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February 22, 2012

Form ADV, Part 2 A

This Brochure provides information about the qualifications and business practices of YHB Investment Advisors, Inc. (YHB). If you have any questions about the contents of this Brochure, please contact us at 860.561.7050 and/or www.yhbia.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

YHB Investment Advisors, Inc. 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 YHB Investment Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

Item 1 – Cover Page

Item 2 – Material Changes

On July 21, 2010, the SEC adopted “Amendments to Form ADV” which amend the disclosure document that we provide to clients and prospective clients. This brochure dated February 22, 2012 is prepared according to the SEC’s new requirements.

There have been no material changes to the brochure from the last annual update on March 14, 2011.

Currently, our brochure may be requested by contacting Anne Stone at 860.561.7050 or anne@yhb.com. Our brochure is also available on our web site www.yhb.com, also free of charge.

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

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 - Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities and Affiliations.....	5
Item 11 – Code of Ethics.....	6
Item 12 – Brokerage Practices	7
Item 13 – Review of Accounts	8
Item 14 – Client Referrals and Other Compensation	9
Item 15 – Custody	9
Item 16 – Investment Discretion	10
Item 17 – Voting Client Securities	10
Item 18 – Financial Information.....	11
Item 19 – Requirements for State-Registered Advisers.....	11

Item 4 – Advisory Business

YHB Investment Advisors, Inc. (YHB) was organized in December 1989. YHB is 100% independently owned and controlled. The owners are actively involved in the ongoing operations or management of the company. As of December 31, 2011, \$756.8 million of client assets are managed on a discretionary basis and \$1.1 million are managed on a non-discretionary basis. Our services are outlined below.

Personal Asset Management

YHB provides to clients personalized investment advisory services consisting of:

- Comments and observations regarding your current portfolio
- Education as to basic investment concepts, policies and disciplines
- Recommendations for target allocations, investment markets, and product types
- Investment Policy Guidelines
- Recommendation, selection, and trade execution of individual securities
- Ongoing asset review and management
- Quarterly reports including:
 - Account holdings
 - Performance data
- Periodic educational newsletters
- Ongoing availability for questions on investment markets and strategies

Investment Consulting

We also provide consulting services to certain clients who are seeking guidance in a specific area or for a specific purpose, either on a short-term or ongoing basis. Such consulting may address any of the following areas:

- Establishing investment policy guidelines
- Reviewing and selection of managers
- Ongoing manager evaluation and review
- Aggregated portfolio and performance reporting
- Other specialized consulting

Item 5 – Fees and Compensation

Management fees for YHB's services are outlined below.

Personal Asset Management Fees

Equity and Balanced Accounts

Standard Fee Schedule

1 st \$1,000,000	1.00%
Next \$2,000,000	0.75%
Thereafter	0.50%

Schwab Advisor Network Clients

1 st \$1,000,000	1.15%
Next \$2,000,000 ...	1.00%
Thereafter	0.75%

Fixed Income Only

Standard Fee Schedule

1 st \$1,000,000	0.75%
Next \$2,000,000	0.50%
Thereafter	0.25%

Schwab Advisor Network Clients

1 st \$1,000,000	0.85%
Next \$2,000,000 ...	0.75%
Thereafter	0.60%

When accounts are related by family or close association, we may aggregate several accounts to achieve for you favorable breakpoints in the fee schedule. Such related groupings may differ from the definition of "family" groups as determined and used by custodians for purposes of commission rates or other charges. A negotiated fee rate may apply in certain cases considering account size, composition, complexity, or other factors.

Client fees are deducted quarterly in advance based on account value (including cash and equivalents). We prorate the initial fee from the date of the contract to the end of that calendar quarter.

Either party can terminate service with written notice. Any prepaid fees will be promptly refunded.

Investment Consulting Fees

Investment consulting services fees will be quoted based on the specific services to be provided and the estimated time required to perform the services. Such fees will be quoted on either an hourly basis at \$150.00 per hour or as an ongoing project fee. Project fees will be quoted on a project or annual basis and billed quarterly.

