

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser: <b>Smith Affiliated Capital Corp.</b>				
Address: (Number and Street) <b>800 Third Avenue, 12<sup>th</sup> Floor</b>	(City) <b>New York</b>	(State) <b>NY</b>	(Zip Code) <b>10022</b>	Area Code: Telephone Number: <b>( 212) 644-9440</b>

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

## FORM ADV

## Part II - Page 2

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801-17037

Date:

5/1/09

## 1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.

(See instruction below.)Applicant:

- |                                     |   |     |
|-------------------------------------|---|-----|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services .....  | 99% |
| <input type="checkbox"/>            | (2) Manages investment advisory accounts not involving investment supervisory services .....  | %   |
| <input checked="" type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above .....  | 1%  |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription .....   | %   |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above .....   | %   |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | %   |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | %   |
| <input type="checkbox"/>            | (8) Provides a timing service .....   | %   |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above .....   | %   |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

## B. Does applicant call any of the services it checked above financial planning or some similar term? .....

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

## C. Applicant offers investment advisory services for: (check all that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges  | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

## D. For each checked box in A above, describe on Schedule F:

the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee

applicant's basic fee schedule, how fees are charged and whether its fees are negotiable

when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

## 2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input checked="" type="checkbox"/> B. Banks or thrift institutions     | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input checked="" type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 3**

Applicant:

**Smith Affiliated Capital Corp.**

SEC File Number:

**801- 17037**

Date:

**5/1/09****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> A. Equity securities<br>(1) exchange-listed securities<br><input checked="" type="checkbox"/> (2) securities traded over-the-counter<br><input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> H. United States government securities  |
| <input type="checkbox"/> B. Warrants   | <input type="checkbox"/> I. Options contracts on:<br><input type="checkbox"/> (1) securities<br><input type="checkbox"/> (2) commodities  |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper)  | <input type="checkbox"/> J. Futures contracts on:<br><input type="checkbox"/> (1) tangibles<br><input type="checkbox"/> (2) intangibles   |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> K. Interests in partnerships investing in:<br><input type="checkbox"/> (1) real estate<br><input type="checkbox"/> (2) oil and gas interests<br><input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> E. Certificates of deposit   | <input type="checkbox"/> L. Other (explain on Schedule F)   |
| <input checked="" type="checkbox"/> F. Municipal securities  |   |
| G. Investment company securities:  |   |
| <input type="checkbox"/> (1) variable life insurance   |   |
| <input type="checkbox"/> (2) variable annuities  |   |
| <input type="checkbox"/> (3) mutual fund shares  |   |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.****A. Applicant's security analysis methods include: (check those that apply)**

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

**B. The main sources of information applicant uses include: (check those that apply)**

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

**C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)**

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

## FORM ADV

## Part II - Page 4

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801-17037

Date:

5/1/09

## 5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

## 6. Education and Business Background.

For:

each member of the investment committee or group that determines general investment advice to be given to clients, or

if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)

each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

name

formal education after high school

year of birth

business background for the preceding five years

## 7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

## 8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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## Part II - Page 5

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801- 17037

Date:

5/1/09

## 9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**All accounts are reviewed, at a minimum, on a monthly basis with relation to investment policy, account objectives and restrictions and client needs. Additional reviews are subject to financial market conditions that could alter investment policy and/or holdings with more frequency. On a quarterly basis all accounts are reviewed in connection with Smith Affiliated's formal performance reports to clients. The reviewers of the accounts are the six principal investment officers of the investment committee who jointly manage all of the portfolios of the firm.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Smith Affiliated's normal practice is to provide monthly portfolio evaluations (with the exception of the Special Municipal Products who receive quarterly portfolio evaluations), quarterly performance reviews and pertinent investment commentaries. Copies of all confirmations of purchases and sales are mailed by the executing broker directly to the client. Since Smith Affiliated does not perform a custodial service, reports concerning such service are forwarded directly to the client by the custodian.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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## Part II - Page 6

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801-17037

Date:

5/1/09

## 12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |   | Yes                                 | No                       |
|---|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? .....                | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold ? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used ? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                          | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? .....

