

ITEM 1 – COVER PAGE

March 22, 2012

FORM ADV, PART 2A: FIRM BROCHURE

UNIFORM APPLICATION FOR INVESTMENT ADVISOR REGISTRATION

Stella Capital, LLC
600 Montgomery Street
Suite 3550
San Francisco, CA 94111

(415) 677-0121
contact@stellacap.com
www.StellaCap.com

This brochure provides information about the qualifications and business practices of Stella Capital, LLC, an investment advisor registered with the United States Securities and Exchange Commission. Such registration does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at (415) 677-0121 or contact@stellacap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Stella Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Under SEC rules, we are required to deliver to clients and prospective clients a brochure disclosing information about Stella Capital, LLC. Each year we are required to review and update this brochure and ensure that the content is up to date and accurate.

This item will summarize all material changes, amendments and corrections to the brochure since the last version was released. The last version was released on March 31, 2011.

We have closed and dissolved three of our previous fund offerings:

Stella Capital Green Offshore Fund, Ltd. was closed on September 30, 2010 and a certificate of dissolution was issued by the BVI Financial Services Commission on May 30th, 2011.

Stella Capital Green Fund, LP was closed on December 31, 2010 and a Certificate of Cancellation was filed with the State of Delaware, where the entity was formed, on August 30th, 2011..

Stella Capital Emerging Markets Fund, LP was closed on December 31, 2010 and a Certificate of Cancellation was filed with the State of Delaware, where the entity was formed, on August 30th, 2011.

Stella Capital Private Stock Fund, LP was formed on October 20th, 2011 (see Item 8 for more details).

Section 410 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) generally raised the minimum assets under management required in order for an investment adviser to register with the SEC from \$25 million to \$100 million. Investment advisers currently registered with the SEC must have at least \$90 million under management to remain registered with the SEC. In accordance with Rule 203A-5(c)(1) we have until June 28, 2012 to register with the state (California) in which we have our principal office and place of business and withdraw our SEC registration. We have begun the process of registering with the California Department of Corporations.

Any other changes to the substance contained in this version of the firm brochure are not material in nature.

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ITEM 4 – ADVISORY BUSINESS

- A. Stella Capital, LLC (“Stella Capital” or “we” or “us”) was founded in 2004 by Seth Chandler and John Marshall and began business operations in January of 2005. Both Seth and John own 50% of Stella Capital.
- B. Stella Capital provides investment portfolio management services as the general partner in six (6) private investment funds. Investors, which include individual and institutional investors, invest in one of three (3) U.S. private investment funds, Stella Capital Partners, LP, Stella Capital Real Estate Opportunity Fund, LP and Stella Capital Private Stock Fund, LP and three (3) offshore private investment funds, Stella Capital Offshore Fund, Ltd., Stella Capital Al-Aqarat, LP and Stella Capital Real Estate Opportunity Fund, Ltd.

Stella Capital Partners, LP and Stella Capital Offshore Fund, Ltd are fund of funds, providing investors the opportunity to participate in a diversified portfolio of hedge funds, other private investment funds and other financial instruments through one private fund investment. The three real estate funds (which includes Stella Capital Al-Aqarat, LP) purchase distressed real estate properties. Stella Capital Private Stock Fund, LP is a private investment fund that purchases common stock in private U.S. corporations. The investment strategies of the funds are described in further detail in Item 8.

- C. Except as described above, we do not tailor our advisory services to the individual needs of clients. Clients may not impose restrictions on investing in certain securities or types of securities.
- D. We do not participate in wrap fee programs.
- E. As of December 31, 2011, we managed approximately \$27,200,000 in client assets on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

- A. Stella Capital Partners, LP and Stella Capital Offshore Fund, Ltd each charge clients up to 1.5% of managed assets, payable quarterly in arrears, and a performance allocation equal to 20% of the increase in the net asset value payable annually in arrears.

Stella Capital Private Stock Fund, LP charges clients up to 2.0% of managed assets, payable quarterly in arrears, and a performance allocation of up to 20% of the increase in the net asset value payable annually in arrears. Additionally, the Stella Capital Private Stock Fund, LP charges clients an acquisition fee of 3.0% of the acquisition cost of each portfolio investment.

Stella Capital's real estate funds typically charge investors 2.0% of managed assets, payable quarterly in arrears, and a performance allocation of 20% of the increase in the net asset value payable annually in arrears for all of the real estate funds.

Stella Capital's fees are negotiable on a case-by-case basis. If a fund client is not deemed to be a Qualified Purchaser then such fund client will not pay the performance allocation until such time as the client meets the test for a Qualified Purchaser.

A High Water Mark is our assurance that we will only take fees on profits unique to an individual investor. For example, a \$100,000 investment in year 1 into one of our funds and that fund declines by 50%, leaving only \$50,000 in the fund. In year 2, the fund returns 100%, bringing the investment back to \$100,000. Stella Capital will not take a performance allocation on the return in year 2, since the investment has never grown. We will only take performance allocations if the investment grows above the initial level of \$100,000.

