

FORM ADV PART 2A: FIRM BROCHURE

ITEM 1. COVER PAGE

Bluestone Equity Partners, L.P.

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March 28, 2024

Important Disclosure:

This brochure (“**Brochure**”) provides information about the qualifications and business practices of Bluestone Equity Partners, L.P. and its affiliates (“**Bluestone**” or the “**Firm**”). If you have any questions about the contents of this brochure, please contact us at 212-597-2700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information based on which you determine to hire or retain an investment adviser.

ITEM 2. MATERIAL CHANGES

Bluestone reviews its Form ADV Part 2A Brochure and Part 2B Brochure Supplement at least annually to confirm it remains current. In Item 2 of the Brochure, Bluestone is required to summarize any material changes made to this Brochure since the last annual amendment filed February 3, 2023. Since the previous annual amendment, there have been no material changes.

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ITEM 4. ADVISORY BUSINESS

Bluestone is a Delaware limited liability company that was formed in April 2022. The Firm's sole indirect owner is Sharad "Bobby" Sharma (the "**Principal**") who maintains his interest in Bluestone through Bluestone Equity Partners, LLC.

The Firm provides investment advisory services to pooled investment vehicles (each a "**Fund**," and collectively, the "**Funds**"). The Funds generally seek to rely on an exemption from registration under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and their securities are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"). Bluestone provides discretionary investment management services to the Funds in accordance with the applicable limited partnership agreement (or analogous organizational document), management agreement, subscription agreement, and side letters of each Fund (each, an "**Advisory Agreement**"). The Advisory Agreements of a Fund, along with any private placement memoranda and related materials are referred to herein collectively as the "**Offering Documents**" of such Fund.

The Firm's primary investment objective for each Fund is set forth in such Fund's Offering Documents. In accordance with a Fund's individual investment objectives, investments will primarily be made in privately held companies located in the United States as well as elsewhere (each such company is referred to herein as a "**Portfolio Company**," and collectively, the "**Portfolio Companies**"). Generally, the Firm will seek to generate long-term capital gains, primarily by locating, investing in, managing, and disposing of investments in domestic and global sports, media, and entertainment Portfolio Companies with the highest potential for alpha on a global basis through privately negotiated transactions primarily involving equity and/or debt securities with equity-like features.

Bluestone is affiliated with the entity that serves as general partner to Fund I (defined below), and expects to be affiliated with other entities that serve as general partner (each a "**General Partner**," and collectively, the "**General Partners**") to each Fund. The General Partners will generally delegate day-to-day management responsibilities for the Funds to Bluestone or another Bluestone-affiliated entity (a "**Management Company**" and collectively the "**Management Companies**"), but will retain discretion over certain policy-making and oversight functions with respect to the investment program of the Fund and the decision whether to acquire or dispose of investments.

The advisory services of Bluestone and of the General Partners are described in this Brochure and in the Advisory Agreements applicable to a Fund, but generally consist of: investigating, identifying, and evaluating investment opportunities; structuring, negotiating, and making investments on behalf of the Funds; managing and monitoring the performance of such investments; and disposing of such investments. The information set forth herein regarding the investment advisory services provided by Bluestone shall also apply in respect of the General Partners and Management Companies unless specifically noted.

Bluestone provides investment advice directly to the Funds, subject to the discretion and control of the applicable General Partner, and not individually to the investors in the Funds. Such investors accept the terms of advisory services as set forth in the Funds' Advisory Agreements. The Firm

expects to have broad investment authority with respect to the Funds and, as such, investors should consider whether the investment objectives of the Funds are in line with their individual objectives and risk tolerance prior to investing.

Bluestone currently manages one (1) fund, Bluestone Capital I, L.P. (“**Fund I**”). The General Partner of Fund I is a Delaware limited partnership that is affiliated with Bluestone. The General Partner has the power and authority to delegate management of Fund I to Bluestone. Item 10: Other Financial Industry Activities and Affiliations depicts the entity that serves as General Partner to Fund I.

As of December 31, 2023, Bluestone manages \$300,650,000 of regulatory assets under management (which includes uncalled capital commitments) on a discretionary basis. Bluestone does not manage client assets on a non-discretionary basis.

Bluestone does not participate in any wrap fee programs.

ITEM 5. FEES AND COMPENSATION

Management Fees

As compensation for investment advisory services rendered to the Funds, Bluestone generally expects to receive from each such Fund an advisory fee (each, a “**Management Fee**”) typically calculated based on committed capital, remaining invested capital, or fair market value with respect to such Fund. Management Fees will generally fluctuate throughout the life of a Fund. Management Fees paid by a Fund are also reduced by certain other fees or compensation received by the Firm or its affiliates that relate to such Fund’s activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail in the applicable Advisory Agreements. Management Fees paid by a Fund are indirectly borne by investors in such Fund.

Management Fees are expected to vary Fund by Fund and will generally be paid quarterly in advance. Management Fees will be deducted directly from each Fund’s account and will generally be borne by each Fund’s third-party investors. Upon termination of a Fund’s Advisory Agreements, Management Fees that have been prepaid will be returned on a prorated basis.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Firm and are set forth in such Fund’s Advisory Agreements received by each investor prior to investment in such Fund. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Firm in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letters and other arrangements, which may not be disclosed to other investors in the same Fund. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Carried Interest

As more fully described in the applicable Offering Documents, a Fund’s General Partner will generally receive a carried interest (the “**Carried Interest**”) with respect to such Fund equal to varying percentages of realized profits in excess of a set compound preferred return. The Carried Interest distributed to the General Partner would usually be subject to a potential clawback at the end of a Fund’s life if such General Partner has received excess cumulative distributions, and at certain interim intervals as provided in the Offering Documents.

Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and/or investors in such Funds can incur lower or no Carried Interest from time to time. Firm personnel may invest in the Funds indirectly through the Funds’ General Partners, and therefore will generally not pay Carried Interest with respect to their indirect investments in the Funds.

Expenses

Fund Expenses. If and to the extent permitted by the Advisory Agreements and other Offering Documents of a Fund, such Fund will bear all expenses relating to it to the extent not borne by its actual or prospective Portfolio Companies, including, without limitation: (i) all expenses incurred

in connection with the business, affairs, and operations of the Fund, including the due diligence, purchase, acquisition, holding, transfer, or sale of any Portfolio Company (whether or not consummated), including legal, tax, accounting, banking, valuation, appraisal, custodial depositary, and consulting fees and expenses, travel, and the fees and expenses of the administrator and Operating Advisor of the Fund; (ii) all expenses incurred in connection with the development of any Portfolio Company, including the employment of third-party consultants; (iii) all brokerage and finders' fees and commissions; (iv) all expenses incurred in connection with the securing of financing, including but not limited to expenses related to the negotiation and documentation of agreements with one or more lenders; (v) all expenses related to investing the Fund's cash reserves; (vi) all costs and fees relating to the administrative and audit expenses of the Fund, and the preparation, printing, and distribution of financial and tax reports, Schedules K-1, portfolio valuations, and tax returns of the Fund to investors, governmental authorities, or self-regulatory organizations and other third-party expenses incurred in connection with secure communications of the Fund; (vii) fees, costs, and expenses incurred in connection with complying with anti-money laundering or "know your customer" laws, regulations, or other similar requirements with respect to the Fund, including the fees and expenses of third-party service providers related to such compliance; (viii) all costs related to FATCA and CRS compliance, including the fees and expenses of third-party service providers related to such compliance; (ix) all costs related to filings with the U.S. Committee on Foreign Investment in the United States ("CFIUS") or any successor thereto or other matters related to CFIUS in connection with the Fund's investments or prospective investments, regardless of the reason that any such filing is made or other CFIUS matter arises; (x) all legal, regulatory, administrative, and compliance costs of the Fund, the General Partner, and/or the Management Company, in each case with respect to the Fund (including compliance with the Alternative Investment Fund Managers Directive (2011/61/EU) and any applicable non-U.S. securities laws), all costs of establishing and operating entities related to the Carried Interest and the costs of prosecuting or defending any legal action for or against the Fund, the General Partner, the Management Company, or any of their respective affiliates relating to the affairs of the Fund; (xi) expenses incurred in connection with the implementation of environmental, social, and governance policies in connection with the activities of the Fund or any investment or proposed investment, including due diligence and reporting; (xii) all indemnification obligations of the Fund; (xiii) principal and interest on, and fees and expenses arising out of, all permitted borrowings made by the Fund; (xiv) all costs of any litigation, director and officer liability, or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Fund; (xv) all extraordinary professional fees and expenses incurred in connection with the business or management of the Fund, including investment banking, commercial banking, legal, tax, accounting, auditing, valuation, and appraisal fees and expenses; (xvi) all expenses of winding-up and dissolving the Fund; (xvii) any taxes (including withholding taxes) and interest and penalties thereon, fees, or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement, or review of the Fund; (xviii) all expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner and the Management Company; (xix) all expenses incurred in connection with the formation, maintenance, and dissolution of special purpose investment vehicles, including any alternative investment vehicles and subsidiary holding vehicles organized by or for one or more Operating Advisors (including any direct or indirect general partner or equivalent thereof); (xx) all expenses incurred in