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

the products, research and services

whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services

whether research is used to service all of applicant's accounts or just those accounts paying for it; and

any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

## 13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

(For each yes, describe the arrangements on Schedule F.)

## 14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

has custody of client funds or securities; or

requires prepayment of more than \$500 in fees per client and 6 or more months in advance

	Yes	No
Has applicant provided a Schedule G balance sheet? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Schedule F of Form ADV Continuation Sheet for Form ADV Part II	Applicant:  Smith Affiliated Capital Corp.	SEC File Number:  801- 17037	Date:  5/1/09		
(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)					
1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:			
Smith Affiliated Capital Corp. Item of Form (identify) Answer  1D		13-3105799			
<p>The investment supervisory services rendered consist principally of providing continuous investment advice to clients based on their individual needs. The firm seeks to maximize total return over a full market cycle, mindful of the clients' priorities in terms of risk tolerance, capital preservation and income needs. An economic review and outlook set the stage for the firm's active maturity duration approach. The firm seeks to take advantage of (1) quantitative yield curve analysis and (2) sector spread analysis. International bond markets are treated as a sector in which economic and fixed income factors are studied with a view toward yield differences with the U.S. Treasury curve. Within the scope of client guidelines, a variety of tactical strategies may be employed to trade opportunistically without emphasizing market timing. The firm's investment advisory services focus on a risk/reward analysis of interest rates, maturities and duration of fixed income securities. In the case of securities other than treasuries, the firm analyzes credit worthiness of issuers, in light of internal and external factors affecting securities' markets and asset allocation.</p> <p>Our fee is a flat percentage, as negotiated with the client, of the value of assets under management. Generally our fees are payable quarterly in advance on March 31, June 30, September 30 and December 31 at the following annual rates.</p> <p><u>Fixed Domestic Separately Managed Accounts:</u></p> <p><u>Taxable Fixed Income</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> CashPlus – Minimum account size : \$2 million                    1/4 of 1% to \$10 million                    1/5 of 1% thereafter  Low Duration – Minimum account size: \$2 million                    3/8 of 1% to \$10 million                    .325 of 1% thereafter  Intermediate Taxable – Minimum account size: \$2 million                    3/8 of 1% to \$10 million                    .325 of 1% thereafter  Core - Minimum account size: \$2 million                    1/2 of 1% to \$10 million                    3/8 of 1% thereafter  Global – Minimum account size: \$5 million                    1/2 of 1% to \$10 million                    3/8 of 1% thereafter </td> <td style="width: 50%; vertical-align: top;"> Enhanced Fixed – Minimum account size: \$2 million                    3/4 of 1% to \$10 million                    5/8 of 1% thereafter </td> </tr> </table> <p><u>Tax-Exempt Fixed Income</u></p> Intermediate Municipal – Minimum account size: \$2 million 3/8 of 1 % to \$10 million .325 of 1% thereafter Municipal – Minimum account size: \$2 million 1/2 of 1% to \$10 million 3/8 of 1% thereafter Limited Duration Municipal – Minimum account size: \$2 million .30 of 1% to \$10 million		CashPlus – Minimum account size : \$2 million 1/4 of 1% to \$10 million 1/5 of 1% thereafter Low Duration – Minimum account size: \$2 million 3/8 of 1% to \$10 million .325 of 1% thereafter Intermediate Taxable – Minimum account size: \$2 million 3/8 of 1% to \$10 million .325 of 1% thereafter Core - Minimum account size: \$2 million 1/2 of 1% to \$10 million 3/8 of 1% thereafter Global – Minimum account size: \$5 million 1/2 of 1% to \$10 million 3/8 of 1% thereafter	Enhanced Fixed – Minimum account size: \$2 million 3/4 of 1% to \$10 million 5/8 of 1% thereafter	<p>From time to time and as the result of negotiation with the client, taking into account the value of assets under management, the work to be performed, the number and locations of required meetings and attendant expenses, and other pertinent factors, the agreed flat percentage fee paid by a client may differ from the rates set forth above. Agreements entered into with clients provide for termination by notice in writing by either party. In such event fees paid in advance are pro-rated to the date of termination as specified in the notice of termination (generally 30 days notice is required) and any unearned portion is refunded to the client. From time to time we may have a client to whom we offer investment consultation in a general way and without regard to the management of a specific portfolio. In this case we advise the client of our overall thoughts on investments and specific investments which we are purchasing in our managed accounts. We charge a fee as negotiated. The fixed fee charged is a function of the work performed. In no case does it exceed our fully discretionary fee structure outlined above.</p>	
CashPlus – Minimum account size : \$2 million 1/4 of 1% to \$10 million 1/5 of 1% thereafter Low Duration – Minimum account size: \$2 million 3/8 of 1% to \$10 million .325 of 1% thereafter Intermediate Taxable – Minimum account size: \$2 million 3/8 of 1% to \$10 million .325 of 1% thereafter Core - Minimum account size: \$2 million 1/2 of 1% to \$10 million 3/8 of 1% thereafter Global – Minimum account size: \$5 million 1/2 of 1% to \$10 million 3/8 of 1% thereafter	Enhanced Fixed – Minimum account size: \$2 million 3/4 of 1% to \$10 million 5/8 of 1% thereafter				