Stella Capital believes its fees are within the range charged by other managers of similar investment vehicles and are reasonable in light of the type of services it is providing, management's expertise and the continuous monitoring of each of the funds' investments. Lower fees may be obtained from other advisers for services comparable to those provided by Stella Capital.

B. All fees are deducted directly from the capital account of an investor.

For our British Virgin Islands based funds, all cash is held under the name of the fund by HSBC Bank at the Bank of Bermuda, which acts as cash custodian. The Administrator for those funds, Dundee Leeds Group calculates fees during each reporting period.

For our domestic funds, all cash is held under the name of the fund at Wells Fargo Bank, which acts as cash custodian. Fees are calculated by our fund accountant.

For all funds, fees are verified at the end of each year by our independent auditor.

C. Stella Capital's fund of funds invest in hedge funds (the "underlying funds"). The fees charged by the underlying funds are typically 2.0% of invested assets, payable quarterly in arrears, and a performance allocation of between 20% and 30% of the increase in the net asset value payable annually in arrears.

Each of Stella Capital's funds bears a number of expenses. Typical expenses charged to the funds are: legal, accounting, audit and other professional costs; research costs; custodial fees; interest on margin accounts and organizational expenses.

Additional details on expenses can be found in the offering documents for each fund, which are provided to all potential investors prior to an investment in any of our funds.

- D. Clients are not required to pay fees in advance of investment in any of Stella Capital's funds.
- E. None of Stella Capital's supervised persons accept compensation for the sale of securities or other investment products.

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

As outlined above, Stella Capital derives a portion of its compensation from performance-based fees. The existence of such compensation may create an incentive for Stella Capital to make riskier or more speculative investments on behalf of a fund than would be the case in the absence of this arrangement.

ITEM 7 – TYPES OF CLIENTS

Stella Capital's clients include high net worth individuals, trusts, estates, charitable organizations and institutional investors.

In order to invest in a fund operated by Stella Capital, clients must first demonstrate that they are an Accredited Investor and a Qualified Purchaser, as those terms are used under the Investment Company Act of 1940, as amended, by requiring each investor to either place a minimum of \$750,000 under management with Stella Capital or represent that they have a net worth of at least \$1,500,000. Additionally, clients wishing to invest in our offshore funds must also demonstrate that they are professional investors who are not residents of the United States.

All clients must establish their identity by providing proof of residence and a certified copy of accepted identification, such as a driver's license or passport.

The current minimum investment for all funds, except Stella Capital Al-Aqarat, LP, is \$100,000. The minimum investment for Stella Capital Al-Aqarat, LP is currently \$1,000,000.

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

- A. As outlined in Item 4, Stella Capital operates six private investment funds. Stella Capital Partners, LP and Stella Capital Offshore Fund, Ltd are fund of funds, providing investors the opportunity to participate in a diversified portfolio of hedge funds, other private investment funds and other financial instruments through one private fund investment. Stella Capital Private Stock Fund, LP is a private investment fund that purchases common stock in private U.S. Corporations. The three real estate funds (including Stella Capital Al-Aqarat, LP) purchase distressed real estate properties typically in partnership with other institutional investors. The investment strategies of the funds are described below:

Stella Capital Partners, LP/Stella Capital Offshore Fund, Ltd: investments will be made principally in long/short equity, relative value and event driven strategies, but the Funds may invest in other strategies that Stella Capital believes will further the investment objective of superior absolute rates of return over the long term. Portfolio Managers in which the Funds invest will be permitted to invest in public and private, U.S. and foreign, long and short positions in equity securities, options, warrants, fixed income securities, preferred stocks, convertible securities, financial and commodity futures, currency forward contracts, over-the-counter derivative instruments, securities that lack active public markets, and other financial instruments. Investment and trading strategies used may include hedging and arbitrage strategies, short sales and leveraging.

Stella Capital Private Stock Fund, LP: investments will be made primarily in the common stock of U.S. corporations that are not publicly traded.

Stella Capital Real Estate Opportunity Fund, LP/Stella Capital Real Estate Opportunity Fund, Ltd: these funds seek to capitalize on the severely distressed U.S. real estate market by acquiring a portfolio of undervalued commercial and residential properties, performing extensive rehabilitation of each property and selling into a rising real estate market.

Stella Capital Al-Aqarat, LP: this fund seeks to capitalize on the severely distressed U.S. real estate market by acquiring a portfolio of undervalues, Shariah-compliant, commercial and residential properties, with a focus on California, specifically the San Francisco Bay Area, Los Angeles and San Diego. After an extensive rehabilitation of each property, followed by a limited holding period, the exit strategy of Stella Capital Al-Aqarat, LP is to sell into a rising real estate market.

