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**FORM ADV**

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

Name of Investment Adviser: <b>Xela Capital, LLC</b>						
Address	(Number and Street)	(City)	(State)	(Zip Code)	Area Code	Telephone Number:
<b>800 W. El Camino Real, Suite 180</b>	<b>Mountain View</b>	<b>CA</b>	<b>94040</b>	<b>(650)</b>	<b>815-8959</b>	

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

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

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

Applicant: <b>Xela Capital, LLC</b>	SEC File Number: <b>801- 68847</b>	Date: <b>April 1, 2008</b>
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**1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- ☒ (1) Provides investment supervisory services ..... **100** %
- ☐ (2) Manages investment advisory accounts not involving investment supervisory services ..... %
- ☐ (3) Furnishes investment advice through consultations not included in either service described above .. %
- ☐ (4) Issues periodicals about securities by subscription ..... %
- ☐ (5) Issues special reports about securities not included in any service described above ..... %
- ☐ (6) Issues, not as a part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities ... %
- ☐ (8) Provides a timing service ..... %
- ☐ (9) Furnishes advice about securities in any manner not described above ..... %

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

**B.** Does applicant call any of the services it checked above financial planning or some similar term? ..... Yes ☐ No ☒

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

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☐ (2) Hourly charges ☐ (5) Commissions
- ☐ (3) Fixed fees (not including subscription fees) ☒ (6) Other

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

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

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

- ☐ A. Individuals ☐ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☐ F. Corporations or business entities other than those listed above
- ☐ C. Investment companies ☒ G. Other (describe on Schedule F)
- ☐ D. Pension and profit sharing plans

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

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

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

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

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

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

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

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

Applicant: <b>Xela Capital, LLC</b>	SEC File Number: <b>801- 68847</b>	Date: <b>April 1, 2008</b>
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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... ☒ Yes ☐ No  
(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

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

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

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

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

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

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

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... ☐ Yes ☒ No

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

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**9. Participation or Interest in Client Transactions.**

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

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

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

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes ☒ No ☐

(If yes, describe on Schedule F.)

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

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

**See Schedule F**

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

**See Schedule F**

Applicant: <b>Xela Capital, LLC</b>	SEC File Number: 801- <b>68847</b>	Date: <b>April 1, 2008</b>
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**12. Investment or Brokerage Discretion.**

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

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

B. Does applicant or a related person suggest brokers to clients? ..... Yes ☐ No ☒

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

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

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

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

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

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

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? ..... Yes ☐ No ☒

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Xela Capital, LLC</b>	801- 68847	<b>April 1, 2008</b>

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

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:	IRS Empl. Ident.No.
<b>Xela Capital, LLC</b>	<b>39-2070389</b>

