



BROCHURE
High Net Worth Individuals and Families
ADV II – Part 2A

Item 1 – Cover Page

Texas Yale Capital Corp.

d/b/a Yale Capital Corp.

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March 30, 2011

This Brochure provides information about the qualifications and business practices of Yale Capital Corp. If you have any questions about the contents of this Brochure, please contact us at (727) 823-0006. The information in this Brochure has not been approved nor verified by the United States Securities and Exchange Commission or by any state securities authority.

Yale Capital Corp. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Yale Capital Corp. also is available on the SEC's website at www.adviserinfo.sec.gov.



Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 3.30.2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting our Compliance Department at (727) 823-0006 or info@yalecapitalcorp.com. Our Brochure is also available free of charge from our web site www.yalecapitalcorp.com.

Additional information about Yale Capital Corp. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s Web site provides information about any persons affiliated with Yale Capital Corp. who are registered, or are required to be registered, as investment adviser representatives of Yale Capital Corp.



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Item 4 – Advisory Business

(A) Business Description:

Yale Capital Corp. is an independent and owner-operated investment adviser, registered with the SEC since 2004. The firm is owned by Cheyne Pace, chief investment officer and chairman, and Sandra Pace, president.

(B) Description of Advisory Services offered:

Yale Capital Corp. provides investment advice and asset management to high-net-worth families. The Adviser exclusively manages exchange-traded securities and bonds, with an additional specialization in tax-advantaged holdings such as master limited partnerships. Assets are supervised on a discretionary or non-discretionary basis according to the Client/Adviser investment advisory agreement.

(C) Customized Advisory & Banking Services:

Yale Capital Corp. customizes advisory and banking services for clients as a cornerstone objective. With a dedication to client services, the Adviser is able to engage in regular conversations with its clients, to ensure clients are kept informed and as in-touch with their portfolios as they wish to be. Investment strategies are designed for the individual client and all accounts are managed separately – according to the specific goals and risk tolerance of each client. Banking service employees manage recurrent and rare transactions for clients as a matter of daily routine. Client wishes are followed exactly and any client-imposed restrictions respected; furthermore, Yale Capital Corp. can offer particular assistance to clients with Rule 144 restrictions (usually as a result of company ownership) and has a long history of helping clients following the sales of their companies.

(D) Yale Capital Corp. does not participate in “wrap-fee” programs.

(E) As of 03.21.11, Yale Capital Corp. manages \$614,866,353 on a discretionary basis, and \$1,479,134 on a non-discretionary basis.

Item 5 – Fees and Compensation

(A) Yale Capital Corp. charges a percentage of assets under management. All fees are subject to negotiation. Our fee range varies from 0-2% of assets under management, depending on: assets under management, amount of work and attention involved in managing account.

Fee Schedule:

< \$10,000,000.00 = negotiable

> \$10,000,000.00 = negotiable



> \$20,000,000.00 = negotiable

> \$30,000,000.00 = negotiable

(B) The specific manner in which fees are charged by Yale Capital Corp. is established in a client's written investment agreement with Yale Capital Corp. Yale Capital Corp. will generally bill its fees on a quarterly basis, based on the agreed percentage of assets under management on the last day of the preceding quarter. Clients authorize Yale Capital Corp. to directly debit fees from client accounts.

(C) Clients may incur charges imposed by mutual funds, custodians, brokers, third party investment and other third parties (examples: fees charged by third-party managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, electronic fund fees, fed wire fees, trading commissions or prime brokerage fees and other fees and taxes on brokerage accounts and transactions – if Client wishes to engage in such transactions). Such charges, fees and commissions are exclusive of and in addition to Yale Capital Corp.'s fee, and Yale Capital Corp. shall not receive any portion of these commissions, fees, and costs. Item 12 further describes the factors that Yale Capital Corp. considers in selecting or recommending broker-dealers for *Client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

(D) Clients are billed in advance each calendar quarter, based upon the value of the account on the last day of the previous quarter and according to details included in the investment advisory agreement. New Client account fees will be prorated for the remainder of the quarter. Clients may obtain a refund of pre-paid fees if the account is terminated during the quarter, providing the account has been in effect a minimum of twelve months; the refund amount will be calculated on a pro-rata basis according to the number of days left in the quarter ($[\text{pre-paid fee}/\text{number of days in quarter}] \times \text{number of days left in quarter}$). For accounts closed within the first year of inception, a pro-rated fee will be charged according to the signed investment advisory agreement ($[\text{assets under management at last quarter-end} \times \text{quarterly fee percentage}] \times \text{number of quarters left in the year}$).