In general, Stella Capital will identify develop strategies that we believe will benefit our investors using information from financial newspapers and magazines; inspection of corporate activities; and research materials prepared by third parties

Once an overarching strategy has been determined, for each of the fund of funds, Stella Capital selects the underlying portfolio manager/fund using a rigorous due diligence process that includes (i) a comprehensive evaluation of the structure, investment objectives, relevant documentation, fund administration, personnel and past performance of the fund managed by such portfolio manager; (ii) peer group comparisons; and (iii) extensive background and reference checks.

Each class of interests in the Stella Capital Private Stock Fund, LP will have its own investment strategy that will be described in that class's PPM Supplement depending, in part, on what stage of development each company has achieved, e.g. early stage, later stage, mezzanine financing (pre-IPO) etc.

Stella Capital conducts regular onsite visits to monitor the progress and performance of each portfolio manager and to stay updated on trends and developments in the hedge fund industry.

For the real estate funds, Stella Capital conducts local market research to assess the actual quality of competitive property types and discern trends that may not yet be apparent in published reports. Stella Capital also uses data from reliable, published sources for relevant markets to determine local lease rates, concessions, operating expenses, construction starts, vacancy levels and property valuations. We will perform an internal analysis of a prospective investment's operating statements, rent roll and other financial information. In preparing financial projections, we employ conservative underwriting assumptions for rental rates, rent growth projections and borrowing costs and capitalization rates.

- B. As with all investment, an investment in any of the Stella Capital funds involves certain risks and should be undertaken only by qualified investors whose financial and other resources are sufficient to enable them to assume these risks and to bear the potential loss of all or part of their investment. These risk factors should be considered carefully. We have extensive risk disclosures in our offering documents, which are provided to all potential investors prior to investment in any of our funds. Among other risks potential investors are told about:

Use of Leverage

The acquisition of fund assets may be financed in substantial part by borrowing, which will increase the exposure to loss. The use of leverage involves a high degree of financial risk and may increase the exposure of the fund or its investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the collateral underlying such investments. The use of leverage will increase the amount of funds available for investment but will also increase the risk of loss. The investments may be unsecured and subordinated to substantial amounts of senior indebtedness. The investments may not be protected by financial covenants or limitations upon additional indebtedness. Market fluctuations may significantly decrease the availability of and increase the cost of leverage.

Illiquidity of Assets

Much of the assets owned by the Stella Capital funds are illiquid due to the terms of investing in that particular asset or because a secondary market is not readily available. Liquidity refers to the ability of an asset to readily be converted into cash. Unlike publicly traded stocks and other liquid investments, it takes considerable time and effort to market and sell real property or private fund interests.

Achievement of the Fund's Investment Goal and Objective

All securities, commodities and currency investments and trading risk the loss of capital. While Stella Capital believes that its investment programs will moderate this risk to some degree through multiple managers, no guarantee or representation is made that the programs will be successful. The investment program of a fund may include the selection of Portfolio Managers who use such investment techniques as short sales, leverage, uncovered option and futures transactions, currency transactions and limited diversification, which practices can, in certain circumstances, increase the adverse impact to which each fund may be subject. No assurance can be given that a fund will achieve its goal of providing investors with the investment benefits of a variety of portfolio managers while seeking to lessen the risks associated with any one underlying fund. In addition, no assurance can be given that each of our funds will achieve its investment objective of long-term growth of capital with reduced volatility.

General Trading Risks

Substantial risks, including market risks, are involved in trading in U.S. and foreign government securities, corporate securities, commodity and financial futures, options, and the various other financial instruments and investments in which Stella Capital will trade. Substantial risks are also involved in borrowing and lending against such investments. The prices of these investments are volatile, market movements are difficult to predict and financing sources and related interest and exchange rates are subject to rapid change. One or more markets in which a fund will trade may move against the positions held by them, thereby causing substantial losses.

Equity-Related Instruments in General

Underlying funds may use equity-related instruments in their investment programs. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Market Risk

The profitability of a significant portion of a fund's investment program depends to a great extent on correct assessments of the future course of price movements of securities and other investments. There can be no assurance that underlying funds will be able to accurately predict these price movements. The securities markets

have in recent years been characterized by great volatility and unpredictability. With respect to the investment strategy utilized by underlying funds, there is always some, and occasionally a significant, degree of market risk.

Interest Rate Risk

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The underlying funds may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the underlying funds will be successful in fully mitigating the impact of interest rate changes on the portfolios.

For more detail on the risks associated with the individual funds, please see the applicable offering documents.