connection with multimedia, analytical, database, news, or other third party research services and related terminals for the delivery of such services; (xxi) all costs related to the holding of meetings of the investors and the Fund advisory committee (the “**Advisory Board**”) (including travel), and all costs related to the activities of the Advisory Board; (xxii) all annual stipends paid to, and reasonable out-of-pocket expenses incurred by, the Management Company’s “Board of Advisors” related to the Fund and its actual and prospective Portfolio Companies; (xxiii) all fees charged, and reasonable out-of-pocket expenses incurred, by any third-party administrator in connection with the administration of the Fund; (xxiv) expenses incurred in connection with the managed distribution of marketable securities; (xxv) Organizational Expenses (as defined below and subject to a cap outlined in the Fund’s Offering Documents) and placement agent fees and expenses (subject to a reduction of the Management Fee as described in the Fund’s Offering Documents); and (xxvi) all other operating expenses and non-recurring or extraordinary expenses attributable to the activities and operations of the Fund, including travel-related expenses (*e.g.*, travel, accommodations, and meals) incurred in respect of any of the foregoing.

Moreover, each Fund shall be charged with all costs and expenses pertaining to the offering and sale of interests to prospective investors and the organization of each Fund and its General Partner, as disclosed in each Fund’s Advisory Agreements (“**Organizational Expenses**”).

In addition, Bluestone at times may engage or employ Operating Advisors (as defined in Item 8 below) to perform certain Services (as defined in Item 8 below). If and to the extent permitted under the Funds’ Advisory Agreements and other Offering Documents, any and all compensation, fees, and expenses associated with the Operating Advisors and the Services will be paid and/or reimbursed by applicable Portfolio Companies and/or the Funds, and therefore, will constitute a direct or indirect expense of the Funds and not the Firm. No payment to or reimbursement in respect of an Operating Advisor is expected to offset or reduce the Management Fees of the Funds.

Firm Expenses. The Firm will bear any expenses that relate to operating the Firm that are not borne by the Funds as set forth above (subject to a Fund’s Advisory Agreements and other Offering Documents). In addition, any Organizational Expenses with respect to a Fund in excess of any “cap” established by the Firm and set forth in such Fund’s Advisory Agreements, together with any placement agent fees paid by each Fund, shall offset Management Fees payable by the Fund to the Firm (such that the Firm bears Organizational Expenses in excess of such cap and all placement agent fees).

Portfolio Company Expenses. Expenses of Portfolio Companies are paid by the applicable Portfolio Companies and are not borne by the Funds directly. Such expenses include, from time to time, (i) expenses of consultants and Operating Advisors engaged by the Firm on behalf of a Portfolio Company, (ii) any expenses initially borne by the Firm or a Fund and reimbursed by the Portfolio Company, and (iii) any other expenses incurred by the Portfolio Companies.

Co-Investor and Co-Investment Vehicle Expenses. The Firm from time to time may provide opportunities to co-invest with a Fund to third parties, which include (without limitation) some or all of the following: investors in the Funds (or persons or entities associated with investors), strategic investors who can add important business development relationships or other value to Portfolio Companies, private equity and other investment firms, and individuals from the Firm’s

ecosystem, including (without limitation), founders, entrepreneurs, Operating Advisors, strategic advisors, and Portfolio Company executives (“**Co-Investors**”). In addition, in certain instances, the Firm permits certain personnel of the Firm to co-invest alongside a Fund. Co-investments will be made directly in the applicable Portfolio Company or through co-investment vehicles formed by the Firm or its affiliates for the purposes of making such co-investment.

In the event that a proposed co-investment opportunity in a new or existing Portfolio Company is not consummated, but certain costs and expenses have been incurred by a Fund in pursuit of such investment opportunity, including (without limitation), any “break-up fees”, legal, financial, travel, and other business diligence costs and expenses (“**Dead Deal Costs**”), such Dead Deal Costs generally will be paid solely by the applicable Fund and it is expected that any potential Co-Investors or co-investment vehicle will not bear any portion of such Dead Deal Costs.

If a co-investment does close, the portion of unreimbursed expenses incurred by the applicable Fund in connection with the ongoing monitoring of its investment in the applicable Portfolio Company and any other unreimbursed expenses incurred by the Fund with respect to such investment that are payable by the Co-Investors or any co-investment vehicle (if any) will be determined on a case-by-case basis and in accordance with the relevant Fund’s Advisory Agreements. In the case of a co-investment vehicle, unreimbursed transaction expenses in connection with a consummated investment and other reasonably anticipated expenses (to the extent not reimbursed) would typically be shared between the applicable Fund and a co-investment vehicle pro-rata based on the relative amounts invested to the extent practicable. Other than as provided in the prior sentence or as set forth in a Fund’s Advisory Agreements, the Firm will have no obligation to cause Co-Investors or a co-investment vehicle to bear any costs or expenses incurred by a Fund or to bear any particular portion of such costs or expenses (and will have no obligation to pro rate or otherwise reduce the amount paid by a Fund in respect of any such costs or expenses to take into account the co-investment). In addition, in the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle.

Allocation of Expenses. From time to time the Firm will be required to decide whether certain fees, costs, and expenses should be borne by a Fund, on the one hand, or the Firm on the other hand, and whether certain fees, costs, and expenses should be allocated between or among Funds and other parties. Certain expenses will be incurred that are attributable to multiple Funds (including in connection with Portfolio Companies in which Funds have overlapping investments and in connection with the general operation or administration of such entities). The allocation of such expenses among such entities raises potential conflicts of interest.

Funds, from time to time, may co-invest with other Funds in investment opportunities. In addition, certain Funds could, in certain circumstances, be established to facilitate the co-investment by Co-Investors alongside other Funds, either in a single investment opportunity or in all investment opportunities made by such other Funds. Any fees, Carried Interest or other compensation received by the Firm or its affiliates from any Funds established to co-invest with other Funds will not offset the Management Fee payable by the applicable other Fund or otherwise benefit such other Fund or its investors.

To the extent not allocated to a Portfolio Company, the Firm will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund's Advisory Agreements or, to the extent not addressed in such Advisory Agreements, as determined by the Firm in its good faith but sole discretion, taking into account such factors that it determines to be relevant for a particular expense. If multiple Funds evaluate a potential investment that is not consummated, the Firm will allocate Dead Deal Costs in accordance with each Fund's Advisory Agreements or, to the extent not addressed in such Advisory Agreements, the Firm generally allocates the applicable Dead Deal Costs among such Funds based on the anticipated investment of each Fund. As discussed above, such Dead Deal Costs typically are not allocated to co-investment vehicles or other Co-Investors and will be paid solely by the applicable Fund(s).