Items of Form (Identify)	Answer
Privacy Policy	<p>Xela Capital, LLC (the “<i>Firm</i>”) will obtain and develop nonpublic personal information about investors in each Fund (defined below). The Firm generally does not disclose this information to third parties, other than service providers who must obtain access to that information in order to permit the Firm to conduct its affairs. The Firm restricts access to such information internally to those personnel who need the information in order to conduct the Firm’s business. The Firm may obtain contractual assurances from third party service providers where it considers appropriate and maintains safeguards at the Firm’s facilities to provide reasonable protection for the confidentiality of nonpublic personal information. Notwithstanding the Firm’s intent to keep private the Funds’ and investors’ nonpublic personal information: (i) there may be circumstances in which applicable law or regulations relating to combating terrorism or money laundering may require the release of such information to law enforcement or regulatory officials; (ii) the Firm may present such information to regulatory bodies or other parties as may be appropriate to establish the availability of exemptions from certain securities and similar laws or the compliance with certain laws or regulations; and (iii) the Firm may disclose such information when required by judicial process or, to the extent permitted under applicable privacy laws, to the extent the Firm considers that information relevant to any issue in any action, suit or proceeding to which the Firm is a party or by which it is or may be bound.</p>
1.C & D.	<p><b>Advisory Services.</b> Xela Capital, LLC is a Delaware limited liability company and the investment manager of Xela Taiwan Fund, L.P., a Delaware limited partnership (the “<i>Onshore Feeder Fund</i>”), and Xela Taiwan Fund, Ltd., a Cayman Islands exempted company (the “<i>Offshore Feeder Fund</i>”, and, together with the Onshore Feeder Fund, the “<i>Feeder Funds</i>”) and Xela Taiwan Pengyou Fund, L.P., also a Delaware limited partnership (the “<i>Pengyou Fund</i>”). Each Feeder Fund pursues its investment activities through investing in Xela Taiwan Master Fund, L.P., a Cayman Islands exempted limited partnership also managed by the Firm (the “<i>Master Fund</i>”). (Each Feeder Fund, the Master Fund, and the Pengyou Fund, a “<i>Fund</i>”). The Firm will provide specialized discretionary advisory services to each Fund. An affiliate of the Firm (Xela Capital Holdings, LLC, referred to as “<i>Holdings</i>” or the “<i>General Partner</i>”) will serve as the general partner of each Fund that is organized as a partnership. Both the Firm and Holdings are wholly owned by James P. Carroll.</p> <p><b>Advisory Fees.</b> For services provided to each Feeder Fund and the Pengyou Fund, the Firm will receive (whether directly or through the Master Fund) a management fee as to each limited partner or shareholder in that Fund (each, an “<i>Investor</i>”), generally calculated at a rate of 2% <i>per annum</i> of the balance of the Investor’s capital account or the net asset value of the Investor’s shares, as the case may be, except that, as to capital contributed or shares purchased on or prior to March 17, 2008, the management fee will generally be calculated at a rate of 1% <i>per annum</i>. The management fee is paid monthly in arrears based on Investors’ capital account balances or the value of Investors’ shares (as the case may be) as of the end of each month. As to any capital contributed or shares purchased on a date other than the first day of a month, and as to any mid-month redemptions or withdrawals, the Firm will be paid a prorated management fee.</p> <p><b>Special Profit Participation.</b> As to each of the Feeder Funds, Holdings, in its capacity as the Master Fund’s general partner, will be entitled to receive, through the Master Fund, a special</p>

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

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Xela Capital, LLC</b>	801- 68847	<b>April 1, 2008</b>

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1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:	IRS Empl. Ident.No.
<b>Xela Capital, LLC</b>	<b>39-2070389</b>

Items of Form (Identify)	Answer
	<p>allocation of net profit (an “<i>Special Profit Allocation</i>”) generally equal to 20% of the net profit (including both realized and unrealized gains and losses) allocated to each Investor (through each Investor’s “sub-capital account” in the Master Fund), except that as to net profit attributable to capital contributions made or shares purchased on or before March 17, 2008, the Special Profit Allocation will generally equal 10% of such net profit. As to the Pengyou Fund, Holdings, in its capacity as the Pengyou Fund’s general partner, will be entitled to receive a Special Profit Allocation from the Pengyou Fund on the same terms described above.</p> <p>The Special Profit Allocation will generally be calculated and made (if applicable) each December 31 and upon partial withdrawals or redemptions by an Investor (as to that Investor and the amount withdrawn or value of shares redeemed). The Special Profit Allocation will be subject to a “high water mark” procedure pursuant to which a Special Profit Allocation will be made only after losses incurred in the immediately preceding year, if any, have been recovered. The Special Profit Allocation is intended to satisfy the requirements of Rule 260.234 of the California Code of Regulations. The structure of the Special Profit Allocation could encourage the Firm, as an affiliate of Holdings, to make riskier or more speculative investments on behalf of the Fund than it might if Holdings were not entitled to receive the Special Profit Allocation.</p> <p>The foregoing represent the Firm’s basic compensation arrangements. However, fees and other compensation are negotiable in certain circumstances and the Firm may vary the management fee (and Holdings may vary the Special Profit Allocation) as to particular Investors by separate agreement.</p> <p>The aggregate amounts the Firm receives from any Fund or other fund or client may be greater than amounts received by some investment advisers for similar services. Lower fees for comparable services may be available from other sources. Because the management fee and Special Profit Allocation are based on Investors’ capital account balances or the net asset value of Investors’ shares (as the case may be) or the amount of net profit allocated to Investors, the Firm may face a conflict of interest to the extent it is required to exercise discretion in valuing Fund assets.</p> <p><b>Withdrawal and Redemption Rights.</b> An Investor may generally withdraw capital or redeem shares (as the case may be) at the end of a calendar quarter on at least 45 days’ prior written notice. However, as to any Fund, Investors are generally subject to a “lock-up” period pursuant to which an Investor may not withdraw capital or redeem shares until the day before the first anniversary of the Investor’s initial investment in that Fund or, if that day is not a calendar quarter-end, the end of the calendar quarter in which that first anniversary occurs.</p>
2.G.	<p>The Firm will initially be the investment manager of two U.S. investment limited partnerships (the Pengyou Fund and the Onshore Feeder Fund), one non-U.S. investment company (the Offshore Feeder Fund) and one non-U.S. investment limited partnership (the Master Fund). However, the Firm expects in the future to organize and/or serve as investment manager and/or general partner to other investment partnerships, other pooled investment vehicles and/or separately managed accounts. If it does so, any differences among clients regarding</p>