- C. Additionally, we apprise any prospective investors in our real estate funds of a number of real estate specific risks. Among these are the following:

Real Estate Ownership

Stella Capital's investments will be subject to the risks generally incident to the ownership of real property, including: uncertainty of cash flow to meet fixed and other obligations; adverse changes in local market conditions, population trends, neighborhood values, community conditions, general economic conditions, local employment conditions, interest rates, and real estate tax rates; changes in fiscal policies; changes in applicable laws and regulations (including tax laws); and uninsured losses and other risks that are beyond the control of the General Partner. There can be no assurance of profitable operations because the cost of owning the properties may exceed the income produced, particularly since certain expenses related to real estate and its ownership, such as property taxes, utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. Moreover, although insurance is expected to be obtained to cover most casualty losses and general liability arising from the properties, no insurance will be available to cover cash deficits from ongoing operations.

Abandoned Deal Costs

The nature of real estate acquisitions and disposals may mean that considerable expense may be incurred without the completion of an acquisition, disposal, financing or leasing of a real estate property. For example, Stella Capital may incur costs on undertaking due diligence, engaging consultants and obtaining environmental and other reports in relation to potential acquisitions that do not proceed. In addition, conditions precedent may not be satisfied and transactions may be aborted after material expense has been incurred. All such expenses will be

payable by Stella Capital and may reduce the returns that would otherwise be received by an investor.

Financial Condition of Tenants

A tenant of acquired properties may experience, from time to time, a downturn in its business which may weaken its financial conditions and result in the failure to make rental payments when due. No assurance can be given that tenants will continue to make rental payments in a timely manner. The failure of tenants to meet rental obligations on the fund's assets may adversely affect the fund's operating cash flow and value of its investments.

Risks Associated With Renovation

Projects undertaken by the fund may require renovation in order to meet the investment objectives of the projects. In addition, the fund may invest in assets that are non-compliant with certain laws, rules or regulations with the expectation that the fund will complete necessary improvements and renovations after acquisition to bring them in compliance with such laws, rules or regulations. Renovation activities add additional time between the acquisition of a project and the realization of the project's objectives. Because of this additional time requirement, a well-conceived project may, as a result of changes in real estate market, economic and other conditions prior to the completion of renovation activities, become an economically unattractive investment. Any delay in completing the renovation of a project may result in increased interest and construction costs and the potential loss of previously identified purchasers or tenants. In addition, renovation activities involve the risk that construction may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations under construction contracts, defects in plans and specifications or other factors.

Risks Associated With Construction

The fund may develop selective properties as opportunities arise from time to time. The development and construction of real estate assets is subject to timing, budgeting and other risks that may adversely affect the fund's operating results. The fund may abandon development activities after expending resources to determine their feasibility; occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable; financing may not be available on favorable terms for development of a property; and the construction and lease up of a property may not be completed on schedule (resulting in increased debt service and construction costs). Development activities are also subject to risks relating to an inability to obtain, or delays in obtaining, necessary zoning, land-use, building occupancy and other required governmental permit authorizations. Acts of God such as earthquakes, hurricanes, floods or fires could adversely impact a project; ability to raise capital; and governmental restrictions on the nature or size of a project. If any of the above occurs, the ability of the fund to make distributions to its investors could be adversely affected. In addition, new development activities, regardless of whether they are ultimately successful, may require a substantial

portion of Stella Capital's time and attention, which may adversely affect the performance of the fund's other assets.

Details and additional real estate specific risks can be found in the offering documents for each of the real estate funds, which are provided to all potential investors prior to investment.

ITEM 9 – DISCIPLINARY INFORMATION

- A. Neither Stella Capital, nor any management person, has ever been convicted of, pled guilty or nolo contendere ("no contest") to any criminal or civil action in a domestic, foreign or military court of competent jurisdiction. Neither Stella Capital, nor any management person, has been named subject of any pending criminal proceeding. Neither Stella Capital, nor any management person has been found to have been involved in a violation of any investment-related statute or regulation. Neither Stella Capital, nor any management person, has been subject to any order, judgment, or decree permanently or temporarily enjoining, or otherwise limited us from engaging in any investment-related activity, or from violating any investment-related statute, rule or order.
- B. Neither Stella Capital, nor any management person, has ever been subject to any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. On November 24, 2008, John Marshall was fined \$7,500 and suspended for six months from association with his employing broker-dealer due to a client's transaction in one of Stella Capital's funds in an amount Mr. Marshall's employing FINRA firm believed to be too high a concentration in a single investment. The firm was willing to approve the transaction but at a lower dollar amount. Thereafter the customer authorized a wire transfer of the higher amount out of the broker-dealer and into the customer's bank account. The customer then made the investment at the higher amount in the fund. FINRA alleged that the facilitation of the wire transfer by Mr. Marshall was for the purpose of making the investment in the hedge fund and thus Mr. Marshall participated in an unapproved private securities transaction. FINRA also asserted that Mr. Marshall failed to provide accurate and complete responses to the employing broker-dealer concerning the transfer of the funds from the broker-dealer. In hindsight Mr. Marshall concurred with the assessment that the investment was too highly concentrated for his client and assisted in the unwinding of the transaction and consented to the sanction proposed by FINRA.