Investment consulting contracts may be canceled at any time, for any reason, with written notice. Prepaid, unearned fees will be promptly refunded.

Commissions and Other Fees

Our management fees do not include brokerage commissions, transaction fees, or other related costs and expenses which are paid by you. Custodians, brokers, third party investment and other third parties may charge you fees such as custodial fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge management fees which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our management fee. We do not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions). Item 7 describes fees for trustee services.

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

We do not charge performance-based fees and do not employ side-by-side management practices.

Item 7 – Types of Clients

We provide portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, charitable institutions, corporations, foundations, endowments, municipalities, and trusts.

In addition to portfolio management services described above, the officers and portfolio managers of YHB are available to be named as trustee, co-trustee or successor trustee of living and testamentary trusts including irrevocable life insurance trusts. Working with YHB, these individuals can provide or coordinate some or all of the following services:

- trust asset custody and management

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- collection and distribution of income and principal
 - maintenance of tax records
 - communication with tax and other advisors
 - answers to financial planning questions
 - personal services to beneficiaries and families.
 - bill paying and tax paying services

YHB itself does not serve in any capacity as corporate trustee. YHB trustees charge an add-on fee for providing trustee services. This fee, as outlined below, is separate from the investment advisory fee charged by YHB.

	Trustee Fee	Investment & Custody Fee	Total Annual Fee
1 st \$1,000,000	0.25%	1.00%	1.25%
Next \$2,000,000	0.20%	0.75%	0.95%
Thereafter	0.15%	0.50%	0.65%

Note: Trusts with assets over \$5,000,000 will be quoted individually.

Note: Fixed income only trusts will be reduced by 0.25%.

Under SEC regulations, individuals who serve as trustees are deemed to have “custody” of client funds in a technical sense, and as a result, YHB is also deemed to have “custody” of the trusts’ assets. However, client funds and securities will be maintained in accounts with qualified custodians and will receive statements at least quarterly.

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

Your investment strategy and methods of security analysis consist of:

1. Evaluating your individual needs
2. Creating an appropriate diversified portfolio consisting generally of:
 - a. Selected fixed income securities, potentially including U.S. government, corporate or municipal bonds
 - b. Individual equity securities including common and preferred stock
 - c. No-load equity funds representing selected market sectors
3. Evaluating the relative value of various markets based on economic cycles and market trends
4. Rebalancing your accounts periodically to meet allocation targets.

We manage fixed income investments with the objectives of creating stable portfolios, dependable cash flows, and predictable rates of return with relatively limited levels of risk. In acquiring individual bonds we emphasize quality investment grade vehicles, good value, generous yields, and minimized credit and interest rate risk.

For equities we favor the ownership of stocks of high quality companies with a history of strong earnings growth and a corporate management with demonstrated success in adding to shareholder value. Our selection process includes, 1) independent quantitative and qualitative research, 2) collaboration among the members of our investment team to ensure the best thinking is reflected in our portfolios, and 3) independent analysis to give us confidence in our convictions.

We do not offer any products or services that guarantee rates of return. Investing in securities involves risk of loss. Clients assume the risk that returns may be negative or below those of market indices or other products or services.

Item 9 – Disciplinary Information

Our firm has had no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Gary B. Youell is a significant owner and Chairman of the Board of YHB Investment Advisors. He also serves on the boards of four independent, unaffiliated, non-publicly traded companies based in CT, NY and DE. Some of these firms and certain of their employees are investment advisory or investment consulting clients of YHB. Gary is not a portfolio manager and is not involved in the operations of investment-related activities of YHB.

Item 11 – Code of Ethics

Description

We have adopted a Code of Ethics for all supervised persons of the firm outlining high standards of business conduct and fiduciary duties to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, prohibitions of insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our employees must acknowledge the terms of the Code of Ethics annually, or as amended.

Personal Securities Transactions

We may trade for our own accounts in the same securities that we recommend and purchase for you. The Code of Ethics is designed to assure that our personal securities transactions, activities and interests will not interfere with (i) making decisions in your best interests, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Because the Code of Ethics in some circumstances permits us to invest in the same securities as you, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. We monitor employee trading under the Code of Ethics to reasonably prevent conflicts of interest.