Certain expenses (*e.g.*, insurance premiums) will be incurred for the benefit of both the Firm itself, on the one hand, and a Fund or Funds, on the other hand. Apportionment of such expenses involves a conflict of interest. To the extent not addressed in the Advisory Agreements of a Fund, the Firm will make any such allocation determination in a fair and reasonable manner using its good faith but sole discretion, notwithstanding its interest (if any) in the allocation. The Firm will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

Brokerage Fees. Although the Firm will not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

The foregoing information concerning fees and expenses and their application to a Fund is qualified in its entirety by such Fund's Advisory Agreements and other Offering Documents.

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

As mentioned in Item 5 of this Brochure, the Firm is entitled to receive performance-based fees, in the form of a portion of a Fund's profits distributable to its General Partner as Carried Interest. Bluestone may be entitled to receive Carried Interest distributions from the Funds based on the profitability of each Portfolio Company investment, as further described in each Fund's Advisory Agreements. These payments, to the extent received, are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) creates an incentive for the Firm to disproportionately allocate time, services, and functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as otherwise set forth in the Advisory Agreements of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Firm to establish new investment funds and (ii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Firm.

In addition, the existence of performance-based compensation has the potential to create an incentive for the Firm to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Bluestone generally considers performance-based compensation to better align its interests with those of its investors.

ITEM 7. TYPES OF CLIENTS

The Firm currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the Investment Company Act. Investors in the Funds are generally expected to be “qualified purchasers” as defined in the Investment Company Act, and will include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships, limited liability companies, and other entities.

The Firm does not have a minimum size for any Fund, but minimum investment commitments may be established for investors in the Funds. Minimum investment amounts (if any) will be set forth in each Fund’s Offering Documents. However, the General Partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in its Offering Documents.

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

Bluestone seeks to generate long-term capital gains, primarily by locating, investing in, managing, and disposing of investments in domestic and global sports, esports, media, and entertainment companies with the highest potential for alpha on a global basis through privately negotiated transactions (involving equity and/or debt securities with equity-like features).

Bluestone may spend a considerable amount of time sourcing deals and maintaining a vast outreach program. The overall process is expected to allow the Firm to focus its efforts on the most interesting business opportunities.

A full description of the Firm's investment strategy and processes with respect to a particular Fund will be included in such Fund's Advisory Agreements and other Offering Documents.

There can be no assurance that Bluestone will achieve the investment objectives of any Fund and a loss of investment is possible.

Listed below are some of the risks associated with an investment in one or more Funds. The following explanation of certain risks is not exhaustive but rather highlights some of the more significant risks involved in each Fund's investment strategies. For a complete explanation of the Funds' relevant investment strategies and their associated risks, investors should review the relevant Advisory Agreements and other Offering Documents, which contain additional explanations of strategies, risks, and other related details not discussed below. For the avoidance of doubt, each of the following risks may be applicable to all or only certain Funds advised by Bluestone; please refer to the relevant Advisory Agreements and other Offering Documents of the Funds in which you are an investor for additional information.

Certain Risks Related to an Investment in a Fund

Risks Associated with Portfolio Investments. Identifying and participating in attractive investment opportunities and assisting in the building of successful companies is difficult. The types of investments that Bluestone anticipates making involve a high degree of risk. In general, financial and business risks confronting Portfolio Companies can be significant. While targeted returns are generally expected to reflect the perceived level of risk in any investment situation, there can be no assurance that the Funds will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Funds' term, while successes often require a long maturation. There is no assurance that the Funds' investments will be profitable and there is a substantial risk that the Funds' losses and expenses will exceed their income and gains. Any return on investment to the investors will depend upon successful investments made on behalf of the Funds by the Firm. There generally will be little or no publicly available information regarding the status and prospects of Portfolio Companies. Many investment decisions by the General Partner will be dependent upon the ability of its partners and agents to obtain relevant information from non-public sources, and the General Partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many

factors beyond the General Partner's control. Typically, although the Principal, an employee of the Management Company, or an Operating Advisor may serve on a Portfolio Company's board of directors, each Portfolio Company will be managed by its own officers (who generally will not be affiliated with the Funds or the General Partners). The Funds may hold minority positions in Portfolio Companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management, or other attributes. Portfolio Companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. New technological developments may have a negative effect on a Portfolio Company's products and business. Portfolio Companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The Funds' capital will be limited and may not be adequate to protect the Funds from dilution in multiple rounds of Portfolio Company financings. The public market for sports, media, and entertainment companies and other private companies is extremely volatile. Such volatility may adversely affect the development of Portfolio Companies, the ability of the Funds to dispose of investments, and the value of investment securities on the date of sale or distribution by the Funds. In particular, the receptiveness of potential acquirers to the Funds' Portfolio Companies will vary over time and, even if a Portfolio Company investment is disposed of via a merger, consolidation, or similar transaction, the Funds' stock, security, or other interests in the surviving entity may not be marketable. There can be no guarantee that any Portfolio Company investment will result in a liquidity event via a merger, acquisition, or otherwise, and there is a significant risk that the Funds' investments will yield little or no return. The securities in which the Funds will invest may be among the most junior in a Portfolio Company's capital structure and, thus, subject to the greatest risk of loss. Generally, the investments made by the Funds will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. In most cases, investments will be long-term in nature and may require many years from the date of initial investment before disposition. It is likely that the Funds will still hold some illiquid securities at the time of the Funds' dissolution, with the result that such securities may be distributed in-kind or sold for a discounted price that reflects their illiquid nature.

Risk Inherent in Private Equity Investments. Portfolio Companies will operate in industry sectors that entail significant operating risk. Portfolio Companies may need substantial additional capital (which may not be available) to support additional research and development activities, expansion, to develop new services or to achieve or maintain a competitive position. Portfolio Companies may face intense competition, including from companies with greater financial resources, more extensive marketing and service capabilities and a larger number of qualified managerial and technical personnel. Some Portfolio Companies are also likely to be more susceptible than more established businesses to the negative effects of downturn in general economic conditions or loss of a single or a small number of employees.

Concentration of Investments. The Funds' portfolio may become concentrated in a limited number of investments, increasing the vulnerability of the portfolio as compared to a portfolio that is more diversified. In certain cases, the Funds may acquire a majority or greater of certain Portfolio Companies, which could further increase the vulnerability of the portfolio.

Long-Term Investment. An investment in the Funds is a long-term commitment, and there is no assurance of any distribution to the investors.

Limited Transferability of Interests; Withdrawals. An investment in the Funds should be viewed as illiquid. The Offering Documents and applicable securities laws will impose substantial restrictions upon the transferability of the Fund interests. There is no public or other market for the Fund interests, and it is not expected that such a market will develop. Withdrawal of investors from the Funds generally will not be permitted, although the Offering Documents may specify certain circumstances under which an investor may be entitled, or required, to withdraw from the Funds. A withdrawn investor is generally not entitled to immediate payment for its interest in the Funds. Any withdrawal of an investor can reduce the amount of Funds' capital available for investment or other activities.

Bridge Financings. From time to time, the Funds may lend to Portfolio Companies, including on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not issue and such bridge loans may remain outstanding. In such an event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Leverage. Although the Funds do not intend to borrow except on a short-term basis, Portfolio Companies in which the Funds invest may borrow without limitation. While leverage presents opportunities to increase the Funds' total return, it has the effect of potentially increasing losses as well. If the income of such Portfolio Companies is less than the required interest payments on the borrowings, the value of the Portfolio Companies, and thus of the Funds' net assets, can decrease or, in extreme cases, the lender could foreclose on the Portfolio Company and the Funds could suffer a total loss. In certain cases and subject to the applicable limitations in the Offering Documents, the Funds can guarantee borrowings by Portfolio Companies. Such guarantees could result in additional losses for the Funds with respect to such Portfolio Companies and could cause the Funds to reserve cash to support such guarantees that it might otherwise use for different purposes. Accordingly, any event that adversely affects the value of an investment by the Funds can be magnified to the extent that a Portfolio Company in which the Funds invest is leveraged.