(E) Yale Capital Corp. and its supervised persons **do not accept compensation for the sale of securities or other investment products** (including asset-based sales charges or service fees from the sale of mutual funds). In our view, such a practice incentivizes advisers to recommend products based on commissions received rather than on a client's needs; to avoid such a conflict of interest, Yale Capital Corp. receives compensation solely through its quarterly management fee (no commissions and no mark-ups).



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

In some cases, Yale Capital Corp. has performance fee arrangements with qualified clients; fees are subject to individual negotiation with each client. Yale Capital Corp. will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (The Adviser's Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring Clients' assets for the calculation of performance-based fees, Yale Capital Corp. shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for Yale Capital Corp. to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Yale Capital Corp. has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

Yale Capital Corp. provides portfolio management services to high net worth individuals, private investment funds, and U.S. institutions. The Adviser requires a minimum account size of \$10,000,000. The Adviser has discretion to waive the account minimum: accounts that do not meet the account minimum may be set up when the Client and Adviser anticipate the Client will add additional funds to the accounts bringing the total up to \$10,000,000 within a reasonable time frame. Other exceptions may apply to employees of Adviser and their relatives, or relatives of existing Clients.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Yale Capital Corp. customizes investment strategies for each Client depending on their particular circumstances and requirements. The Adviser engages its Client in detailed discussions in order to construct and manage a customized portfolio – with suitable investments and management styles.

The following considerations contribute to effective discussions, portfolio construction and management:

- (i) Client's unique circumstances: age, objectives, income and cash-flow requirements, emotional tolerance for volatility, familial and charitable giving intentions, restrictions on particular securities



- (ii) Capital market conditions
- (iii) Appreciation and income over time
- (iv) Tax-efficiency, with engagement of Client's accounting and additional investment counsel when necessary

Yale Capital Corp. advisers continuously monitor individual Client portfolios and make adjustments to reflect significant changes in the aforementioned variables.

(A) Yale Capital Corp. applies fundamental analysis of securities, the broader market and other economic factors to contribute to the formulation of its investment advice. Yale Capital Corp.'s primary strategy involves investing in defensive, dividend-bearing and tax-efficient asset classes. The Adviser believes that, relative to the potential benefit of a high-net-worth client, frequent trading involves an unjustifiable amount of risk, and that the impact of taxes and transactions can be detrimental to performance. Analysts and advisers continuously monitor portfolios and market conditions, making judicious portfolio adjustments according to the best interests of the Client. Investing in securities involves risk of loss that clients should be prepared to bear.

(B) We believe all forms of investment management pose market risks. The following risks are most relevant to our asset groups: interest rates, market volatility, market events, terrorism, and company management.

(C) Yale Capital Corp. offers a specialization in master limited partnerships. While we consider the asset class more defensive than most, there are always risks involved in investing. Amongst MLP risks are the following: interest rate fluctuations, market volatility, market events, terrorism, company management, and alternative energy competition.

Item 9 – Disciplinary Information

Registered investment advisers must disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of Adviser's management.

Yale Capital Corp. has no legal or disciplinary events, or any administrative proceedings, to report.



Item 10 – Other Financial Industry Activities and Affiliations

(A) Yale Capital Corp. and its principal executive officers are **solely in the business of providing investment advice to clients**. The Adviser does not sell products or other services to clients. Neither the Adviser, nor its *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

(B) Neither the Adviser, nor its *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

(C) Yale Capital Corp. and its management persons are not affiliated with any of the below types of firms. The Adviser utilizes Charles Schwab & Co. as its custodian, though the two firms are not linked through common ownership or subsidiary arrangements.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading adviser
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

(D) In the event that Yale Capital Corp. agrees to select other investment advisers for a Client, the Adviser will disclose all material conflicts of interest, direct or indirect compensation from advisers, and all practices related to addressing conflicts of interest.