Complete amended pages in full, circle amended items and file with execution page (page 1).

Schedule F of  
Form ADV

Continuation Sheet for Form ADV Part II

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801- 17037

Date:

5/1/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Smith Affiliated Capital Corp.

IRS Empl. Ident. No.:

13-3105799

Item of Form  
(identify) Answer

Wrap Fee Programs:

SAC has Investment Management Agreements in effect with wrap fee sponsors RBC Wealth Management and UBS Financial Services for their individual wrap fee programs.

SAC is compensated on a quarterly basis in accordance with negotiated fee schedules for servicing these wrap fee programs with our fixed income strategies.

5 Smith Affiliated Capital Corp. requires each of its employees who are involved in determining or giving advice to clients to have a minimum of a Bachelor's degree.

6 Education and Business Background of Smith Affiliated Capital's principals, directors, executive officers and each member of its investment committee.

Name	DOB	Education	Business Background
Robert G. Smith, CFA	3/9/32	B.S., Biology, St. John's University 1952; MBA, Economics, New York University, 1958; Ph.D., Economics, New York University, 1963	3/82 – Present: Founder, Chairman, Director, Member of Investment Committee, Smith Affiliated Capital Corp.; 2/80-3/82: Exec. V.P. Gray, Seifert & Co.; 8/72-2/80: President Berkley Dean & Co.,
Mary Ann E. Smith	4/11/32	B.S., Education, St. John's University 1952; M.S., Art and History, University of Denver, 1967; M.S., Urban Education, Iona College, 1992	3/82 - present: Director, Smith Affiliated Capital Corp.; 1/86-present: Lic. Special Education Instructor, NYC Board of Education
John A. Jenney	6/26/46	B.S., Economics, State Univ. of NY, 1993; Univ. of Denver, Attended 1968-1969	12/92-present: Vice President and Member of Investment Committee, Smith Affiliated Capital Corp.; 12/81-12/92: Vice President and Manager, U.S. Government Securities Trading, Lloyds Bank P.L.C. Primary Dealer; 9/92-11/92: Registered Representative Brooklyn Capital Securities Trading
Edward J. Walsh, Jr.	1/22/34	B.S., English, Fordham University, 1955; L.L.B., Columbia University, 1958	3/95-present: Director, Smith Affiliated Capital Corp.; 2/82-present: of counsel to Law Firm Vedder, Price, Kaufman, Kammholz & Day
John M. McCarthy	4/9/27	B.A., Economics, St. Francis College, 1951; M.B.A., Finance and Investments, New York University, 1953	04/95-present: Director, Smith Affiliated Capital Corp.; 1990-95: Managing Partner, Lord, Abbett & Co., 1980-90: Chief Investment Officer, Lord, Abbett & Co.; 1980-83: Senior Partner, Lord, Abbett & Co.

Complete amended pages in full, circle amended items and file with execution page (page 1).