Competition. The private equity industry is highly competitive, and has become more so in recent years due to a substantially increased flow of capital into private equity funds and similar investment organizations. The Funds and Bluestone will be competing with other established sponsors and investment organizations with substantial resources and experience. Moreover, the volume of attractive investment opportunities varies greatly from period to period. There can be no assurance that the Funds will be able to make investments on attractive terms, and it is possible that each Fund's term will expire before the Fund has invested all of its available capital.

General Economic and Political Conditions; Changes in Environment. Changes in legal, tax, fiscal and regulatory regimes could occur during the life of the Funds that may have an adverse effect on the Funds. The Funds may not be permitted to, or be able to, make adjustments in their structure or investment program in order to adapt to such changes. Bluestone will have the exclusive right and authority (within the limitations set forth in the Offering Documents) to

determine the manner in which the Funds shall respond to such changes, and investors generally will have no right to withdraw from the Funds or to demand specific modifications to the Funds' operations in consequence thereof. Political unrest, war, acts of terrorism and global pandemics may also increase the risks inherent in the Funds' investments. Due to the illiquidity of the Funds' investments, the Funds will have limited ability to adapt to any such changes in the economic environment or mitigate any corresponding losses. Changes in legal, fiscal, tax and regulatory regimes may also impose additional or more stringent requirements on the General Partners or Bluestone. Such changes could, in turn, have a negative impact on the Funds.

Additionally, the SEC has increased emphasis on investment adviser and private fund regulation, which imposes significant changes on private fund advisers and their management of private funds. Such new rules and amendments have, and may continue to, significantly increase compliance burdens (including record-keeping processes and policies) and associated regulatory costs and complexity. In addition, these new rules could increase the risk of exposure of the Funds, the General Partners and Bluestone to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Bluestone and the Funds' reputation, and to negatively impact the Funds in conducting their business (thereby materially reducing returns to investors). Further, as these changes could impose limitations regarding preferential treatment of investors in private funds, the General Partners and their affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive investors of the previously negotiated benefits of such agreements. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

In particular, in August 2023 the SEC approved a new rule (the “**Private Fund Advisers Rule**”) to the Advisers Act specifically related to registered advisers and their activities with respect to private funds. The Private Fund Advisers Rule creates additional regulatory uncertainty and may have a significant impact on advisers to private funds. The SEC has limited circumstances in which a fund manager can be indemnified by a private fund; increased reporting requirements by private funds to investors concerning performance, fees and expenses; requires registered advisers to obtain an annual audit for private funds and also requires such fund's auditor to notify the SEC upon the occurrence of certain material events; enhanced requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); prohibits advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private fund clients and seeking reimbursement, indemnification, exculpation or otherwise limiting an adviser's liability for certain activities; and imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. This Private Fund Advisers Rule may have a significant effect on the Funds, Bluestone and their operations, including increasing compliance burdens and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and increasing the risk of regulatory action, including public regulatory sanctions. Further, the Private Fund Advisers Rule may significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable.

Bankruptcy of Portfolio Companies. The Funds may make investments in Portfolio Companies that experience financial difficulties and become insolvent or file for bankruptcy protection. There are a number of risks inherent in the bankruptcy process, including, for example, the effects of litigation between the creditors and debtor, the duration of the bankruptcy proceedings, and the tangible and intangible costs to the Portfolio Company. Further, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of the Funds. There is also a risk that a court may subordinate the Funds' investments to other creditors or require the Funds to return amounts previously paid to them by Portfolio Companies that have become insolvent or filed for bankruptcy, a risk that could increase if the Funds have management rights in such Portfolio Companies.

Reliance on Individuals of the Firm. The Funds will be particularly dependent upon the efforts, experience, contacts, and skills of the individual employees of the Firm and in particular of its senior investment personnel. The loss of any such individual could have a material, adverse effect on the Funds, and such loss could occur at any time due to death, disability, resignation, or other reasons.

Reliance on Third Parties. Bluestone and the Funds will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants, and other agents. Failure by any of these third parties to perform their duties or otherwise satisfy their obligations to the Funds could have a material adverse effect upon the Funds.

Fund Expenses. Pursuant to the Advisory Agreements, the Funds will pay and bear all expenses related to their operations. The amount of these fund expenses will be substantial and will reduce the actual returns realized by investors on their investment in the Funds (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Funds in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of fund expenses ultimately called or called at any one time may exceed expectations. As described further in the Advisory Agreements, fund expenses encompass a broad swath of expenses and include all expenses of operating the Funds. Although organizational expenses of the Funds are separately categorized and subject to a limit under the Advisory Agreements, ongoing fund expenses not classified as organizational expenses include costs that relate to organizational matters, such as costs and expenses of administering side letters entered into with investors. Expenses to be borne by the General Partners and/or Bluestone are only limited to those items specifically enumerated in the Advisory Agreements (such as rent for office space, office furniture and salaries of its employees), and all other costs and expenses in operating the Funds will be borne by the Funds, and thus the investors. From time to time, the General Partners will be required to decide whether costs and expenses are to be borne by the Funds, on the one hand, or the General Partner and Bluestone, on the other, and/or whether certain costs and expenses should be allocated between or among the Funds, on the one hand, and other investment vehicle advised by Bluestone and its affiliates, on the other. The General Partners will make such judgments notwithstanding their interest in the outcome and may make corrective allocations should, based on periodic reviews, they determine that such corrections are necessary or advisable.

Capital Calls. Capital calls will be issued by the Funds from time to time at the discretion of the Firm, based upon the Firm's assessment of the needs and opportunities of the Funds. To satisfy such calls, investors may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash. Except as specifically set forth in the Advisory Agreements of a particular Fund, each investor's obligation to satisfy capital calls will be unconditional. Without limitation on the preceding sentence, an investor's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Funds or upon any assessment thereof provided by the Firm. Notwithstanding the foregoing, Bluestone will not be obligated to call 100% of the investors' capital commitments during the each Fund's term.

Non-U.S. Investments. The Funds may invest in securities of portfolio companies organized or having a principal place of business in jurisdictions outside of the United States and Canada ("**Foreign Portfolio Companies**"). Such Foreign Portfolio Company investments may present a variety of risks not presented by investments in U.S. or Canadian Portfolio Companies, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions and the possibility of high levels of taxation, including potentially at confiscatory levels.

Any adverse change to the political, economic, military, or social environments in the host countries of the Funds' Foreign Portfolio Companies could have a significant adverse effect upon the operations or financial performance of the Funds.

Impact of Disease Epidemics. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The COVID-19 outbreak caused a worldwide public health emergency, straining healthcare resources and resulted in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, took severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 significantly diminished global economic production and activity of all kinds and contributed to both volatility and a severe decline in all financial markets.

Even though the spread of the COVID-19 virus itself is substantially contained and economies are "re-opened," it is difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic

developments, the health of certain industries and businesses, and commercial and consumer behavior.

A future public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds and the operational and financial performance of their Portfolio Companies will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. It may also impair the ability of Portfolio Companies of the Funds or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their Portfolio Companies, the General Partners and Bluestone may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Russian Invasion of Ukraine. In February 2022, Russian President Vladimir Putin ordered the Russian military to invade regions in Ukraine. In response, the United States, United Kingdom, and European Union imposed sanctions designed to target the Russian financial system. Russia's invasion of Ukraine and related sanctions have led to increased oil and natural gas prices and supply chain disruptions. The increasing international sanctions could continue to have a negative impact on the economy and business activity globally for an uncertain period of time, and therefore could adversely affect the performance of the investments of the Funds. Furthermore, given the ongoing nature of the conflict between the nations and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the investment performance of the Funds.