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



**Schedule F of  
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Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Xela Capital, LLC</b>	801- 68847	<b>April 1, 2008</b>

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

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:		IRS Empl. Ident.No.								
<b>Xela Capital, LLC</b>		<b>39-2070389</b>								
Items of Form (Identify)	Answer									
	<p>the Firm's compensation arrangements could be viewed as creating incentives for the Firm to manage some accounts so as to favor others. Notwithstanding the potential for conflicts, the Firm will seek to allocate investment opportunities among its clients in an equitable manner, considering all relevant factors, including relative asset size, the clients' available cash, portfolio composition and investment objectives and restrictions.</p>									
3.L.	<p>The governing documents for each Fund, including the investment management agreement between each Fund and the Firm, generally authorize the Firm to invest and trade that Fund's assets in a broad range of investments, to be selected in the Firm's sole discretion, with no specific limitations as to type, amount, concentration, or leverage.</p>									
4.	<p>Pursuant to the terms of the relevant partnership agreement, investment management agreement or similar agreement, each Fund generally grant the Firm the authority to enter into any type of investment transaction and employ any investment methodology or strategy the Firm may deem appropriate.</p>									
5.	<p>As general standards, an undergraduate degree and some prior business experience are required. Graduate work and a specialized business or technical skill are preferred but are not required. Any employee who will function as an "investment adviser representative" (as defined under Section 25009.5 of the California Corporations Code) will be required to meet the qualification requirements set forth in Section 260.236 of the California Code of Regulations.</p>									
6.	<p><i>James P. Carroll</i>, born in 1970.</p> <p><i>Formal Education After High School:</i></p> <p>1988 – 1992 Dartmouth College (B.A.)</p> <p><i>Business Background for the Past Five Years:</i></p> <table border="0"> <tr> <td>1/2008 – Present</td> <td>Xela Capital, LLC Managing Member</td> </tr> <tr> <td>2002 – 2004</td> <td>ING Taiwan Securities, Taipei, Taiwan Head of Research and Taiwan Strategist</td> </tr> <tr> <td>2001</td> <td>W.I. Carr Taiwan, Taipei, Taiwan Regional IC Foundry Analyst and Taiwan Strategist</td> </tr> <tr> <td>1999 – 2001</td> <td>ABN Amro Taiwan, Taipei, Taiwan Head of Research and Taiwan Strategist</td> </tr> </table> <p>From late 2004 through 2006, in addition to managing his personal investment portfolio, Mr. Carroll, residing in Las Vegas, Nevada, was a professional gambler focusing on sports betting and tournament poker. In 2007, he focused full-time on securities research and his personal investment activities.</p>		1/2008 – Present	Xela Capital, LLC Managing Member	2002 – 2004	ING Taiwan Securities, Taipei, Taiwan Head of Research and Taiwan Strategist	2001	W.I. Carr Taiwan, Taipei, Taiwan Regional IC Foundry Analyst and Taiwan Strategist	1999 – 2001	ABN Amro Taiwan, Taipei, Taiwan Head of Research and Taiwan Strategist
1/2008 – Present	Xela Capital, LLC Managing Member									
2002 – 2004	ING Taiwan Securities, Taipei, Taiwan Head of Research and Taiwan Strategist									
2001	W.I. Carr Taiwan, Taipei, Taiwan Regional IC Foundry Analyst and Taiwan Strategist									
1999 – 2001	ABN Amro Taiwan, Taipei, Taiwan Head of Research and Taiwan Strategist									
9.D.	<p>The Firm does not have any clients other than the Funds, although it may advise additional funds or other clients in the future. The Firm does not expect to be engaged to advise clients</p>									