Aggregated Trades

As described in Item 12, at times we aggregate transactions where practical and advantageous to clients. Employees and/or related accounts may participate in aggregated trades with the firm's clients, but not on more favorable terms than offered to clients. In such circumstances, the affiliated and client accounts receive securities at a total average price. Our policy prohibits any allocation of trades in a manner such that our proprietary accounts, affiliated accounts, or any particular client or group of clients receive more favorable treatment than other client accounts.

Principal Transactions and Cross Trades

We do not buy or sell securities from our own or any affiliated accounts with your account. We are not dually registered as an adviser and a broker. We have no affiliated broker-dealer through which we coordinate transactions.

The SEC does permit purchases and sells (cross transactions) between client portfolios because they can be transacted with lower commission costs to the advantage of buyer and

seller. When we arrange cross transactions our custodians determine appropriate cross level prices. We derive no commission or other compensation from cross transactions.

Disclosures

We will notify any potentially affected client if a conflict of interest is identified. You may obtain a copy of our complete Code of Ethics upon request.

Item 12 – Brokerage Practices

Brokerage & Directed Brokerage Services

When undertaking an advisory relationship with our firm, you may instruct us to work with a specific broker/dealer or custodian for their execution and clearing functions. We recommend that clients use broker/dealers that provide reasonable quality services and competitive rates. Unless otherwise directed, we will effect all brokerage, custody, and clearing functions through Pershing, LLC, (Pershing) or Charles Schwab & Co. (Schwab). However, you are not obligated to engage these services, and the implementation of any or all recommendations, and the selection of an account custodian is solely at your discretion.

Best Execution

When you do not have a predetermined relationship, we recommend these services through Pershing or Schwab. Transaction charges for trade executions are as follows:

	<u>Pershing, LLC</u>	<u>Charles Schwab & Co., Inc.</u>
Municipal & Corporate Bonds	\$0-10	\$1/\$1000 (\$10 minimum)
Municipal & Corporate Bonds prime trades	\$15	\$25
Common Stock per share	N/A	\$0.015 > 1000 shares
Minimum Charge	\$8.95	8.95 - 19.95 *
Mutual Funds (if charge applies)	\$0-25	\$0-50
Fixed Income cross trades per side charge	\$15	\$10-50

* \$8.95 up to 1,000 shares for clients whose family accounts total over \$1 million; \$0.03 per share thereafter. \$8.95 for clients with electronic confirms and statements.

Pershing and Schwab are industry leaders in providing clearing and custody services. Both offer dedicated customer support and technology to YHB and its clients to maximize service and efficiency. We annually review schedules of clearing transactions with custodians. Sundry charges for other securities functions such as legal and wire transfers are normal and customary.

We feel that our arrangement for coordinating brokerage and clearing functions represents good overall value, safety, and quality of execution.

Both Pershing and Schwab provide insurance supplemental to the SIPC coverage provided by the federal government to protect you in the event of default as custodian. In the event of such default, such insurance will reimburse you for any discrepancies that may arise between clients' records of securities owned and the records provided to the surviving or acquiring party as new custodian. Such insurance in no way reimburses you for any individual security losses due to market conditions, bond defaults, poor company performance, etc., or for any event rising from the advice of our portfolio managers.

Research and Soft Dollar Benefits

We have negotiated soft dollar benefit arrangements with Pershing and Schwab where a certain portion of the commissions charged on trades are credited for payment directly for certain services related to research and investment decision-making that benefit YHB and our clients. Absent this arrangement, the commission rates would be slightly lower. Soft dollar benefits are not limited to those clients who may have generated a particular benefit and are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

In our roles as fiduciaries we seek to achieve best execution for our clients and believe that our soft dollar benefit arrangements provide clients brokerage and clearing services at good value as well as the benefit of substantial research.