Artificial Intelligence. Recent technological advances in artificial intelligence ("Artificial Intelligence"), including OpenAI's release of its ChatGPT application, pose risks to the Funds and their Portfolio Companies. The Funds and their respective Portfolio Companies could be exposed to the risks of artificial intelligence if third-party service providers or any counterparties use such technology in their business activities. The Funds may not be in a position to control the use of Artificial Intelligence in third-party products or services.

Artificial Intelligence is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Artificial Intelligence utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error—potentially materially so—and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Artificial Intelligence. To the extent

that the Funds are exposed to the risks of Artificial Intelligence use, any such inaccuracies or errors could have adverse impacts on the Funds or their portfolio investments. Conversely, to the extent competitors of the Funds and their portfolio investments utilize Artificial Intelligence more extensively than the Funds and their portfolio investments, there is a possibility that such competitors will gain a competitive advantage.

Artificial Intelligence and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Inflation. The market value of the Funds' investments could potentially decline in times of higher inflation rates. Some of the Funds' investments could have income linked to inflation, whether by regulation or contractual arrangement or other means. If the Funds are unable to increase the revenue and profits of their investments at times of higher inflation, they could be unable to pay out higher distributions to the investors to compensate for the relative decrease in the value of money, thereby affecting the expected return of investors. Concerns over inflation have also led to increased economic instability, declines in consumer confidence, discretionary spending, diminished expectations for the global economy and expectations of slower global economic growth. Bluestone may be adversely affected by any such economic instability or unpredictability.

Rising Interest Rates. If market interest rates worsen or do not improve, it may become more difficult and costly for the Funds and their Portfolio Companies to complete debt or equity financings. Rising interest rates could limit the ability of the Portfolio Companies to refinance existing debt when it matures or cause them to pay higher interest rates upon refinancing, which would adversely impact liquidity and profitability of the Funds. Moreover, an increase in interest rates could decrease the access third parties have to credit or the amount they are willing to pay for the assets of the Funds.

Impact of the Silicon Valley Bank Failure. On March 10, 2023, after depositors rushed to withdraw funds from Silicon Valley Bank ("SVB"), SVB was closed by the California Department of Financial Protection and Innovation ("DFPI"), and the Federal Deposit Insurance Corporation ("FDIC") was named receiver of the closed bank. On March 12, 2023, Secretary of the Treasury Janet L. Yellen, Federal Reserve Board Chair Jerome H. Powell, and FDIC Chairman Martin J. Gruenberg announced, after receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President Biden, approved actions enabling the FDIC to complete its resolution of SVB, in a manner Secretary Yellen described that would fully protect all depositors and give them access to all of their money starting March 13, 2023. A similar resolution was announced with respect to Signature Bank, New York, New York ("**Signature Bank**"), which was closed on March 12, 2023 by its state chartering authority.

While the immediate issues resulting from the failures of SVB and Signature Bank appear to have been mitigated, the instances of such banking failures can and are resulting in market volatility and disruption, and any such future emergencies have the potential to create materially adverse impacts on economic production and activity in ways that cannot be predicted, all of which may result in substantial losses to the Funds.

The ultimate impact of such banking failures and the resulting lack of confidence in the global financial markets on global economic conditions, and on the operations, financial condition, and performance of any particular industry or business, is impossible to predict. However, potential additional materially adverse effects, including a global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. Even if SVB's and Signature Bank's failures are isolated, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

Insurance Limitations. Uninsured and underinsured losses at the fund-level or investment-level could harm the overall financial condition, operations and ability of the Funds to make distributions to their investors. Certain types of losses generally are either uninsurable or subject to insurance coverage limitations. If an uninsured loss or a loss in excess of insured limits occurs, the Funds could lose all or a portion of the capital they have invested in an investment, as well as the anticipated future revenue from the investment. In addition, any insurance proceeds the Funds and/or their investments receive might be inadequate to restore their economic position on the damaged or destroyed investment.

Controlling Investments. A portion of a Fund's portfolio may be comprised of investments in Portfolio Companies in which the Fund owns a significant portion of the issued and outstanding securities, including ownership and/or control positions which represent at least a majority of a Portfolio Company's voting securities. These investments may entitle the Funds to elect a majority of a Portfolio Company's directors and exert significant influence over a Portfolio Company's business, operations, affairs, and transactions. These capabilities could lead the Funds to be viewed as controlling a Portfolio Company or being considered a controlling stockholder. As a result, the Funds may be exposed to claims, lawsuits, or investigations by minority stockholders, creditors, government, or regulatory authorities or other persons. In the event any such claims were successful, the Funds may be held liable for any damages that are awarded or be required to fund any settlement with such parties. Even if such claims, lawsuits, or investigations prove to be without merit, the Funds would be required to expend significant resources defending themselves and their affiliates. In addition, the Funds' reputation and goodwill may be harmed if they are considered a controlling stockholder of a Portfolio Company that is subject to negative publicity.

Minority and Non-Controlling Investments. A portion of the Funds' investments represent minority stakes in privately held companies (and/or hold positions in Portfolio Companies where disproportionate voting control (relative to economic ownership) remains with such Portfolio Companies' founders) and, therefore, the Funds will have a limited ability to control various strategic decisions for those Portfolio Companies. The Funds may invest in companies for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. To the extent that the management of a Portfolio Company performs poorly, or if a key manager of a Portfolio Company terminates his or her employment with such company, the Funds' investment in such

company could be adversely affected. In addition, where the Funds hold a minority position in a Portfolio Company, the Funds will likely also have limited information rights with respect to such Portfolio Company and thus will receive less information regarding such Portfolio Company than some or all of its other equity holders.

Risks in Effecting Operating Improvements. In some cases, a Fund's investment strategy will depend, in part, on its ability to restructure and effect improvements in the operations of a Portfolio Company. The activity of identifying and implementing restructuring programs and operating improvements at Portfolio Companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements.

Investments in Restructurings. The Funds may make investments in restructurings that involve Portfolio Companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such Portfolio Companies to become subject to bankruptcy proceedings. As such, these investments could subject the Funds to certain additional potential liabilities that may exceed the value of their original investment therein. For example, under certain circumstances, payments to the Funds and distributions by the Funds to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or a similar transaction under applicable bankruptcy and insolvency laws. In addition, under certain circumstances, a lender that has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such action.

Investments with Third Parties. The Funds may be permitted to partner with third parties to make investments through joint ventures or other entities, including with private investment vehicles sponsored by others, strategic partners, and co-investments with investors and other third parties. Fund investments in Portfolio Companies alongside third parties may amount to a substantial percentage of a Fund's total assets. Such investments often involve risks not present in investments where third parties are not involved, including the possibility that a partner alongside a Fund in an investment experiences financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of such Fund, may take a different view from the applicable General Partner's as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to a Fund's investment objectives.

In addition, the Funds may, in certain circumstances, be liable for the actions of their third party investment partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties with whom the Funds may partner may have pre-existing investments with target Portfolio Companies, and the terms of such preexisting investments may differ from the terms upon which a Fund invests in such Portfolio Companies. In addition, such arrangements are likely to involve additional restrictions on the resale of a Fund's interest in any such Portfolio Company.

Projections. Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, the inaccuracy of certain assumptions, general economic conditions, and other factors, which are not predictable, can have a material impact on the reliability of projections.

Return of Distributions. Indemnification obligations and obligations to return proceeds to a Portfolio Company imposed on the Funds (including obligations that arise after the Funds' liquidation) could obligate investors to return certain distributions received from the Funds, as provided in the Offering Documents and under Delaware law.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of their investments in Portfolio Companies, the Funds will generally be required to make representations about the business and financial affairs of any such investment typical of those made in connection with the sale of a business. The Funds will also generally be required to indemnify the purchasers of such investment to the extent that any such representations or representations made by the Portfolio Company are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which Bluestone may establish reserves and escrows. In that regard, a distribution of proceeds that might otherwise be made may either be delayed or withheld until such reserves are no longer needed. If any such distribution is made in lieu of being delayed and withheld and such representations prove to be inaccurate, the investors could be required to return such distribution to the Funds as provided in the Advisory Agreements of the applicable Fund.