NASD (now FINRA) conducted an investigation into whether Seth Chandler participated in a private securities transaction in which one of Mr. Chandler's customers invested in one of Stella Capital's funds without providing prior written notice or obtaining the written permission of Mr. Chandler's employing broker-

dealer to participate in this transaction. NASD sought testimony from Mr. Chandler concerning this transaction and about other investors in the funds. Mr. Chandler declined to appear to discuss these matters in an on-the-record interview, as he believed the NASD was seeking non-public information that went beyond the staff's concerns that he was participating in an unapproved private securities transaction. Mr. Chandler believed that the Stella Capital funds and their investors had an expectation of privacy as to this additional information. As a result of this concern, rather than continue to provide information to NASD staff, Mr. Chandler elected to accept a bar from associating with any FINRA member on May 14, 2007.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

- A. None of Stella Capital's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. None of Stella Capital's management persons are registered, or have an application to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. As described in Item 4, Stella Capital is the general partner or investment manager for six private investment funds.

Stella Capital, as the general partner or investment manager of these funds, has the authority to purchase or sell securities in any prudent amount without the specific consent of the funds' investors. The investment goals of the funds may be different from those of the individual investors in a fund. For example, a fund may determine to accelerate or delay taking a profit in a security owned by a fund which could result in higher taxes being paid by an investor than would have been paid had such sale been delayed or accelerated to a different tax year. Such conflicts may be irreconcilable in the pursuit of overall profitability of a fund.

The managing members of Stella Capital (Seth Chandler and John Marshall) have invested capital in one or more of the funds and therefore maintain an interest in purchases and sales by the funds due to this invested capital. The managing members and the officers of Stella Capital may also invest personally in the same funds that are purchased by Stella Capital on behalf of the funds.

- D. We do not recommend or select other investment advisers for our clients.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

- A. Stella Capital has adopted a Code of Ethics. The Code of Ethics establishes rules of business conduct and is designed, among other things, to maintain Stella Capital's reputation for integrity and professionalism, govern personal securities trading activities in the accounts of those persons with access to client securities information and maintain the protection and security of confidential client information. A copy of Stella Capital's Code of Ethics is available upon request.
- B. As general partner of the Stella Capital funds, we have a material financial interest in the securities that we recommend to our clients as we are compensated, in part, on the percentage of assets under management, regardless of the profitability of the investment (although our AUM fee is lower if the fund balance drops).
- C. The managing members of Stella Capital have invested capital in one or more of the funds and therefore maintain an interest in purchases and sales by the funds due to this invested capital. These investments in the funds are treated exactly the same as if they were invested by a client, therefore, we do not feel there is a conflict of interest.
- D. The managing members and officers of Stella Capital may determine to buy or sell funds or securities for their own account(s) based on personal investment considerations that may be different from the investment considerations for the funds. If a fund or other security is purchased or sold for a fund and any of the managing members or officers of Stella Capital on the same day, either the fund(s) will pay/receive the same price or the fund(s) will pay/receive the more favorable price.

ITEM 12 – BROKERAGE PRACTICES

Stella Capital does not receive any soft dollar benefits and does not use a broker in its day-to-day activities.

ITEM 13 – REVIEW OF ACCOUNTS

- A. Seth Chandler and John Marshall, the Managing Members of Stella Capital, communicate with clients on a regular basis as well as conducting periodic face-to-face meetings where portfolio updates are provided. Information is also sought about any change in client circumstances or financial condition that might necessitate further review.

- B. In addition to the regular, periodic review described above, client accounts are reviewed at any time that we believe, or have been informed, that there may have been a change in a client's financial condition or risk tolerance.
- C. Stella Capital sends all investors quarterly statements. These periodic reports will contain the value of each investors opening capital account balance along with details of all transactions undertaken since the previous statement, reflecting contributions, distributions, net income or loss, and ending capital balance. In addition, Stella Capital distributes audited financial statements prepared in accordance with generally accepted accounting principles to all investors upon completion after the close of each fiscal year.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

- A. No person, other than a client, provides any economic benefit to us for providing investment advice or other advisory services to our clients.
- B. From time to time, Stella Capital may enter into referral agreements with solicitors pursuant to which those who introduce new investors to the Stella Capital funds will receive a portion of the advisory fee generated by the account for a period of time that varies on a case-by-case basis. It is intended that all solicitor agreements will meet the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

For our offshore real estate fund, we currently have a number of referral agreements in effect whereby a referring broker receives a percentage of referred assets at the time of investment as well as a percentage of each referred investor's capital account annually. Each of these agreements is negotiated on a case-by-case basis.

ITEM 15 – CUSTODY

Stella Capital does not maintain custody of client funds or securities. All monies are held in bank accounts held in title by the respective Stella Capital funds, or as an investment in one of the underlying funds.