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

**Schedule F of  
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Part II**

Applicant:	SEC File Number:	Date:
<b>Xela Capital, LLC</b>	801- 68847	<b>April 1, 2008</b>

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

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:	IRS Empl. Ident.No.
<b>Xela Capital, LLC</b>	<b>39-2070389</b>

Items of Form (Identify)	Answer
9.E.	as to the appropriateness of investing in any Fund, and the Firm will not receive any compensation for doing so, or for selling interests in any Fund. However, because of the Firm's and Holdings' relationship to the Funds, should someone who is otherwise a client of the Firm invest in a Fund, the Firm could be considered to have recommended that investment.
10.	From time to time, the Firm may cause a Fund to buy or sell a security or other instrument of the same class as, or issued by the same issuer as, or otherwise related to a security or other instrument in which the Firm or a person associated with the Firm has an ownership position. The Firm or a person associated with the Firm may buy a security or other instrument of the same class as, or issued by the same issuer as, or otherwise related to, a security or instrument that is held by a Fund. The Funds' governing documents and the investment management agreement between the Firm and each Fund permit the Firm and its associated persons to engage in those activities and do not impose any particular restrictions on their doing so. The Firm has not adopted any particular restrictions or internal procedures to address conflicts of interest that could arise out of those or similar activities. The offering memorandum by which interests in each Feeder Fund and the Pengyou Fund will be offered will include disclosure of the potential for those conflicts. By executing and delivering a subscription application pursuant to which a prospective investor applies to become an Investor in any Fund, the prospective investor will acknowledge the potential for those conflicts and will consent to the authorization contained in that Fund's governing documents and its investment management agreement with the Firm.
11.A.	The Firm manages each Fund's portfolio on a fully discretionary basis. Each Feeder Fund generally requires a minimum initial investment of \$500,000, and the Pengyou Fund generally requires a minimum initial investment of \$250,000, although, as to the Onshore Feeder Fund and the Pengyou Fund, Holdings (as those Funds' general partner) and, as to the Offshore Feeder Fund, the Fund's board of directors, may waive this minimum.
11.B.	James P. Carroll, the Firm's Managing Member, will review the Fund accounts periodically for overall adherence with the investment philosophy employed by the Firm and any specific requirements of the relevant account.
12 & 13	Investors in each Fund will receive an annual report that will include annual financial statements as of the end of each fiscal year, and quarterly reports of that Fund's performance.
	The Firm has complete discretion in deciding what brokers, dealers, banks and other financial intermediaries and counterparties (collectively, "Transacting Parties") with or through which to execute or enter into portfolio transactions. In addition to paying commissions to Transacting Parties in connection with transactions effected on any agency basis, a Fund may buy or sell securities directly from or to Transacting Parties acting as principal (such as market-makers for over-the-counter securities) at prices that include markups or markdowns and may enter into derivatives transactions with Transacting Parties on terms that provide other compensation to those Transacting Parties. The Firm has complete discretion in negotiating all these compensation arrangements. The following describes some noteworthy

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

**Schedule F of  
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<b>Xela Capital, LLC</b>	801- <b>68847</b>	<b>April 1, 2008</b>