Minimal Operating History. The Firm and its affiliates are each newly formed entities with limited operating history. Past investment performance of the partners of the Firm and its affiliates does not ensure future performance for the Funds. Investors could lose money in connection with their investment in the Funds.

Business Continuity and Disaster Recovery Risks. The Firm's business operations will likely be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although the Firm has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on the Firm and investments therein.

Cybersecurity Breaches. Bluestone and the Funds' Portfolio Companies depend heavily upon computer systems to perform necessary business functions. Although Bluestone has implemented, and Portfolio Companies will likely implement, a variety of security measures, these computer systems are subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, Bluestone and the Funds' Portfolio Companies will be subject to threats to their respective data and systems, including malware and computer virus attacks, unauthorized access, system failures, and disruptions. If one or more of these events occur, it could potentially jeopardize the confidential, proprietary, and other

information processed and stored in, and transmitted through, such computer systems and networks, or otherwise cause interruptions or malfunctions in the Firm's, the Funds', or Portfolio Companies' operations, which could result in damage to the Firm's, the Funds', or Portfolio Companies' reputation, financial losses, litigation, increased costs, regulatory penalties, and/or customer dissatisfaction or loss.

Data Protection. Data protection and regulations related to privacy, data protection, and information security could increase costs, and a failure to comply could result in fines, sanctions, or other penalties, which could materially and adversely affect the results of operations of one or more Portfolio Companies and the Funds. Such Portfolio Companies are subject to regulations related to privacy, data protection, and information security in the jurisdictions in which they do business. As privacy, data protection, and information security laws are implemented, interpreted, and applied, compliance costs will likely increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Compliance with current and future privacy, data protection, and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention, and safeguarding of personal data and some of Bluestone's and the Funds' current and planned business activities. A failure to comply with such laws could result in fines, sanctions, or other penalties, which could materially and adversely affect results of the Funds' operations and overall business, as well as have an impact on Bluestone's and the Funds' reputation.

Certain Risks Related to Investments in Sports, Media, and Entertainment Industries

Sports Industry Competition. A significant portion of the Funds' portfolio will be comprised of investments in Portfolio Companies in the sports, esports, media, and entertainment industries. The success of certain sports business can be dependent upon the performance and/or popularity of its franchises or leagues. Sports teams and leagues compete, in varying respects and degrees, with other live sporting events and with sporting events delivered over television networks, radio, the Internet and online services, mobile applications, and other alternative sources. For example, sports teams and leagues compete for attendance, viewership, and advertising with a wide range of alternatives available in the applicable metropolitan area. Sports teams and leagues face competition, in varying respects and degrees, from other professional and collegiate sports, as well as other teams and leagues within the same sport. Many metropolitan areas have more than one sports team within a given sport and/or other professional sports teams in other sports, all of which compete in varying respects and degrees.

A sports team or league must compete with these other sports teams, leagues, and events, in varying respects and degrees, including on the basis of the quality of the teams, their success in the leagues in which they compete, the ability to provide an entertaining environment at games, prices charged for tickets, and the viewing availability on multiple media alternatives. Given the nature of sports, there can be no assurance that a sports team owned by the Funds will be able to compete effectively, including with companies that may have greater resources, and as a consequence, such team's business and results of operations may be materially negatively affected.

Sports Businesses Dependence on Popularity. For certain sports businesses, financial results depend in large part on the applicable sports team(s) and leagues remaining popular with their fan bases and, in varying degrees, on the competitiveness, which can generate fan enthusiasm, resulting in sustained ticket, premium seating, suite, concession, and merchandise sales during the season. In addition, the popularity of sports teams can impact television ratings, which could affect the long-term value of the media rights for such teams. Furthermore, success in the regular season may qualify a sports team for participation in post-season playoffs, which provides additional revenue by increasing the number of games played by such sports team and by generating increased excitement and interest in such sports team, which can improve attendance and television ratings in subsequent seasons. There can be no assurance that any sports teams will maintain continued popularity or compete in post-season play in the future.

Personnel Decisions May Have a Materially Negative Effect on Sports Business. Creating and maintaining a sports team and league's popularity and competitiveness is a key to the success of many sports businesses. Accordingly, efforts to improve revenues and earnings from operations from period to period may be secondary to actions that management believes will generate long-term value. The competitive positions of a sports team or league depends primarily on the ability to develop, obtain, and retain talented players, coaches, and executives, for which a sports business competes with other professional sports teams and leagues. Efforts in this regard may include, among other things, trading for highly compensated players, signing draft picks, free agents, or current players to new contracts, engaging in salary arbitration with existing players, terminating and waiving players, deploying new technologies and stadium amenities, and recruiting and developing front office executives. Any of these actions could increase expenses for a particular period, subject in the case of certain teams to any salary cap restrictions contained in the respective league's collective bargaining agreement ("CBA"). There can be no assurance that any actions taken by management to increase long-term value will be successful.

Uncertainty of Actions of Professional Sports Leagues. The governing bodies of professional sports leagues have certain rights under certain circumstances to take actions that they deem to be in the best interests of their respective leagues, which might not necessarily be consistent with maximizing the results of the Funds' operations and which could adversely affect sports teams in which the Funds are expected to be invested in ways that do not have adverse effects on other sports teams.

Each league's governing body has imposed a number of rules, regulations, guidelines, bulletins, directives, policies, and agreements upon its teams. Changes to these provisions may apply to teams in which the Funds are expected to be invested and their personnel, regardless of whether Bluestone or its affiliates agree or disagree with such changes, have voted against such changes, or have challenged them through other means, and it is possible that any such changes could materially negatively affect sports teams in which the Funds will be invested and their results of operations to the extent they are ultimately determined to bind such teams. The commissioners of each league assert significant authority to take certain actions on behalf of their respective leagues under certain circumstances. Decisions by the commissioners of a sports league may materially negatively affect

sports businesses in which the Funds will be invested and their results of operations. The leagues' governing documents and agreements with the leagues purport to limit the manner in which one may challenge decisions and actions by a league commissioner or the league itself.

Furthermore, changes to a league's CBA may adversely impact a team owned by the Funds. Professional sports leagues have in the past been subject to work stoppages arising from strikes or lock-outs, which can have a material adverse impact on the sports teams in such league. Such circumstances will be almost entirely outside of the control of any sports teams owned by the Funds as well as outside the control of Bluestone and its affiliates, and the effect of such circumstances may be materially adverse to the Funds.

Fantasy Sports and Sports Betting. The Funds may invest in Portfolio Companies involved in fantasy sports and sports betting. Portfolio Companies that operate in these industries are subject to unclear and evolving regulations. Regulatory authorities at the non-U.S., U.S. federal, state, and local levels have broad powers with respect to the regulation and licensing of fantasy sports and real money gaming operations and may revoke, suspend, condition, or limit fantasy sports or real money gaming licenses, impose substantial fines on the Funds, the Firm, or its affiliates, and take other actions, any one of which could have a material adverse effect on the business, financial condition, results of operations, and prospects of Portfolio Companies, which in turn could have an adverse effect on the Funds.

Injuries to Players on Sports Teams Could Hinder Success. To the degree that a sports business' financial results are dependent on its sports teams' popularity and/or competitive success, the likelihood of achieving such popularity or competitive success may, given the nature of sports, be substantially impacted by serious and/or untimely injuries to key players. Salaries represent significant financial commitments for sports teams. In some sports leagues, player contracts are guaranteed regardless of injury, and insurance might not be available in every circumstance or on terms that are commercially feasible or such insurance may contain significant dollar limits and/or exclusions from coverage for preexisting medical conditions. A team may choose not to obtain (or might not be able to obtain) such insurance in some cases and may change coverage levels (or be unable to change coverage levels) in the future. In the absence of disability insurance, a team may be obligated to pay all of an injured player's salary. In addition, player disability insurance policies do not always cover any luxury tax that may be required under the applicable CBA. Replacement of an injured player may result in an increase in salary and luxury tax expense.