Trade Aggregation & Allocation

We generally execute transactions for our many clients on an account-by-account basis. We may aggregate certain transactions for multiple accounts where practical and advantageous to clients. The aggregation of client trades may allow us to execute transactions in a more timely, equitable, and efficient manner. In these instances clients participating in aggregated trades receive the average share price for the entire transaction. To the extent that aggregated trades involve multiple custodians or brokers, we rotate the trade execution in an effort to be equitable to all clients. If a full block order is not completely filled, the trade will be allocated on a pro-rata basis.

Item 13 – Review of Accounts

For personal asset management clients, one of the firm's portfolio managers reviews each account at least quarterly. The number of accounts assigned will never exceed the number that would compromise our high standards of quality and personal attention.

You receive written quarterly reports consisting of a portfolio appraisal including the current value of holdings and performance reports to determine if investment objectives are being achieved. Additional reports are available for more specific analysis and review.

Item 14 – Client Referrals and Other Compensation

We receive an economic benefit from Pershing and Schwab in the form of support products and services, including research and compliance updates and information, that they make available to us and other independent investment advisors whose clients maintain their assets with them. The availability of these products and services is not based on us giving particular investment advice to our clients.

From October 2002 through June 2009, we received client referrals from Schwab through our participation in the Schwab Advisor Network (the Service). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with YHB. Schwab does not supervise YHB and has no responsibility for our management of clients' portfolios or YHB's other advice or services. As of July 2009, YHB is no longer an active participant in the Service and no longer accepts client referrals from Schwab. YHB, however, continues to serve certain clients referred in past years subject to the policies herein described.

We pay Schwab participation fees on all referred clients' accounts that are maintained in custody at Schwab. According to the schedule outlined in Item 5, YHB charges clients referred through the Service fees or costs greater than the fees or costs YHB charges clients with similar portfolios who were not referred through the Service.

Effective March 31, 2009, YHB entered into an agreement to provide investment advisory services to the clients of Johansen Group, Inc. YHB pays a percentage of the advisory fees of those clients to a former owner who is also an advisory client of YHB.

YHB also makes a quarterly payment to a former part owner of the firm.

Item 15 – Custody

YHB does not maintain custody of your assets, except as a consequence of our authority to make withdrawals from your accounts to pay advisory fees and in circumstances where a portfolio manager serves as a trustee. We have adopted policies and procedures to provide

reasonable assurance that YHB does not inadvertently obtain further custody over your assets. You will receive, at least quarterly, statements from your qualified custodian (generally Pershing or Schwab) that holds and maintains your investment assets. We urge you to carefully review custodial statements and compare them to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Due to a ruling in 2010 by the SEC regarding funds held in trustee accounts, YHB undergoes an independent custody audit each year. YHB is in compliance with all related SEC regulations.

We do not advise you or act on your behalf with regard to class actions or other legal proceedings that involve securities purchased for or held in your accounts including, without limitation, bankruptcies and cases alleging securities law or antitrust law violations.

Item 16 – Investment Discretion

YHB usually receives discretionary authority from clients through the Advisory Agreement to purchase and sell securities on your behalf. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your account. When selecting securities and determining amounts, we observe related account investment policies, limitations and restrictions.

Item 17 – Voting Client Securities

The voting of proxies is an important part of portfolio management. We are committed to voting corporate proxies in the manner that best serves your interests. Absent material conflicts, we vote proxies in a timely and appropriate manner. Our policy is to vote all proxies for specific issues the same way for each client absent qualifying restrictions from you. We generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflict of interests raised by an auditor's non-audit services.

We generally vote against proposals that cause board members to become entrenched or cause unequal voting rights. If a material conflict of interest exists, we will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through

objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.

For each proxy, we maintain all related records as required by applicable regulations. You may obtain a copy of our complete proxy voting policies and procedures upon request. You may also obtain information about how we voted any proxies on your behalf.

Item 18 – Financial Information

YHB has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. We do not require prepaid management fees for more than the current quarter in which they are collected.

Item 19 – Requirements for State-Registered Advisers

Because of the amount of assets managed, YHB is registered with the SEC and not required to register at the state level.