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1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:	IRS Empl. Ident.No.
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	<p>aspects of the Firm's and the Funds' use of and relationships with Transacting Parties.</p> <p><b>Selection Criteria, Generally</b></p> <p>In choosing Transacting Parties, the Firm is not required to consider any particular criteria. For the most part, the Firm seeks "best execution" of the Funds' securities transactions. What constitutes "best execution" and determining how to achieve it are inherently uncertain. In evaluating whether a Transacting Party will provide best execution, the Firm considers a range of factors. These include, among others, historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities of the Transacting Party generally and in connection with securities of the type and in the amounts to be bought or sold; the Transacting Party's willingness to commit capital; the Transacting Party's reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the security; and, as discussed more fully below, the nature, quantity and quality of research and other services and products provided by the Transacting Party. The Firm is not required to select the Transacting Party that charges the lowest transaction cost, even if that Transacting Party can provide execution quality comparable to other Transacting Parties, and a Fund may at times pay more than the lowest transaction cost available in order to obtain for itself and/or the Firm services and products other than the execution of securities transactions.</p> <p><b>"Soft Dollars"</b></p> <p>The Firm may select Transacting Parties that provide various services or products, beyond transaction execution, to the Funds, the General Partner, or the Firm. Selecting a Transacting Party in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." Because many of those services and products could benefit the Firm or its affiliates (including by helping the Firm or its affiliates manage portfolios other than the Funds'), the Firm's interests in allocating the Funds' securities transactional business may conflict with the Funds'. For example, the Firm may have an incentive to cause a Fund to engage in the following practices to induce Transacting Parties to provide those benefits: (i) pay Transacting Parties higher compensation (including markups and markdowns on principal transactions with market-makers) than the compensation payable to other market participants who do not provide the services or products; (ii) select Transacting Parties that do not provide the best possible price (iii) use (and pay) Transacting Parties who do not directly provide execution services (including Transacting Parties who are paid commissions on transactions effected on a principal basis with other Transacting Parties acting as market makers), and (iv) effect more transactions than might otherwise be optimal. The investment management agreement between each Fund and the Firm authorizes the Firm to use that Fund's soft dollars for a range of purposes, notwithstanding the conflicts of interest those uses may involve. The extent of the conflict of interest arising out of the use of soft dollars depends in large part on the nature and uses of the services and products acquired with soft dollars.</p> <p><i>Fund Expenses.</i> A Fund may use soft dollars to pay its accounting and other, similar expenses and to meet its obligation to reimburse the Firm or the General Partner for expenses it has</p>

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	<p>advanced. A Fund may also use brokerage commissions, markups and markdowns, and other transaction-related compensation (as well as interest the Fund's Prime Broker (defined below) receives on the Fund's cash balances, margin borrowings and borrowings of securities to maintain short positions) to pay the Prime Broker for recordkeeping, custodial and related services provided to the Fund. Under each Fund's agreement of limited partnership (the "<i>Partnership Agreement</i>") and investment management agreement, the Fund, and not the General Partner or the Firm, would otherwise be obligated to bear all of these expenses. The Firm therefore does not believe it or the General Partner has a meaningful conflict of interest in using soft dollars to pay them.</p> <p><i>"Research and Brokerage."</i> The Firm may also use a Fund's soft dollars to acquire a variety of "research" and "brokerage" services and products for which the Fund would not otherwise be required to pay. A federal statute, Section 28(e) of the Securities Exchange Act of 1934, recognizes the potential conflict of interest involved in this activity but protects investment managers such as the Firm from claims that the activity involves a breach of fiduciary duty to advisory clients—even if the brokerage commissions paid are higher than the lowest available—if certain conditions are met. Services or products generally constitute "research" under Section 28(e) if they constitute advice, analyses or reports, any of which express reasoning or knowledge as to the value of or investing in or trading securities or as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent the Firm uses them for lawful and appropriate assistance in making investment decisions for the Funds. "Brokerage" services and products are those used to effect portfolio transactions for the Firm's clients or for functions that are incidental to effecting those transactions (such as clearance, settlement or short-term custody related to effecting, clearing or settling transactions) or regulatorily required in connection with transactions. To be protected under Section 28(e), the Firm must, among other things, determine that commissions paid are reasonable in light of the value of the "brokerage" and "research" services and products acquired. Section 28(e)'s "safe harbor" even protects the Firm's use of soft dollars to obtain research and brokerage services and products that benefit clients other than the client whose transactions generated the soft dollars. Notwithstanding this protection, the Firm could be considered to have a conflict of interest when it uses soft dollars for research and brokerage services and products. Because the Firm might otherwise have to pay cash for those services and products, it may have an incentive to use Transacting Parties who provide those products and services more than it otherwise would. The types of "research" the Firm might acquire include (but are not limited to): economic surveys and analyses; financial publications; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems (to the extent used to assist in making investment decisions); and other products or services that may enhance the Firm's investment decision making. "Brokerage" services and products (beyond typical execution services) could include (but are not limited to): computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing brokers and the Prime Brokers, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions.</p>