Entertainment Businesses Competition. An entertainment business which is a Portfolio Company of the Funds may compete, in certain respects and to varying degrees, with other leisure-time activities such as television, radio, motion pictures, sporting events, other live performances, restaurants and nightlife venues, the Internet, and online and mobile services, including sites for online content distribution, video on demand, and other alternative sources of entertainment and information, for total entertainment dollars in the marketplace. An investment in a sports or entertainment business might require further investment in technology, infrastructure, facilities, venue, and other similar investments. In addition, such an investment might require further

investment in competing or complementary businesses by the Funds, such as competing or complementary venues. Competitors might be better funded or have a wider array of complementary businesses, and there can be no assurances that any such further investments will have returns commensurate with those the Funds will be seeking.

Entertainment Businesses Are Highly Sensitive to Customer Tastes. The Funds may invest in a sports or entertainment venue. The success of any such venue depends in part upon the ability of such venue to offer live entertainment that is popular with customers. There may be a limited number of popular artists, groups, or events that can attract audiences to such venues, and such an investment would suffer to the extent that such venue is unable to continue to attract such artists, groups and events to perform at such venue.

Geographic Concentration. Many sports and entertainment businesses are concentrated in a single or a small group of markets, and as a result, are subject to a greater degree of risk than a business operating in more markets. Therefore, a sports or entertainment Portfolio Company may be particularly vulnerable to adverse events (including acts of terrorism, natural disasters, weather conditions, labor market disruptions, and government actions) and economic conditions in the markets in which it operates. Any adverse event or conditions in those markets could have a material negative effect on such Portfolio Company's business and results of operations.

Investments in the Entertainment Sector. Entertainment represents a discretionary expenditure, and participation in such activities may decline when the economic outlook is uncertain and during economic downturns. Regulatory authorities have broad powers and may revoke, suspend, condition, or limit licenses, impose substantial fines, and take other actions, any one of which could adversely impact the business, financial condition, and results of operations of companies. The digital media and internet sectors are subject to risks of adverse government regulation. Programming services, cable internet and television systems, the Internet, telecommunication services, and satellite carriers are subject to varying degrees of regulation in the United States by the Federal Communications Commission (the "FCC") and other entities and in foreign countries by similar entities. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. Further material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that the business of the Funds' investments will not be adversely affected by future legislation, new regulation, or deregulation, including the FCC's December 14, 2017 decision to repeal the Protecting and Promoting the Open Internet rules, more commonly known as the "Net Neutrality" regulations. In addition, competitive pressures within the digital media and internet sectors are intense, and the securities of such companies may be subject to significant price volatility. Because the digital media and internet sectors are also subject to rapid and significant changes in technology, companies in these sectors may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete. An investment's success may depend on consumer acceptance of its content, which is difficult to predict, and results of operations may be adversely affected if content fails to achieve sufficient consumer acceptance or costs to acquire content increase. Such content may be highly linked to the success of certain sports

team(s) which an investment focuses its content on. An investment may create media and entertainment content, the success of which depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of these businesses may depend on the ability to consistently create, acquire, market, and distribute programming, filmed entertainment attractions, and other content that meet the changing preferences of the broad domestic and international consumer market. Renewing existing contract rights or acquiring additional rights may result in significantly increased costs. If an investment's content does not achieve sufficient consumer acceptance, or if an investment cannot obtain or retain rights to popular content on acceptable terms, or at all, the results of operations may be adversely affected.

Reliance on Advertising Revenue. A decline in advertising expenditures or changes in advertising markets could negatively impact a Portfolio Company. A Portfolio Company's cable distribution, cable programming, and broadcast businesses may derive substantial revenue from the sale of advertising on a variety of platforms, and a decline in advertising expenditures in such case could negatively impact results of operations. Declines can be caused by the economic prospects of specific advertisers or industries, by increased competition for the leisure time of audiences and audience fragmentation, by the growing use of new technologies, or by the economy in general, causing advertisers to alter their spending priorities based on these or other factors. In addition, advertisers' willingness to purchase advertising may be adversely affected by lower audience ratings for a Portfolio Company's television programming. Changes in the advertising industry also could adversely affect the advertising revenue of a Portfolio Company's cable programming and broadcast networks. Further, natural disasters, wars, acts of terrorism, or other significant adverse news events could lead to a reduction in advertising expenditures as a result of uninterrupted news coverage and general economic uncertainty. Reductions in advertising expenditures could negatively impact a Portfolio Company's results of operations.

Uncertainty Regarding Programming Distribution Agreements. The loss of any programming distribution agreements, or the renewal of these agreements on less favorable terms, could adversely affect one or more Portfolio Companies. A Portfolio Company's cable programming network may depend on the maintenance of distribution agreements with multichannel video providers. There can be no assurance that such agreements will be renewed in the future on acceptable terms, or at all. The loss of any of these agreements, or the renewal of these agreements on less favorable terms, could reduce the reach of a Portfolio Company's television programming and its attractiveness to advertisers, which in turn could adversely affect the investment.

Risks Related to Programming Rights Agreements. In addition, a Portfolio Company's network may have programming rights agreements of varying scope and duration with various sports leagues and associations to broadcast and produce sporting events. Labor disputes in these and other sports leagues or associations could have an adverse impact on the Portfolio Company.

Certain Conflicts of Interest

Side Letters. Bluestone is authorized, without the approval of any investor, to enter into one or more side letters or similar written agreements with certain investors, which will have the effect of establishing rights under or altering or supplementing the terms of the Offering Documents with respect to such investors. As a result of such side letter agreements, certain investors may receive additional benefits that other investors will not receive, including, without limitation, the circumstances under which exclusion from certain investments or involuntary withdrawals from the Funds may be required; arrangement with respect to waivers or reductions of the Management Fee and/or Carried Interest; “most favored nation” rights (*i.e.*, the right to receive favorable rights or other arrangements, including co-investment arrangements, that may be afforded to other investors); rights or terms necessary in light of particular legal, regulatory, or policy requirements of an investor; and the right to receive reports from the Funds on a more frequent basis or to receive reports that include information not provided to other investors. Subject to applicable law, such agreements will be disclosed only to those actual or potential investors that have separately negotiated with the Firm or its affiliates for the right to review such agreements. Such arrangements will generally be based on such factors as the size of an investor’s commitment, an investor’s relationships with Bluestone or its affiliates, or any particular regulatory, tax, or legal considerations applicable to an investor, but the Firm or its affiliates may enter into such arrangements for any reason they deem necessary, advisable, desirable, or convenient. As a result, returns may vary from investor to investor depending on any arrangements applicable to a given investor’s Fund investment.

Profits Not Shared in Proportion to Contributed Capital. The capital contributions of the General Partner will represent only a small portion of a Fund’s capital. Investors will invest greater amounts and may receive a proportionately smaller amount of the profits of the Fund than the General Partner. The General Partner’s profits interest in the Fund may create an incentive for the General Partner to make riskier investments than it would make if it were solely investing its own funds.

Diverse Limited Partner Group. The investors may have conflicting investment, tax, and other interests with respect to their investment in a particular Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Bluestone or its affiliates, including with respect to the nature or structuring of investments that may be more beneficial for some investors than for others, particularly with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for the Funds, the Firm and its affiliates will consider the investment and tax objectives of the Fund and the investors as a whole, not the investment, tax, or other objectives of any investor individually.

Transactions between Portfolio Companies of the Funds. Portfolio companies of the Funds may engage in commercial transactions with one another from time to time as the Firm or its affiliates determine to be appropriate in their sole discretion.