Schedule F of  
Form ADV

Continuation Sheet for Form ADV Part II

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801- 17037

Date:

5/1/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Smith Affiliated Capital Corp.

IRS Empl. Ident. No.:

13-3105799

Item of Form (identify) Answer			
Derry Hill	3/2/35	B.S., Engineering, University of Sydney, 1956	3/2003-present: Director, Smith Affiliated Capital; 1997-present: Chairman, Reed Constructions Australia; 1989-1997: General Manager Development & Construction, Accor Asia Pacific; 1981/1989: CEO, Triton Final Trust; Managing Director, Moruya Gold Mines; 1972-1981: CEO, Dillingham Corporation of Australia
Paul J. Matus	3/9/51	B.A., Psychology, New York University M.B.A., Finance and Investments, New York University, 1973	08/99-Present: Vice President and member of the Investment Committee, 1988-1998: V.P. Private Placement, Merrill Lynch & Co. 1986-1988: Asst. V.P. Research, Merrill Lynch & Co.; 1984 - 1986: J.J.Lowery & Co. Assoc., Financial Institutions Group
Matthew J. Smith	3/4/70	B.A., Art History, Case Western Reserve, 1992; M.A. Non-Profit Management, Case Western Reserve, 1994	01/07-present: President, Chief Investment Officer; 4/2003-01/07: Vice President, Member of Investment Committee; 4/94-4/2003: Assistant Vice President; 4/94-12/96: Analyst, 4/94-12/96: Fund Administrator, Smith Affiliated Capital Corp.
Jiang Peng, CFA	3/7/72	B.A., English History, Guangzhou Foreign Languages University, 1993; M.A., Economics, City University of New York, 1997	2004-present: Portfolio Manager and member of Investment Committee; 2002-2004: Assistant Vice President, Smith Affiliated Capital Corp.; 1997-2002: Senior Fixed Income Analyst, Ryan Labs, Inc.; 1996-1997: Monitor Investment Group, 1993-1996: Credit Analyst, Industrial Commercial Bank of China
Erwin D. Tonogbanua	4/6/76	B.S., Finance and International Business at New York University	2005-present: Portfolio Manager and member of Investment Committee; 1997-2005: Assistant Vice President, Smith Affiliated Capital Corp.
9	Officer, director or controlling person may from time to time purchase securities that he recommends to clients. Any such person who is an Advisory Representative as that term is defined in Rule 204-2 (12) (A) is required to (a) secure advance clearance of any personal securities transactions and (b) report each transaction within ten days of the close of the calendar quarter in which the transaction takes place.		
10	The only condition for accepting or maintaining an account at Smith Affiliated Capital Corp. is a determination by the Investment Committee, taking into account the work required to be done, that the account is of sufficient size that investment advisory services can be rendered profitably.		
12	<p style="text-align: center;"><u>INVESTMENT AND BROKERAGE DISCRETION</u></p> <p>Almost all clients give the firm authority to change investments in their portfolios without their prior approval, subject, in some cases, to limits relating to (1) types of transactions (e.g. sales, purchases and certain types of securities, and transactions within certain size limits), (2) situations in which it can be exercised (e.g. unavailability of client) or (3) specific brokers or dealers through whom transactions can be effected (e.g. sales or purchases only through the broker or dealer who acts as custodian for the client's portfolio under the investment advisory agreement with the firm). In every case a client's investment policy and its needs and circumstances implicitly limit the firm's authority.</p>		

Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801- 17037

Date:

5/1/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Smith Affiliated Capital Corp.

IRS Empl. Ident. No.:

13-3105799

Item of Form  
(identify) Answer

## BROKERAGE ALLOCATION

The firm's overriding objective in effecting portfolio transactions is to obtain the best combination of price and execution. While the best price, giving effect to brokerage commission, if any, and other costs, is an important factor in this decision, a number of other factors may also enter into the decision. These include: the firm's knowledge of negotiated commission rates currently available; the nature of the security being traded; the size of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities of the broker or dealer being considered; the firm's knowledge of the financial stability of the broker or dealer being considered; and the firm's knowledge of actual or apparent operational problems of any broker or dealer. Recognizing the importance of these factors, the firm may pay commissions in excess of that which another broker or dealer might have charged for effecting the same transaction.

