

Bluestem Capital Company, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Bluestem Capital Company, LLC. If you have any questions about the contents of this brochure, contact us at 605-331-0091. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Bluestem Capital Company, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

We are a newly registered investment adviser; therefore, we have no material changes to report.

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Item 4 Advisory Business

Description of Firm

Bluestem Capital Company, LLC provides investment advisory, administrative and related services to private equity investment funds (the "Funds" or "Fund"). We are organized as a limited liability company ("LLC") under the laws of the State of South Dakota and are located in Sioux Falls, SD. We have been providing investment advisory services to private funds since 02/15/1996. We are primarily owned by Kirby Capital Corp.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Bluestem Capital Company, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

We provide portfolio management and administrative services to the Funds, including investigating, analyzing, structuring and negotiating potential investments, monitoring portfolio companies and advising the Funds as to disposition opportunities.

Assets Under Management

As of December 31, 2021, we have \$178,987,059 of discretionary assets under management.

Item 5 Fees and Compensation

As outlined in our Investment Management Agreement, we shall receive the following compensation related to our management of the Funds:

Guaranteed Payment: The Funds will pay us an ongoing guaranteed payment ("Guaranteed Payment") to cover ongoing due diligence and office expenses. This Guaranteed Payment will be two percent (2%) per annum of the sum of (i) the committed capital, plus (ii) any outstanding debts of the Fund and any debts guaranteed by the Fund, if any, to the extent the debt is used to make investments that exceed the committed capital of the Fund less capital returned, calculated quarterly, payable quarterly. If the Fund liquidates an investment and returns capital to the Fund's members, the Guaranteed Payment will be reduced accordingly.

Our Investment Management Agreement may be terminated by either party only for cause upon 45 days' written notice of termination. Guaranteed payments will be prorated to the date of termination; any accrued portion of the unpaid guaranteed payments will be paid to us by the Fund; any unearned portion of prepaid guaranteed payments will be refunded by us.

Fees are negotiable and will be set forth in our Investment Management Agreement and the Operating Agreement of the Fund.

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

Provided the Fund closes an offering of Class A Membership Interests, we will receive a 20% allocation interest in the profits and distributions allocable to the members of the Fund for no Capital Contribution in consideration of our developmental expenses and efforts once the following has occurred:

- the Fund's Class A Members have received cumulative cash distributions equal to the sum of

- the Contributed Capital of the Fund's Class A Members; or
- the Net Value of the Fund as determined at a quarter end is equal to or greater than 125 percent of the excess of the Fund's Class A Members' Contributed Capital over prior cash distributions received by the Fund's Class A Members.

Thereafter, all cash distributions shall, in general, be distributed 80% to Fund's Class A Members (ratably in proportion to their Sharing Ratios) and 20% percent to us, with the following exceptions:

- when an investment is exited, the distribution of proceeds shall be paid first to the Class A Members to return to them their invested dollars in that investment ("Return of Capital"), and the net gain, if any, will be paid 80% to the Class A Members and 20% to us; and
- if distributions have been made 100% to the Class A Members (prior to achieving one of the two carried interest triggers above), those distributions shall reduce the amount required to be treated as a Return of Capital upon subsequent investment exits.

Fees are negotiable and will be set forth in our Investment Management Agreement and the Operating Agreement of the Fund.

Item 7 Types of Clients

We provide investment management services to private funds.

We have no minimum fund size requirement.

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

Private Funds

We tailor our advice to each private fund based on the investment objective and restrictions (if any) set forth in the applicable offering memorandum, organizational documents, investment management agreement, limited liability agreement, limited partnership agreement and/or subscription agreements. Please refer to the Fund's offering documents for further information regarding methods of analysis, investment strategies and risk of loss.

Cash Management

We do not manage cash balances.

Risk of Loss

Investing in securities involves risk of loss that investors in private funds should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully insulate clients from losses due to economic conditions that may result in changes to the valuation of the portfolio companies owned by the Fund. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9 Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither the Firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10 Other Financial Industry Activities and Affiliations

We serve as the adviser and managing member to a number of private equity funds. We also serve as the adviser to, and are affiliated with general partner of one fund. Bluestem Capital Company III, LLC, the general Partner of Bluestem Capital Partner III L.P. is under common ownership or control with our Firm.

The Funds are offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents.

Any fees charged by the Fund, unrelated to our advice or management of the Fund, are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Fund. Persons affiliated with our firm may have made an investment in the Fund and may have an incentive to recommend the Fund over other investments.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, Bluestem Capital Company, LLC has adopted a Code of Ethics and Insider Trading Policy that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics and Insider Trading Policy describes the firm's fiduciary duties and obligations to clients, and sets forth the Firm's practice of supervising the personal securities transactions of employees who maintain access to client information. We also maintain a Compliance Policies & Procedures Manual that sets forth procedures employees are required to follow.

The Firm collects and maintains records of securities holdings and transactions made by employees. The Firm reviews the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest.

A copy of our Code of Ethics and Insider Trading Policy as well as our Compliance Policies and Procedures Manual are available upon request.

Item 12 Brokerage Practices

Given the nature of private equity investing, the Firm does not utilize any brokerage platform or trade on any security exchange. Portfolio companies are purchased and sold through a formal legal closing process.

Item 13 Review of Accounts

As the adviser to the Funds, we monitor the investments in the Funds on a quarterly basis to ensure they are consistent with the investment objectives of the funds. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- year-end tax planning;
- market moving events; and/or
- security specific events.

Item 14 Client Referrals and Other Compensation

We do not pay referral fees and do not use solicitors. We also do not receive compensation for client referrals as we do not refer clients to other advisers, receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Item 15 Custody

The Funds' funds and securities are held in the name of the Funds by an independent qualified custodian, or are private, un-certificated or restricted securities recorded on the books of the issuer in the name of the Fund. The Funds will be audited annually, beginning with their 2022 year-end, and the limited partners of each Fund receive audited financial statements within 120 days of fiscal year-end.

Item 16 Investment Discretion

We provide discretionary investment advisory services to private equity funds under our agreement with each fund.

Item 17 Voting Client Securities

As the Funds' adviser and general partner or managing member, we will vote proxies on their behalf. Our primary consideration in voting proxies is the financial interest of our clients.

Since business decisions are made in a collaborative effort between the firm and management, we believe that the recommendation of management should be given substantial weight; however, we will consider each issue on its own merits and will not support a management position that is not in the best interest of the our clients.

A copy of our Proxy Voting Policy is available upon request.

Item 18 Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, we do not require the pre-payment of any fees of \$1,200 or more 6 or more months in advance or maintain any financial hardships or other conditions that might impair our ability to meet our contractual obligations to clients.