holds the assets generating the capital gains). Tax issues can be complicated. Please consult your tax adviser with any tax questions you may have. In managing the Funds, our Adviser considers the tax effects of its investment decisions to be of secondary importance.

If an investor elects to receive distributions and dividends by check and the post office cannot deliver such check, or if such check remains uncashed for six months, the Funds reserve the right to reinvest the distribution check in the shareholder’s account at the Fund’s then current net asset value per share and to reinvest all subsequent distributions in shares of the Fund until an updated address is received. No interest will accrue on amounts represented by uncashed distribution or redemption checks.

In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses and annual and semi-annual reports investors receive by sending only one copy of each of these documents to those addresses shared by two or more accounts and to those investors the Funds reasonably believe are from the same family or household (a practice

referred to as “householding”). Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-800-457-6033 to request individual copies of these documents. Once the Funds receive notice to stop householding, the Funds will begin sending individual copies thirty days after receiving the request. This householding policy does not apply to account statements.

## FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand the financial performance of the Funds for the past five years of operations. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned or lost on an investment in a Fund (assuming reinvestment of all dividends and distributions). For the fiscal years ended December 31, 2009 and 2008, this information was audited by Cohen Fund Audit Services, Ltd. For the other fiscal years presented below, this information was audited by another independent registered public accounting firm. The report of Cohen Fund Audit Services, Ltd., along with the Funds' financial statements, are included in the Annual Report which is available upon request.

### THE YACKTMAN FUND

	2009	For the Years Ended December 31,			2005
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$ 9.68	\$ 13.39	\$ 15.79	\$ 14.67	\$ 15.34
Operations:					
Net investment income	0.10	0.17	0.35	0.30	0.28
Net realized and unrealized gain (loss) on investment securities	5.64	(3.66)	0.21	2.05	(0.48)
Total from operations	5.74	(3.49)	0.56	2.35	(0.20)
Less distributions:					
From net investment income	(0.10)	(0.18)	(0.34)	(0.30)	(0.28)
From net realized gains	(0.10)	(0.04)	(2.62)	(0.93)	(0.19)
Total distributions	(0.20)	(0.22)	(2.96)	(1.23)	(0.47)
Net asset value, end of period	\$ 15.22	\$ 9.68	\$ 13.39	\$ 15.79	\$ 14.67
Total Return	59.31%	(26.05)%	3.39%	15.95%	(1.30)%
Supplemental data and ratios:					
Net assets, end of period (000's)	\$1,401,228	\$ 296,659	\$ 291,574	\$ 429,072	\$ 438,912
Ratio of net expenses to average net assets	0.93%	0.95%	0.95%	0.96%	0.92%
Ratio of net investment income to average net assets	1.43%	1.92%	1.71%	1.90%	1.86%
Portfolio turnover rate	14.29%	32.77%	23.82%	17.93%	8.64%

## The Yackman Focused Fund

	Year Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period .....	\$ 9.97	\$ 14.00	\$ 16.00	\$ 14.96	\$ 15.83
Operations:					
Net investment income .....	0.05	0.15	0.23	0.21	0.22
Net realized and unrealized gain (loss) on investment securities .....	6.21	(3.45)	0.34	2.20	(0.51)
Total from operations .....	6.26	(3.30)	0.57	2.41	(0.29)
Less distributions:					
From net investment income .....	(0.05)	(0.16)	(0.23)	(0.21)	(0.22)
From net realized gains .....	(0.05)	(0.57)	(2.34)	(1.16)	(0.36)
Total distributions .....	(0.10)	(0.73)	(2.57)	(1.37)	(0.58)
Net asset value, end of period .....	\$ 16.13	\$ 9.97	\$ 14.00	\$ 16.00	\$ 14.96
Total Return .....	62.76%	(23.48)%	3.46%	16.13%	(1.83)%
Supplemental data and ratios:					
Net assets, end of period (000's) .....	\$ 669,661	\$ 65,467	\$ 67,052	\$ 90,534	\$ 84,608
Ratio of expenses before expense reimbursements to average net assets .....	1.28%	1.35%	1.38%	1.35%	1.32%
Ratio of net expenses to average net assets .....	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of net investment income to average net assets .....	0.79%	1.31%	1.23%	1.40%	1.30%
Portfolio turnover rate .....	8.26%	67.11%	30.49%	30.61%	5.62%

## TO LEARN MORE ABOUT THE FUNDS

To learn more about The Yacktman Funds you may want to read The Yacktman Funds' Statement of Additional Information ("SAI") which contains additional information about the Funds. The Yacktman Funds have incorporated by reference the SAI into the Prospectus. This means that you should consider the contents of the SAI to be part of the Prospectus.

You may also learn more about The Yacktman Funds' investments by reading The Yacktman Funds' Annual and Semi-Annual Reports to shareholders. The Annual Report includes a discussion of the market conditions and investment strategies that significantly affected the performance of the Funds during their last fiscal year.

The SAI and the Annual and Semi-Annual Reports are all available to shareholders and prospective investors without charge, simply by calling 1-800-525-8258.

The Funds make available the annual and semiannual reports, free of charge, on their Internet website (<http://www.yacktman.com>). The Funds do not make the SAI available on their Internet website due to the low level of demand for this document and because it is readily available through other means, as described above.

Prospective investors and shareholders who have questions about The Yacktman Funds may also call the above number or write to the following address:

The Yacktman Funds, Inc.  
6300 Bridgepoint Parkway  
Building One, Suite 320  
Austin, Texas 78730

The general public can review and copy information about The Yacktman Funds (including the SAI) at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. (Please call 1-202-942-8090 for information on the operations of the Public Reference Room.) Reports and other information about The Yacktman Funds are also available on the EDGAR Database at the Securities and Exchange Commission's Internet site at <http://www.sec.gov> and copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing to:

Public Reference Section  
Securities and Exchange Commission  
Washington, D.C. 20549-0102

Please refer to The Yacktman Funds' Investment Company Act File No. 811-6628, when seeking information about The Yacktman Funds from the Securities and Exchange Commission.

This page intentionally left blank.

---

This page intentionally left blank.

---

Not part of the Prospectus

## THE YACKTMAN FUNDS, INC. PRIVACY POLICY

We collect the following nonpublic personal information about you:

- ▲ Information we receive from you on or in applications or other forms, correspondence or conversations.
- ▲ Information about your transactions with us, our affiliates, or others.

We do not disclose any nonpublic personal information about our current or former shareholders to anyone, except as permitted by law. For example, we are permitted by law to disclose all of the information we collect, as described above, to our transfer agent to process your transactions. Furthermore, we restrict access to your nonpublic personal information to those persons who require such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

In the event that you hold shares of the Fund(s) through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary may govern how your nonpublic personal information would be shared with nonaffiliated third parties.



For Fund information,  
call 1-800-525-8258  
For Shareholder Services,  
call 1-800-457-6033  
Web site: [www.yacktman.com](http://www.yacktman.com)

**The Yacktman Funds, Inc.**  
Shareholder Services Center  
615 East Michigan Street, 3rd Floor  
Milwaukee, Wisconsin 53202-5207

P R O S P E C T U S

April 30, 2010