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

(A) Yale Capital Corp. has a Code of Ethics for all supervised persons describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading



procedures, among other considerations. All supervised persons at Yale Capital Corp. must acknowledge the terms of the Code of Ethics annually, or as amended. Yale Capital Corp. will gladly provide a copy of Code of Ethics document to any Client or Prospective Client, upon request.

It is Yale Capital Corp.'s policy that the firm will not affect any principal or agency cross securities transactions for Client accounts. Yale Capital Corp. will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer (not applicable in Yale Capital Corp.'s case).

(B) Yale Capital Corp. and its related persons do not recommend to Clients, or buy and sell in Client accounts, securities in which it or a related person has a material financial interest or conflict of interest. Yale Capital Corp. and its related persons do, however, own securities that Clients also hold – please see Item 11, Section D.

(C) Yale Capital Corp anticipates that, if consistent with clients' investment objectives, it will recommend to investment advisory clients or prospective clients, the purchase or sale of securities that Yale Capital Corp. or its employees hold in their corporate/personal portfolios. Yale Capital Corp.'s employees and persons associated with Yale Capital Corp. must follow Yale Capital Corp.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Yale Capital Corp. may trade in their own accounts securities that Yale Capital Corp.'s clients also hold or receive recommendations for.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Yale Capital Corp. will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Yale Capital Corp.'s Clients – for example, mutual funds. In addition, the Code requires pre-clearance of many transactions, and restricts



trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, to reasonably prevent conflicts of interest between Yale Capital Corp. and its Clients.

(D) Certain affiliate accounts may trade in the same securities as Client accounts on an aggregated basis when consistent with Yale Capital Corp.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Yale Capital Corp. will retain records of the trade order (specifying each participating account) and its allocation, prior to the entry of the aggregated order. We will allocate completed orders according to the initial trade order's instructions, and we will allocate partially filled orders on a pro-rata basis and explain any exceptions.

Yale Capital Corp.'s Clients or Prospective Clients may request a copy of the firm's Code of Ethics by contacting the firm directly.

Item 12 – Brokerage Practices

(A) Factors Yale Capital Corp. considers when selecting or recommending a broker-dealer for Client transactions and for determining their compensation (e.g. commissions).

The Adviser participates in the Charles Schwab Institutional ("Schwab") program, sponsored by Charles Schwab & Co. We may recommend Schwab to Clients in need of brokerage and custodial services. If a Client does not direct the Adviser to use a particular broker or dealer, the Adviser generally uses Schwab as its broker for trade executions. Other broker/dealers, including discount brokers, may charge higher or lower commission rates for identical or similar transactions.

The Adviser considers the negotiated commission rates available through Schwab to be competitive, although there may exist lower commission rates at other broker-dealers. The Adviser realizes benefits of being able, through direct computer access, to view and evaluate current Client account positions held at Schwab, to process trades quickly and efficiently in Client Accounts, to execute cost-effective "block" trades on behalf of multiple Clients (block trades will typically only be carried out for IPOs; though, should the Adviser deem that a block trade is in the interests of its Clients, YCC reserves right to trade in blocks for multiple clients), to receive consolidated Client statements and confirmations, and year-end summaries, and to review and automatically "download" by computer a wide range of information regarding Client



transactions. Schwab also has the capability of transacting and holding an extensive variety of mutual funds, including no load and institutional funds, in Client accounts. Finally, Schwab directly debits the Adviser's management fees from Client accounts (providing Client has provided on-going permission). For certain securities transactions, however, the Adviser may recommend other broker-dealers to process trades on behalf of Clients.

As part of the Schwab program, the Adviser receives benefits that it would not receive if it did not provide investment advice to Clients. While there is no direct affiliation between the investment advice given to Clients and the Adviser's participation in the Schwab program, economic benefits are received by the Adviser which would not be received if the Adviser did not give investment advice to Clients or have an established relationship with Schwab.