Evaluations of the reasonableness of commissions, based on the foregoing factors, are made on an on-going basis by the firm's staff while effecting portfolio transactions. It is the firm's current policy, based on market conditions, the firm's knowledge of negotiated commission rates currently available and its desire to effect transactions at the optimal time, to choose brokers or dealers to effect portfolio transactions who charge a commission of at least 30% less than the now-abolished fixed commission rates applicable to transactions of similar types and sizes. Where possible, the firm also has a policy of aggregating all transactions of its clients in the same security and then choosing a broker or dealer to effect the aggregate transaction so that the commission charged will be lower because of the volume involved. The general level of commissions is reviewed periodically by the firm.

When more than one broker-dealer is believed to be capable of providing the best combination of price (taking into account the firm's policy with respect to the rate of the commission described above) and execution with respect to a particular portfolio transaction, the firm normally selects a broker which can be helpful to the clients by providing research, pricing or market assistance. Research assistance includes information in the form of oral or written research reports, statistical collations, appraisals and analyses relating to markets, companies, industries, business and economic factors, market trends and portfolio strategy. Research assistance also includes computer databases and research-oriented computer software which assist the firm in its own research. Pricing assistance includes supplying market quotations for purposes of assisting in the determination of asset values used in the firm's periodic reports to clients. Market assistance includes obtaining participation in municipal and corporate underwritings, bids and offers for securities that are thinly traded, as well as providing information which may result in better execution of orders. The firm does not pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction in recognition of such assistance.

In those instances when the client directs the firm to a particular broker, the client may be disadvantaged because (a) the broker whom he has selected charges higher commissions, (b) the firm loses the opportunity to combine the client's transactions with those for other clients thereby obtaining either better execution or lower commissions or both and (c) the firm is not able to match the security traded with the broker to get the most favorable execution.

Clients who contemplate so-called "wrap fee" arrangements with third parties pursuant to which the client obtains custodial, brokerage and advisory services for a single fee, are advised that such combinations of services may be more costly together than if obtained and paid for separately, and that they may result in the same shortcomings as does client directed brokerage in terms of flexibility in obtaining the best execution at the lowest cost. Notwithstanding our advice, from time to time a few of our clients have entered into so-called "wrap fee" arrangements with entities other than Smith Affiliated Capital Corp.

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From time to time Smith Affiliated Capital Corp. enters into written solicitation agreements with third parties who refer potential clients to the firm. Such agreements are disclosed to potential clients in accordance with Rule 206(4)-3 of the Investment Advisors Act of 1940. The written agreement between Smith Affiliated and any such solicitor requires, among other things, that the solicitor, at the time of rendering any solicitation activities for which compensation is to be paid, must provide the client with a current copy of Part II of Smith Affiliated's Form ADV as well as a separate written disclosure document containing the following information: (1) the name of the solicitor, (2) the name of our firm, (3) the nature of the relationship between the solicitor and our firm, (4) a statement that the solicitor shall be compensated by our firm for his solicitation services, (5) the terms of such compensation arrangement.

Complete amended pages in full, circle amended items and file with execution page (page 1).

Schedule F of  
Form ADV

Continuation Sheet for Form ADV Part II

Applicant:

Smith Affiliated Capital Corp.

SEC File Number:

801- 17037

Date:

5/1/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Smith Affiliated Capital Corp.

IRS Empl. Ident. No.:

13-3105799

Item of Form  
(identify) Answer

SAC Code of Ethics

Smith Affiliated Capital Corp. maintains a Code of Ethics as part of its Summary of Operations and Compliance manual which is distributed to all employees and, upon request, to new and potential clients, consultants, brokers or other interested parties. It covers a broad range of activities, including personal securities transactions, client confidentiality, conflicts of interest, detection and prevention of insider trading, and gifts/entertainment.

Complete amended pages in full, circle amended items and file with execution page (page 1).

