

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Stellar Capital Management, LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
2200 East Camelback Road, Suite 130	Phoenix	AZ	85016	(602) 778-0307

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.

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required	Schedule G

(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.

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 instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services	<u>90%</u>
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	<u>5%</u>
<input type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above	<u>%</u>
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription	<u>%</u>
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	<u>%</u>
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	<u>%</u>
<input type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	<u>%</u>
<input type="checkbox"/>	(8)	Provides a timing service	<u>%</u>
<input checked="" type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above	<u>5%</u>

(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)

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

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

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

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

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

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

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

- | | |
|--|--|
| <input checked="" 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 type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input 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 type="checkbox"/> (1) real estate |
| G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" 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 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 type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

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

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

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

5. Education and Business Standards.

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

Yes No

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

6. Education and Business Background

For:

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

On Schedule F, give the:

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

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

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

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

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

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input checked="" type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input checked="" type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading advisor or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input checked="" type="checkbox"/> (12) entity that creates or packages limited partnerships

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

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

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

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

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.

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principal and/or Associated Persons. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to comprehensively review investment objectives and account performance with the Registrant on an annual basis.

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

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Registrant provides investment supervisory services may also receive a periodic report from the Registrant summarizing account activity and performance.

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

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|-------------------------------------|--------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <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 product 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 checked="" type="checkbox"/> | No <input type="checkbox"/> |

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

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

- has custody of client funds or securities; or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

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

**Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stellar Capital Management, LLC	SEC File Number: 801-57690	Date: 05/21/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stellar Capital Management, LLC	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
Item 1D	<p>The Registrant primarily provides its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) with discretionary and non-discretionary investment advisory services. The Registrant does not hold itself out as providing financial planning, estate planning, or insurance planning services. To the extent specifically requested by a client, Registrant may provide limited consultation services to its investment management clients on investment and non-investment related matters that are generally ancillary to the investment management process. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Registrant shall usually not receive any separate or additional fee.</p> <p>INVESTMENT ADVISORY SERVICES</p> <p>The client can determine to engage the Registrant to provide discretionary or non-discretionary investment advisory services on a <i>fee-only</i> basis. The Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant's management (between negotiable and 1.00%) in accordance with the fee schedule annexed to the <i>Investment Advisory Agreement</i> between the Registrant and the client.</p> <p>Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires a \$500,000 account minimum for investment advisory services. However, Registrant, in its sole discretion, may reduce its account minimum and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).</p> <p>In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at various broker-dealers/custodians based upon the needs and/or preference of the client. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal <i>Investment Advisory Agreement</i> with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.</p> <p>Currently, the Registrant primarily allocates investment management assets among various individual equity and fixed income securities, exchange traded funds, and mutual funds, on both a discretionary and non-discretionary basis, in accordance with the client's designated investment objective(s).</p> <p>Broker-dealers/custodians charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). When beneficial to the client, individual debt and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Both Registrant's <i>Investment Advisory Agreement</i> and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The <i>Investment Advisory Agreement</i> between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the <i>Investment Advisory Agreement</i>. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.</p>

**Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stellar Capital Management, LLC	SEC File Number: 801-57690	Date: 05/21/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stellar Capital Management, LLC	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
	<p>Factors that the Registrant considers in recommending a broker-dealer/custodian to clients include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds traded at net asset value as determined at the daily market close.</p> <p>MISCELLANEOUS</p> <p>Sub-Advisory Services. The Registrant also provides sub-investment advisory and/or consulting services to its affiliated SEC registered investment adviser, Plan Sponsor Services, LLC and its affiliated private investment fund, Stellar Investment Alliance (<i>See</i> disclosure below at Items 8C(12)/8D/9D).</p> <p>Investment Consulting. Registrant may, in its sole discretion, determine to provide non-discretionary investment-related consulting services on a stand-alone basis. Should Registrant determine to do so, the Registrant may charge fees based on assets, fixed amounts, or at establish an hourly rate for those services. Prior to engaging the Registrant to provide financial planning and/or consulting services, the client will generally be required to enter into a <i>Consulting Agreement</i> with Registrant setting forth the terms and conditions of the engagement, scope of the services to be provided., and the fee agreement. Under some circumstances, with <i>employer sponsored retirement plan Clients</i>, "Participant Enrollment and/or Education" services may be provided by Plan Sponsor Services, LLC (PSS) under a contract between PSS and Registrant to provide specific services for Registrant's clients.</p> <p>Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.</p> <p>Assignment. Neither the Registrant nor the client may assign the <i>Investment Advisory Agreement</i> without the prior consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment. The use of affiliated or non-affiliated individuals or firms to provide specific services under either an Advisory or Consulting Agreement does not constitute an assignment.</p> <p>Disclosure Statement. A copy of Registrant's written disclosure statement as set forth on Part II of Form ADV shall be provided to each client prior to or contemporaneously with the execution of the <i>Investment Advisory Agreement</i>. Any client who has not received a copy of Registrant's written disclosure statement at least 48 hours prior to executing the <i>Investment Advisory Agreement</i> shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.</p>

**Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stellar Capital Management, LLC	SEC File Number: 801-57690	Date: 05/21/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stellar Capital Management, LLC	IRS Empl. Ident. No.:
Item of Form (identify)	Answer
Items 2G, 3K-L	<p>Registrant may use its broad economic and business knowledge to offer advice on various forms of real estate, asset backed loans and private company investments.</p> <p>Registrant may also offer advice on private investment funds, including private investment funds affiliated with the Registrant (<i>See</i> disclosure below at Items 8C(12)/8D/9D). With respect to all private investments, clients are advised as follows:</p> <p>Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.</p>
Item 5	All individuals that give advice on behalf of the Registrant must have earned a college degree and/or have relevant investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.
Item 6	<p><u>Stephen J. Taddie</u> Born: 1959 Education: Lehigh University, B.S. 1981 University of Phoenix, M.B.A. 1990</p> <p>Business Background for past five years: Stellar Capital Management, LLC, Managing Member, 7/1/00 to present</p> <p><u>Richard D. Stern</u> Born: 1936 Education: Princeton University, A.B. 1958 Harvard University, M.B.A. 1962</p> <p>Business Background for past five years: Stellar Capital Management, LLC, Managing Member, 7/1/00 to present</p> <p><u>John Reimer</u> Born: 1969 Education: Arizona State University, B.S. 1991 University of Missouri at Kansas City, M.B.A 1995</p> <p>Business Background for past five years: Stellar Capital Management, LLC, Portfolio Manager, 6/1/2005 to present PacWest Financial Management, Portfolio Manager, 8/2001 to 5/2005</p> <p><u>Philip A. LaMell</u> Born: 1946</p> <p>Education: University of Illinois, B.A., 1968</p> <p>Business Background for past five years: Stellar Capital Management, LLC, Portfolio Manager, 01/30/2009 to present JP Morgan Chase, VP Senior Portfolio Manager, 01/2005 – 12/2008 Merrill Lynch Asset Management, VP Senior Portfolio Manager, 03/1998 – 01/2005</p>

**Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stellar Capital Management, LLC	SEC File Number: 801-57690	Date: 05/21/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stellar Capital Management, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Items 8C(3) and (10)	The Registrant shares offices and personnel with, and may provide investment advisory services to the retirement plan clients of, its affiliated SEC Registered Investment Adviser, Plan Sponsor Services, LLC (SEC File No. 801-62977).	
Items 8C(12), 8D and 9D	<p>The Registrant is affiliated with Stellar Investment Alliance LP (the "<i>Fund</i>")-a private investment fund whose objective is to invest in non-public investment vehicles as deemed appropriate by the General Partner. The types of investments may include asset backed loans, private company debt and/or equity, and investment in real estate. The investments may be direct investments or investments in entities that specialize in the management of such assets. The General Partner reserves the right to invest in other classes and types of non-public assets to the extent it deems such investment appropriate. Stephen J. Taddie, Managing Member of Registrant serves through Square T Partners (owned by Mr. Taddie) as General Partner of the <i>Fund</i>. The Registrant may recommend, on a non-discretionary basis, that qualified clients allocate a portion of their investment assets to the <i>Fund</i>. To the extent that Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may participate as limited partners of the <i>Fund</i>. The terms and conditions for participation in the <i>Fund</i> is set forth in the <i>Fund's</i> offering documents (discussing fees-including management and incentive fees payable to the General Partner and/or the Registrant, conflicts of interest, risk factors, and liquidity constraints), which each prospective investor client shall receive, and shall be required to complete and submit the corresponding Subscription Agreement to the General Partner in order to demonstrate qualification for investment in the <i>Fund</i>.</p> <p>The Registrant's Chief Compliance Officer, Stephen J. Taddie, remains available to address any questions that a client may have regarding the <i>Fund</i> and the corresponding <i>conflict of interest</i> associated with the Registrant's recommendation to consider an investment in the <i>Fund</i>.</p> <p>Please Note: Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the <i>Fund's</i> offering documents, which will be provided to each client for review and consideration. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the <i>Fund</i>, and acknowledges and accepts the various risk factors that are associated with such an investment.</p>	
Item 9E	<p>The Registrant has implemented an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics which serves to establish a standard of business conduct for all of Registrant's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.</p> <p>In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.</p>	
Item 10	Please see previous disclosure set forth at Item 1D of this Schedule F relative to Registrant's account minimum for investment advisory services.	
Items 12A and 12B	<p>Please see the previous responses set forth on this Schedule F to Item 1D. In addition, to the extent applicable to the transactions to be effected, Registrant's general policies relative to the execution of client securities brokerage transactions are as follows:</p> <p>Execution of Brokerage Transactions (when applicable). If requested, Registrant will arrange for the execution of securities brokerage transactions for the account through broker-dealers that Registrant reasonably believes will provide "best execution". In seeking "best execution", the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.</p>	

**Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stellar Capital Management, LLC	SEC File Number: 801-57690	Date: 05/21/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stellar Capital Management, LLC	IRS Empl. Ident. No.:
Item of Form (identify)	Answer
	<p>Over-the-Counter (OTC) securities transactions for Registrant’s clients are generally effected on an agency basis, which involve the services of two (2) separate broker-dealers: (1) a “dealer” or “principal” acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity for the client’s account. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client will also incur the transaction fee imposed by the executing broker-dealer. Registrant does not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.</p> <p>Transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "batch" such orders to obtain “best execution”, to negotiate more favorable commission rates or to allocate equitably among Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Registrant's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that Registrant determines to aggregate client orders for the purchase or sale of securities, including securities in which Registrant's principals) and/or associated persons) may invest, Registrant shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, <i>SMC Capital, Inc.</i> Registrant shall not receive any additional compensation or remuneration as a result of the aggregation.</p> <p>The client may direct Registrant to use a particular broker-dealer (subject to Registrant’s right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case. In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.</p> <p>In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to Registrant, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through Registrant.</p> <p>Proxy Voting Policy. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client’s investment assets. The Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client’s investment assets.</p> <p>See additional disclosure at Item 13A below.</p>
Item 13A	Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from a broker-dealer/custodian without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such

**Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stellar Capital Management, LLC	SEC File Number: 801-57690	Date: 05/21/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stellar Capital Management, LLC	IRS Empl. Ident. No.:
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	<p>institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.</p> <p>As indicated above, certain of the support services and/or products that <i>may</i> be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.</p> <p>Registrant's clients do not pay more for investment transactions effected and/or assets maintained at any broker-dealer/custodian as result of this arrangement. There is no corresponding commitment made by the Registrant to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.</p> <p>The Registrant's Chief Compliance Officer, Stephen J. Taddie, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.</p>
Item 13B	<p>If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule "F", together with a copy of the written disclosure statement from the solicitor to the client disclosing the existence of the solicitation arrangement with the Registrant, and the nature of the compensation received.</p> <p>Revenue sharing agreements may also exist where Registrant is compensated by affiliated or non-affiliated firms for referring Clients, individuals related to Clients or Prospective Clients, and/or organizations either related or non-related to Clients or Prospective clients for specific services not provided by, nor contracted through Registrant. In such cases where compensation would be received, the existence and the nature of the agreement will be disclosed to those clients as required.</p>