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	<p><i>Other Services and Products.</i> The Firm may also use a Fund's soft dollars to acquire services and products that provide benefits to the Firm and that may not qualify as research or brokerage and/or to pay expenses otherwise payable by the Firm. These may include (but are not limited to): hardware and software used in the Firm's administrative activities, fees of research consultants, and expenses of and travel to professional and industry conferences. These may even include such "overhead" expenses as office rent, salaries, benefits and other compensation of employees or of consultants to the Firm, telephone charges, legal and accounting expenses of the Firm and office services, equipment and supplies. The Firm may disproportionately use a Fund's soft dollars to pay costs of these types. Using soft dollars for these purposes would not be protected by Section 28(e) and the Firm will have a conflict of interest if it does so, as it will have an incentive to use Transacting Parties who provide or pay for products and services for which the Firm would otherwise have to pay cash and, if soft dollars are limited, it may have an incentive to cause those expenses to be paid with soft dollars while the Funds pay their own expenses with cash.</p> <p><i>Referrals of Investors and Advisory Clients.</i> In selecting a Transacting Party, the Firm may consider the Transacting Party's referrals of investors to a Fund or other investment funds the Firm manages, referrals of advisory clients to the Firm, the potential for future referrals, and/or Transacting Party's willingness to pay third-party finders' fees for such referrals. The conflict of interest involved in using soft dollars to pay for these types of services and products and to defray these types of expenses is also not protected by the Section 28(e) safe harbor.</p> <p><i>Procedures.</i> Transacting Parties from which the Firm obtains soft dollar services or products generally establish "credits" based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay or reimburse the Firm for specified expenses. In some cases the process is less formal, a Transacting Party simply may suggest a level of future business that would fully compensate the Transacting Party for services or products it provides. A Fund's actual transactional business with a Transacting Party may be less than the suggested level but can—and often will—exceed that level, and credits established may exceed the amounts used to acquire services and products. This may be in part because the Fund's investment activities generate aggregate commissions in excess of the levels of future business suggested by all Transacting Parties who provide services and products. And it may be in part because those Transacting Parties may also provide superior execution and may therefore be most appropriate for particular transactions. The Firm may ask a Transacting Party who is executing a transaction for several accounts managed by the Firm (see the discussion below regarding aggregation of orders) to "step out" of a portion of the transaction in favor of a Transacting Party who has provided or is willing to provide products or services for soft dollars. That is, the executing Transacting Party will allow a portion of the overall commissions or other compensation to be paid to the soft-dollar Transacting Party. This assists the Firm in acquiring products and services with soft dollars while providing the benefits of aggregated transactions as described below.</p> <p>These procedures are generally consistent with the requirements of Section 28(e) when the products or services acquired constitute research and/or brokerage. However, Section 28(e)'s safe harbor is not available as to many transactions effected on a principal basis, as most</p>

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	<p>transactions with market-makers in over-the-counter securities are, with a markup or markdown paid to the Transacting Party. The Firm may nonetheless use such markups and markdowns as soft dollars with which to acquire services and products of the kinds described above.</p> <p><b>Aggregation of Orders</b></p> <p>The Firm may (but is not required to) combine orders on behalf of a client with orders for other accounts for which it or its principals have trading authority or in which it or its principals have an economic interest (if any). When it does so, the Firm will allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. The Firm believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a client than if the client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of the Firm's interest in a Fund or other investment funds that it manages, there may be circumstances in which the Firm concludes that that Fund's or other funds' transactions may not or should not, under certain laws, regulations and internal policies, be combined with those of other clients of the Firm and its affiliates. That may cause the relevant Fund or other funds to obtain less advantageous execution than other accounts whose transactions are aggregated.</p> <p><b>Cross Transactions</b></p> <p>The Firm may (but is not obligated to) cause accounts that the Firm manages (if any) to effect "cross" transactions (<i>i.e.</i>, buy and sell securities from and to each other), subject to applicable law or regulation. The Firm may do so, if the Firm believes that the cross transaction will be beneficial to both parties. ERISA and other laws or regulations may prevent certain client accounts from engaging in "cross" transactions that could be beneficial to those accounts.</p> <p><b>"Prime Brokerage," Custody, Clearing and Settling</b></p> <p>The Funds will obtain custodial, clearing and related services through what is known as a "prime brokerage" arrangement. Under this arrangement, a "Prime Broker": (i) maintains custody of the Funds' assets (either directly or through its clearing brokerage firm); (ii) provides margin credit and locates securities to borrow to facilitate short sales; (iii) arranges for the receipt and delivery of securities bought, sold, borrowed and lent; (iv) makes and receives payments for securities; (v) tenders securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; (vi) provides detailed portfolio and related reports; and (vii) provides related services. The arrangement permits the Funds to use other brokers to execute transactions—permitting the Firm to seek valuable research and to compare execution quality and commission rates—while maintaining only one custodial relationship. By using a brokerage firm for the functions listed above, the Funds also may avoid paying custodial fees that banks charge other institutional investors. Prime Brokers are compensated through interest on credit balances, margin borrowings, stock loans and brokerage commissions. It is possible that a material amount of the Funds' capital may be</p>