For our British Virgin Islands based funds, all cash is held under the name of the fund by HSBC Bank at the Bank of Bermuda, which acts as cash custodian.

For our domestic funds, all cash is held under the name of the fund at Wells Fargo Bank, which acts as cash custodian.

ITEM 16 – INVESTMENT DISCRETION

Stella Capital, as the general partner or investment manager of the funds, has the authority to purchase or sell securities in any prudent amount without the specific consent of the funds' investors.

ITEM 17 – VOTING CLIENT SECURITIES

- A. Investors in any Stella Capital fund are required to execute a Subscription Agreement and Revocable Proxy. This document grants a proxy to Stella Capital from time to time with full power of substitution, authorizing us or our designee to vote the shares subscribed for on behalf of the subscriber at any meeting of shareholders. Such proxy may be revoked by the shareholder giving the proxy by written notice to Stella Capital. In our capacity as the general partner or investment manager of a fund, we recognize that we have a fiduciary duty to vote proxies in a manner consistent with the best interests of a fund. While no set of proxy guidelines can anticipate all situations that may rise, Stella Capital typically will invest in companies which we believe have strong management and thus will tend to vote proxies consistent with management's recommendations. However, Stella Capital will vote contrary to management's recommendations if those recommendations, in the opinion of Stella Capital, are not consistent with increasing investor value or if we have received specific, written voting guidelines from a client.

Occasionally, after conducting an appropriate cost-benefit analysis, we may conclude that not voting at all on a presented proposal may be in the best interest of the client.

In general, we believe that we act in the best interest of our clients by voting for: the election of directors (where no corporate governance issues are implicated); the selection of independent auditors; changes to the board of directors; outside director compensation; proposals that maintain or strengthen the shared interests of shareholders and management; proposals to increase shareholder value; proposals that will maintain or increase shareholder influence over the issuer's board of directors and management; proposals that maintain or increase the rights of shareholders.

In each case, we will vote in a prudent and timely fashion, but only after a careful evaluation of the issue or issues presented on the ballot. Prior to voting, we will verify whether our voting power is subject to any limitations or guidelines issued by the client.

Additionally, we will determine if any aspect or foreseeable result of the vote raises an actual or potential conflict of interest. In our analysis of the impact of each vote, we will document the presence or absence of any potential conflict of interest as

well as our determination of the magnitude and possible probability of that conflict, which will be reviewed and authorized by Seth Chandler.

In the event that an actual conflict of interest is identified, we will provide written notification to our clients, which will include: the proposal to be voted upon; the conflict of interest involved; our voting recommendation, along with a summary of material supporting factors; and, if applicable, our relationship with any person affected by the vote.

These notices of conflict will be provided in sufficient detail and with sufficient time to reasonably inform the client, and will either request the client's consent to our voting recommendation, or request that the client vote the proxy directly. These notices will be provided either by email or by mail.

If the client has not responded before the voting deadline we will either: vote along with our recommendation, if the recommendation is about our own interest but in the best interest of our client; or, abstain from voting if we determine that this action would be in the best interest of the client.

In accordance with SEC Rule 204-2(c)(2), as amended, we will retain a copy of any proxy statement we receive; a record of the vote cast and the basis on which that vote was cast; a copy of any document that was material in making our voting decision; and a copy of any notice of conflict provided to clients and communications with clients in relation to such conflict.

Consistent with SEC Rule 206(4)-6, as amended, we will take reasonable measures to inform our clients of our proxy voting policies and procedures as well as the process that clients must follow in order to obtain information regarding how Stella Capital voted with respect to their investments. This information may be provided through this form ADV or by separate notice to the client.

- B. As all client monies are invested in Stella Capital funds, in the event that a vote is required of clients, the necessary information will be sent by Stella Capital directly to those clients wishing to vote proxies individually and not through Stella Capital.

ITEM 18 – FINANCIAL INFORMATION

- A. Stella Capital does not require or solicit prepayment of fees.
- B. Currently, Stella Capital has no financial conditions that may impair our ability to meet contractual commitments to our clients.
- C. Neither Stella Capital, nor any of its supervised persons, has ever been the subject of a bankruptcy petition.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

- A. Our principal executive officers are Seth Chandler and John Marshall. The information requested by this item 19 is provided in the Brochure Supplement for each of them.
- B. Stella Capital is not actively engaged in any business (other than giving investment advice).
- C. Stella Capital charges performance based fees as set forth in Item 5. This performance based compensation may create an incentive for Stella Capital to recommend an investment that may carry a higher degree of risk in attempting to obtain greater returns for clients. Stella Capital believes that its analysis of prospective investments and its fiduciary obligations to its clients will greatly reduce if not entirely eliminate this risk.
- D. Stella Capital has not had any award entered against it or been found liable in:
 - 1. an arbitration claim alleging damages in excess of \$2,500, involving any of the following: a) an investment or an investment-related business or activity; b) fraud, false statement(s), or omissions; c) theft, embezzlement, or other wrongful taking of property; d) bribery, forgery, counterfeiting, or extortion; or e) dishonest, unfair, or unethical practices; or
 - 2. a civil, self-regulatory organization, or administrative proceeding involving any of the following: a) an investment or an investment-related business or activity; b) fraud, false statement(s), or omissions; c) theft, embezzlement, or other wrongful taking of property; d) bribery, forgery, counterfeiting, or extortion; or e) dishonest, unfair, or unethical practices.
- E. Stella does not have any relationship or any arrangement with any issuer of securities.