These benefits do not depend on the amount of transactions directed by the Adviser to Schwab, though the Adviser is required to maintain a minimum custody of \$10,000,000 of Client assets with Schwab to utilize Schwab Institutional. Benefits may include: A dedicated trading desk that services the Adviser's Clients; a dedicated service group and an account service manager dedicated to the Adviser's accounts; access to a real time order matching system; research, pricing information and other market data; ability to block Client trades; electronic download of trades; duplicate and batched Client statements; confirmations and year-end summaries; the ability to have advisory fees directly debited from Client accounts (in accordance with federal and state requirements); and the ability to have custody fees waived. Additional benefits to Schwab Institutional membership include: consulting, publications and conferences on practice management; information technology; business succession; regulatory compliance; and marketing. In addition, Schwab may make available, arrange and/or pay for fees of a third-party providing these services to Adviser.

1. Research and Other Soft Dollar Benefits

While Yale Capital Corp. can access research, services and products generally available to advisers through the Schwab Institutional website, the firm does not have any specific soft dollar arrangements for particular benefits. This means we do not mark up or mark down client commissions to obtain products, services or research. Were Yale Capital Corp. to engage in soft dollar arrangements with a broker, the benefits would not be limited to those clients who may have generated a particular benefit.

2. Brokerage for Client Referrals

Yale Capital Corp. does not currently receive client referrals from a broker-dealer in exchange for recommending a broker-dealer to Clients. Were this to be the case, Yale Capital Corp. would



have to make additional disclosures concerning conflicts of interest and procedures concerning directing client transactions to broker-dealers in return for referrals.

3. Directed Brokerage

Yale Capital Corp. prefers Clients utilize a broker with which the firm has an established relationship. While Yale Capital Corp. is not affiliated with a particular broker-dealer, the firm uses Charles Schwab & Co. to custody client assets, transact journals and wires, and to execute trades. Should a client direct brokerage, it may not be possible to achieve the same timeliness/general level of service, or best execution as the Adviser may not be able to negotiate commissions or obtain volume discounts. When a Client selects the broker to be used for his/her account, the Client negotiates commission rates with his/her broker. Therefore, a disparity in commission charges may exist between the commissions charged to self-directed brokerage Clients and Clients who hold their assets at Charles Schwab & Co.

(B) Aggregate Orders

Yale Capital Corp. generally processes transactions for each Client account independently; however, it may be advantageous to buy or sell a large quantity of securities. Therefore, the Adviser may combine or batch such orders to obtain best execution, and/or to negotiate more favorable commission rates or other transaction costs (that might not be available for independent orders). We will average the price and transaction costs, and allocate to Client accounts according to the proportion of buy/sell orders placed in each Client account.

(C) Trade Error Policy

While Yale Capital Corp. employees follow clear procedures to execute trades with accuracy, they may make errors in submitting a discretionary or client-requested trade order. When this occurs, Yale Capital Corp. seeks to make Client accounts "whole" again by placing a correcting trade with the broker-dealer that has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Yale Capital Corp. will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.



In any trade error event, the client will incur zero costs for any error made by Yale Capital Corp. Moreover, Yale Capital Corp. will not use "soft dollars" to correct trade errors. Yale Capital Corp. also will not use future brokerage business to compensate a broker either directly or indirectly for absorbing the cost of correcting an error in an earlier transaction.

Yale Capital Corp. attempts to minimize trade errors by promptly reconciling confirmations with order tickets and intended orders, and by reviewing past trade errors to understand the internal control breakdown that caused any errors.

Item 13 – Review of Accounts

(A) Yale Capital Corp. reviews Client accounts regularly to ensure appropriate allocation based on the Adviser's assessments of market conditions and the circumstances of the client. The Adviser also monitors general conditions in the stock and bond markets. Chairman/chief investment officer, Mr. Cheyne Pace, reviews all accounts. There is no set minimum or maximum in place with regard to the number of accounts that he will review.

(B) Non-routine reviews and subsequent buy/sell recommendations occur when there are changes in client's circumstances, changes in stock and bond market general conditions, and changes in mutual funds or individual securities owned by clients.