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	<p>deposited with a Prime Broker as margin and collateral.</p> <p>The Master Fund's and the Pengyou Fund's Prime Broker is Bear Stearns Securities Corp. Any Fund may use additional Prime Brokers, change its Prime Broker, alter the terms of its arrangements with the Prime Broker, or make alternative arrangements to receive the services currently provided by the Prime Broker, all in the Firm's absolute discretion (as to the Offshore Feeder Fund, subject to the approval of that Fund's board of directors).</p> <p>The Prime Broker may provide services to the Firm or the General Partner, distinct from the custodial, lending and related services the Prime Broker provides to the Funds. These services may include, among other things, consulting services with respect to various aspects of the Firm's or the General Partner's business and introducing the Firm to prospective advisory clients and prospective investors in the Funds and other investment funds the Firm manages. The services may be provided at lower than the market price for similar services or for no charge. The Prime Broker may also enter into financial transactions with (including lending money to) the Firm or its affiliates, and these transactions may be on terms more favorable than the terms available with other counterparties. To the extent the Firm or its affiliates receive services from the Prime Broker at lower than market prices, or enter into transactions on terms better than terms available in the market, because the Firm is responsible for selecting the Prime Broker or negotiating the rates of compensation the Funds pay the Prime Broker, conflicts may exist between the Firm's interests and the Funds'. The Firm may have an incentive to cause a Fund to accept less favorable pricing for prime brokerage services (including interest and similar charges on margin borrowings and short positions) than might be available otherwise or to continue to use the Prime Broker when the Fund would not otherwise do so.</p> <p>The Firm believes the compensation the Funds will pay the Prime Broker is reasonable and competitive with rates charged by other prime brokers for services of comparable quality.</p> <p><b>Disbursement Procedures</b></p> <p>As a safekeeping measure and to facilitate the Firm's compliance with certain investment adviser regulations, as to each Fund organized as a partnership, the Fund will agree with the Prime Broker or other custodian of the Fund's assets to follow specific procedures when the Firm is paid its management fee or when the Firm or Holdings withdraws capital from its capital account or is reimbursed for expenses it has paid on behalf of that Fund. Under that agreement, the Prime Broker or other custodian is not permitted to transfer any Fund assets to the Firm or its affiliates for any reason until an "independent representative" has provided a letter directly to the Prime Broker or other custodian confirming that it has performed certain procedures to verify, among other things, that the calculation of the management fee conforms to the relevant Partnership Agreement and the investment management agreement between the relevant Fund and the Firm and is mathematically accurate and, for proposed withdrawals of capital, that the amount to be withdrawn is less than the withdrawing partner's capital account balance. An independent certified public accountant will serve as the independent representative. Each such Fund, through Holdings, may change the independent</p>

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	<p>representative at any time by written notice to the Prime Broker or other custodian.</p> <p><b>Conflicts Disclosure</b></p> <p>Consistent with Section 260.238(k) of the California Code of Regulations, this Schedule F discloses all material conflicts of interest regarding the Firm, its representatives or any of its employees, which could be reasonably expected to impair the Firm's rendering of unbiased and objective advice. These conflicts are described in greater detail in each Fund's Offering Memorandum.</p>	

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