ITEM 20 – MISCELLANEOUS

Pursuant to California Code of Regulations (CCR) Section 260.238(k) Stella Capital and its executive officers, Seth Chandler and John Marshall have disclosed all material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice.

ITEM 1 – COVER PAGE

March 22, 2012

FORM ADV, PART 2B: BROCHURE SUPPLEMENT

JOHN MARSHALL

Stella Capital, LLC
600 Montgomery Street
Suite 3550
San Francisco, CA 94111

(415) 677-0126
john@stellacap.com
www.StellaCap.com

This brochure supplement provides information about John Marshall that supplements the Stella Capital, LLC brochure. You should have received a copy of that brochure. If you did not receive Stella Capital's brochure or if you have any questions about the contents of this supplement, please contact:

David Smolenski
Chief Operating Officer/Chief Compliance Officer
Stella Capital, LLC
600 Montgomery Street
Suite 3550
San Francisco, CA 94111

(415) 677-0124
david@stellacap.com

Additional information about John Marshall is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

John Marshall was born on August 1st, 1968. He spent two years at the University of Connecticut but was awarded no degree.

John Marshall is the Managing Partner for the Stella Capital Real Estate Opportunity Fund. He oversees all capital development activities, and daily operations of the Fund. Mr. Marshall has over 20 years experience in the portfolio management arena. Prior to joining Stella Capital, Mr. Marshall served as a Senior Vice President of Investments at Wells Fargo Private Client Services, and as Vice President at PaineWebber Corp, and began his career with Prudential Securities in New York in 1992.

ITEM 3 – DISCIPLINARY INFORMATION

- A. John Marshall has never been convicted of, pled guilty or nolo contendere (“no contest”) to any criminal or civil action in a domestic, foreign or military court of competent jurisdiction. John Marshall has never been named subject of any pending criminal proceeding. John Marshall has never been found to have been involved in a violation of any investment-related statute or regulation. John Marshall has never been subject to any order, judgment, or decree permanently or temporarily enjoining, or otherwise limited us from engaging in any investment-related activity, or from violating any investment-related statute, rule or order.
- B. John Marshall has never ever been subject to any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. On November 24, 2008, John Marshall was fined \$7,500 and suspended for six months from association with his employing broker-dealer due to a client's transaction in one of Stella Capital's funds in an amount Mr. Marshall's employing FINRA firm believed to be too high a concentration in a single investment. The firm was willing to approve the transaction but at a lower dollar amount. Thereafter the customer authorized a wire transfer of the higher amount out of the broker-dealer and into the customer's bank account. The customer then made the investment at the higher amount in the fund. FINRA alleged that the facilitation of the wire transfer by Mr. Marshall was for the purpose of making the investment in the hedge fund and thus Mr. Marshall participated in an unapproved private securities transaction. FINRA also asserted that Mr. Marshall failed to provide accurate and complete responses to the employing broker-dealer concerning the transfer of the funds from the broker-dealer. In hindsight Mr. Marshall concurred with the assessment that the investment was too highly concentrated for his client and assisted in the unwinding of the transaction and consented to the sanction proposed by FINRA.

- D. John Marshall has never been involved in any proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

ITEM 4 – OTHER BUSINESS ACTIVITIES

- A. John Marshall is a Managing Member of the San Francisco EB-5 Regional Center, LLC. An EB-5 Regional Center is defined as any public or private entity which is involved with the promotion of economic growth, improved regional productivity, job creation and increase domestic capital investment through non-U.S. investor (immigrant) capital. As Mr. Marshall dedicates more time and energy to this endeavor it will preclude him from full time management of the Stella Capital funds. It may be necessary to hire additional personnel to assume duties currently conducted by Mr. Marshall. There can be no assurance that qualified personnel can be located to perform these duties.
- B. John Marshall is not actively engaged in any other business or occupation for compensation.

ITEM 5 – ADDITIONAL COMPENSATION

No person who is not a client provides any economic benefit to John Marshall for providing advisory services.