(C) Clients should receive copies of all transaction confirmations and monthly statements directly from the custodian. Yale Capital Corp. provides performance/account reviews on a quarterly basis, or as requested by the Client. Additionally, Yale Capital Corp. will provide customized reports according to the wishes and needs of the client; examples may include specific transactions, specific security or time frame performance, summary of outgoings etc.

Item 14 – Client Referrals and Other Compensation

(A) Yale Capital Corp. receives economic benefit only from its clients, and does not receive compensation by a third-party for providing advice to our clients. This is a cornerstone of our approach as we consider third-party payment to be a conflict of interest. Yale Capital Corp. is an independent adviser, not affiliated with a broker-dealer and, thus receives compensation solely from its clients.

(B) Yale Capital Corp. has solicitor/referral agreements with third parties who refer Yale Capital Corp. to prospective clients. For this service, we may pay a commission percentage of the basic management fee to the third party. The commission covers the referral provision,



solicitation services and any costs incurred by these efforts; this financial arrangement incurs no extra cost to the Client and there are no manipulations made to management fees. Any sales information used by the Solicitor is the responsibility of Yale Capital Corp. The Solicitor does not provide investment advisory services. We fully disclose such arrangements to relevant Clients and document their written acknowledgement of such disclosure.

Item 15 – Custody

Clients must receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Yale Capital Corp. urges Clients to carefully review such statements and compare such official custodial records to the account statements/reviews that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Yale Capital Corp. usually receives discretionary authority from the Client to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account. The Adviser and the Client may document investment guidelines or restrictions in writing. In order to provide Yale Capital Corp. with the ability to trade in Client accounts, Clients sign the Custodian's Limited Power of Attorney. The Custodian will then permit Yale Capital Corp. to trade, to transfer funds between same-name accounts, and to deduct management fees. To transfer funds between accounts of different names/registrations, we must obtain signed Client authorization.

When selecting securities and determining amounts to buy or sell, Yale Capital Corp. observes the investment policies, limitations and restrictions of the Clients for which it advises. For registered investment companies, Yale Capital Corp.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17 – Voting *Client* Securities

It is the policy of Yale Capital Corp. to vote Client proxies in the interest of maximizing shareholder value. To that end, Yale Capital Corp. will vote in a way that it believes is consistent with its fiduciary duty and will cause the value of the issue to increase the most or



decline the least. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote.

Any general or specific proxy voting guidelines provided by an advisory Client or its designated agent in writing will supersede this policy. Clients may wish to have their proxies voted by an independent third party or other named fiduciary or agent, at the Client's cost.

Yale Capital Corp. is not required to vote every Client proxy and such should not necessarily be construed as a violation of YCC's fiduciary obligations. Yale Capital Corp. shall at no time ignore or neglect its proxy voting responsibilities. However, there may be times when refraining from voting is in the Client's best interest, such as when the Adviser's analysis of a particular Client proxy reveals that the cost of voting the proxy may exceed the expected benefit to the Client (i.e., casting a vote on a foreign security may require that the Adviser engage a translator or travel to a foreign country to vote in person).

So long as there are no identified material conflicts of interest, Yale Capital Corp. will vote proxies according to the policy set forth above. Yale Capital Corp. may also elect to abstain from voting if it deems such abstinence in its Clients' best interests. The Advisor will document and permanently maintain the rationale for "abstain" votes.

If the Chairman and/or Principal detect a conflict of interest, Yale Capital Corp. will, at its expense, engage the services of an outside proxy voting service or consultant who will provide an independent recommendation on the direction in which Yale Capital Corp. should vote on the proposal. Yale Capital Corp. will follow the consultant's or proxy voting service's determination.

Records of all proxy votes will be kept for a minimum of 5 years and will be made available to Clients upon request by contacting your Client Services representative or the Compliance department.

Item 18 – Financial Information

(A) Yale Capital Corp. does not require prepayment of fees six months or more in advance, and therefore does not include a balance sheet for the most recent fiscal year in this ADV II document.

(B) Yale Capital Corp. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients.

(C) Yale Capital Corp. is not, and has not been, the subject of a bankruptcy petition.