ITEM 6 – SUPERVISION

Stella Capital has assigned its Chief Compliance Officer, David Smolenski, to be responsible for monitoring Mr. Marshall's activities in furtherance of applicable securities laws, rules and regulations, as well as Stella Capital's policies and procedures. Mr. Smolenski can be contacted at (415) 677-0124 or by email at david@stellacap.com.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Except as disclosed in Item 3 C above, Mr. Marshall has not otherwise been involved in any event enumerated in this item requiring disclosure, including an award or finding of liability in any arbitration claim alleging damages in excess of \$2,500; an award or finding of liability in any civil, self-regulatory organization, or administrative proceeding; or the subject of any bankruptcy petition.

ITEM 1 – COVER PAGE

March 22, 2012

FORM ADV, PART 2B: BROCHURE SUPPLEMENT

SETH CHANDLER

Stella Capital, LLC
600 Montgomery Street
Suite 3550
San Francisco, CA 94111

(415) 677-0123
seth@stellacap.com
www.StellaCap.com

This brochure supplement provides information about Seth Chandler that supplements the Stella Capital, LLC brochure. You should have received a copy of that brochure. If you did not receive Stella Capital's brochure or if you have any questions about the contents of this supplement, please contact:

David Smolenski
Chief Operating Officer/Chief Compliance Officer
Stella Capital, LLC
600 Montgomery Street
Suite 3550
San Francisco, CA 94111

(415) 677-0124
david@stellacap.com

Additional information about Seth Chandler is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Seth Chandler was born on January 14th, 1972. He has no formal education after high school.

Seth Chandler is the risk manager of the investment advisor, Stella Capital. Mr. Chandler oversees all aspects of the risk associated with the Fund's project execution including market risk, contractor risk and third party risk. Mr. Chandler has extensive experience in executing exhaustive due diligence on numerous investment strategies with a particular focus on equity and real estate. He has over 20 years of investment experience. Before launching Stella Capital in 2005, Mr. Chandler was an investment advisor with various securities firms beginning with Prudential Securities in New York in 1991. Mr. Chandler also serves as portfolio manager for funds managed by Stella Capital, LLC.

ITEM 3 – DISCIPLINARY INFORMATION

- A. Seth Chandler has never been convicted of, pled guilty or nolo contendere ("no contest") to any criminal or civil action in a domestic, foreign or military court of competent jurisdiction. Seth Chandler has never been named subject of any pending criminal proceeding. Seth Chandler has never been found to have been involved in a violation of any investment-related statute or regulation. Seth Chandler has never been subject to any order, judgment, or decree permanently or temporarily enjoining, or otherwise limited us from engaging in any investment-related activity, or from violating any investment-related statute, rule or order.
- B. Seth Chandler has never ever been subject to any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. NASD (now FINRA) conducted an investigation into whether Seth Chandler participated in a private securities transaction in which one of Mr. Chandler's customers invested in one of Stella Capital's funds without providing prior written notice or obtaining the written permission of Mr. Chandler's employing broker-dealer to participate in this transaction. NASD sought testimony from Mr. Chandler concerning this transaction and about other investors in the funds. Mr. Chandler declined to appear to discuss these matters in an on-the-record interview, as he believed the NASD was seeking non-public information that went beyond the staff's concerns that he was participating in an unapproved private securities transaction. Mr. Chandler believed that the Stella Capital funds and their investors had an expectation of privacy as to this additional information. As a result of this concern, rather than continue to provide information to NASD staff, Mr. Chandler elected to accept a bar from associating with any FINRA member on May 14, 2007.

- D. Seth Chandler has never been involved in any proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

ITEM 4 – OTHER BUSINESS ACTIVITIES

- A. Seth Chandler is a Managing Member of the San Francisco EB-5 Regional Center, LLC. An EB-5 Regional Center is defined as any public or private entity which is involved with the promotion of economic growth, improved regional productivity, job creation and increase domestic capital investment through non-U.S. investor (immigrant) capital. As Mr. Chandler dedicates more time and energy to this endeavor it will preclude him from full time management of the Stella Capital funds. It may be necessary to hire additional personnel to assume duties currently conducted by Mr. Chandler. There can be no assurance that qualified personnel can be located to perform these duties.
- B. Seth Chandler is not actively engaged in any other business or occupation for compensation.

ITEM 5 – ADDITIONAL COMPENSATION

No person who is not a client provides any economic benefit to Seth Chandler for providing advisory services.

ITEM 6 – SUPERVISION

Stella Capital has assigned its Chief Compliance Officer, David Smolenski, to be responsible for monitoring Mr. Chandler's activities in furtherance of applicable securities laws, rules and regulations, as well as Stella Capital's policies and procedures. Mr. Smolenski can be contacted at (415) 677-0124 or by email at david@stellacap.com.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Except as disclosed in Item 3 C above, Mr. Chandler has not otherwise been involved in any event enumerated in this item requiring disclosure, including an award or finding of liability in any arbitration claim alleging damages in excess of \$2,500; an award or finding of liability in any civil, self-regulatory organization, or administrative proceeding; or the subject of any bankruptcy petition.