Investor and Bluestone Use of Portfolio Company Products and Services. Portfolio Companies may from time to time provide products or services to certain Fund investors. Bluestone and its affiliates may have an incentive to encourage any such Portfolio Company to favor such investors (or their affiliates) relative to other clients or customers of the Portfolio Company in terms of pricing or otherwise, which could adversely affect the applicable Portfolio Company's profitability and the ultimate returns to the Funds with respect to their investment in that Portfolio Company. In addition, the Firm and its affiliates may, in certain instances, receive discounts on products and services provided by Portfolio Companies, which could adversely affect the applicable Portfolio Company's profitability and the ultimate returns to the Funds with respect to their investment in that Portfolio Company.

Investors as Service Providers. Certain Fund investors or their affiliates may from time to time in the ordinary course of their business activities provide services to the Funds or their Portfolio Companies (e.g., banks that are affiliates of investors may act as lenders to the Funds or their Portfolio Companies). The Firm and its affiliates anticipate that any such services would be provided to the Funds or their Portfolio Companies on arm's-length or otherwise customary market terms.

Affiliated Service Providers. In addition to the Operating Advisors, other service providers (e.g., lawyers, accountants, lenders, banks, brokers) are also expected to provide services to the General Partners, the Funds, or (at their election) the Portfolio Companies and may also provide goods or services to or have business, personal, financial, or other relationships with the Firm or its personnel or affiliates ("**Affiliated Service Providers**"). Moreover, Bluestone through one or more of its affiliates may in the future own or control a service provider that has a relationship with the Funds and/or their Portfolio Companies. These relationships may influence the General Partner in deciding whether to select or recommend an Affiliated Service Provider to perform services for the Funds or Portfolio Companies (the cost of which will generally be borne directly or indirectly by the Funds or Portfolio Companies, as applicable). Advisors and service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. Therefore, based on the types of services used by the Funds and Portfolio Companies as compared to the Firm and its affiliates and the terms of such services, Bluestone and its affiliates may benefit to a greater degree from such vendor arrangements than the Funds or Portfolio Companies. More generally, terms on which such services are provided to such persons and entities may, in certain circumstances, differ from (and be more favorable than) those on which similar services are provided to the Funds or their Portfolio Companies.

The Firm believes that, given the quality of such an Affiliated Service Provider's services, the value proposition of using such an Affiliated Service Provider would be a significant benefit for the Funds and their Portfolio Companies than what Bluestone believes the Funds or their Portfolio Companies would otherwise be able to receive from comparable service providers. Notwithstanding the foregoing, it is the Firm's practice to seek to select service providers for the Funds and their Portfolio Companies that it believes are in the best interests of the Funds or their Portfolio Companies based on their merits and not based on the services, or the terms of such services,

provided to Bluestone or its affiliates. From time to time, the Firm and its affiliates will review their selection of service providers and the arrangements between the Funds and their Portfolio Companies and such Affiliated Service Providers.

Consultants. Bluestone may engage, or cause the Funds to engage, consultants from time to time, including consultants made available through “expert networks”, to provide services to the Funds or their Portfolio Companies for particular purposes or particular projects, and such consultants may receive fees or other remuneration and expense reimbursement (including travel and travel-related expenses) from the Funds or the applicable Portfolio Companies, none of which would reduce the Management Fees of the Funds and all of which would constitute a direct or indirect expense of the Funds. Such services may include, among others, assisting the General Partners with technical or marketing research or due diligence with respect to companies in which the Funds are considering an investment or have invested or providing technical, financial, or other operational services to Portfolio Companies.

Operating Advisors. The Firm may engage or employ one or more individuals with significant industry, domain, transactional, financial, investment, operating, or other experience to assist with strategic advice, sourcing investment opportunities, conducting due diligence, facilitating transaction execution, and overseeing or providing similar services to one or more Portfolio Companies or to Bluestone and/or its affiliates in connection with any such Portfolio Companies (the “**Services**”), including by serving as an executive of, “executive advisor” to, or consultant to one or more Portfolio Companies (each, an “**Operating Advisor**”). Pursuant to the Offering Documents, any and all compensation, fees, and expenses associated with the Operating Advisors and the Services will be paid and/or reimbursed by applicable Portfolio Companies and/or the Funds and therefore will constitute a direct or indirect expense of the Funds and not the Firm or its affiliates. Moreover, such compensation, fees, and expenses do not offset the Management Fees of the Funds. Such compensation, fees, and expenses are expected to include cash fees, profits or equity interests in a Portfolio Company, a share of proceeds upon the sale of a Portfolio Company, benefits and other indicia of employment, retainer fees, consulting fees, and/or other incentive-based compensation, and any expenses associated with the formation and capitalization of a “search”, “roll-up”, or acquisition vehicle to be utilized by an Operating Advisor in connection with the Services. Operating Advisors may also have the opportunity to invest in the Funds and/or one or more Portfolio Companies on preferential terms relative to the investors or any other Co-Investor (as defined below). Operating Advisors are expected to be entitled to indemnification and exculpatory protections from the Funds on the same terms and conditions as the Firm and its affiliates. In addition, the Funds and their Portfolio Companies may pay an Operating Advisor to perform Services that, directly or indirectly, benefit the Firm, other Funds, and/or Portfolio Companies of other Funds and there can be no assurance that the Firm will be able or willing to prevent this from occurring. Bluestone and its affiliates shall not, and shall have no duty or other obligation under the Offering Documents, to disclose to the investors or the Advisory Committee the compensation, fees, and expense arrangements of Operating Advisors as it pertains to the Funds, any Portfolio Company, or any other entity or individual.

Travel-Related Expenses. In connection with the business or activities of the Funds, Bluestone personnel may use different modes of transportation and lodging, such as car travel, taxis, air travel (including in certain circumstances private aircrafts), hotels, resorts, and so forth. All travel by the Firm personnel will be conducted pursuant to the Offering Documents and Bluestone's internal travel policies. In case of private air travel, the Firm may allocate expenses related to such travel to the Funds in accordance with the Offering Documents, it being understood that any such expenses allocated to the Funds in connection with travel to a specific destination shall not exceed (as determined by the Firm or its affiliates in their sole discretion) the customary charter rate to such destination.

Time and Attention of Investment Professionals. The Principal and other Bluestone investment professionals, as applicable, will devote a portion of their time to the business of the Funds other than any given Fund and to certain other business endeavors. Conflicts may arise in the allocation of such person's time among the Funds and other such investment partnerships and endeavors.

Formation of New Funds. Pursuant to the terms of the Offering Documents, the Firm may establish additional investment funds which may or may not be competitive with the Funds, and there can be no assurance that the creation of such additional investment funds will not give rise to conflicts of interest between the investors of the respective funds.

Investment Opportunities. Conflicts of interest may arise in allocating investment opportunities among the Funds, regardless of whether such investment vehicles are currently existing, fundraising, or contemplated. The strategy of the Funds may overlap to some degree, and thus, an investment may in the first instance be allocated to another investment vehicle even though it may otherwise be an eligible investment for a Fund, or the Fund may not be able to acquire the entire amount of such investment opportunity (including because capital from another Fund has been applied in part towards such acquisition). Allocation of investment opportunities will generally be made in the sole discretion of Bluestone and its affiliates. There can be no assurance that the allocation of investment opportunities by the Firm and its affiliates will not give rise to conflicts of interest between the investors of the respective Funds.

Co-Investment by Investors and Other Third Parties. As discussed in Item 5 above, Bluestone may, but is under no obligation to, provide opportunities to co-invest with the Funds to Co-Investors. Bluestone may provide opportunities to co-invest with the Funds to one or more Fund investors (or persons or entities associated with Fund investors) without making such opportunity available to all Fund investors.

Co-investments may be made directly in the applicable Portfolio Company or through vehicles formed by the Firm for such co-investment or to accommodate co-investments in general. Bluestone may receive fees, carried interest, or other compensation in connection with such co-investments. The allocation of co-investment opportunities may involve a benefit to the Firm including, without limitation, management fees, carried interest, or other transaction-based compensation in connection with the co-investment opportunity and/or additional capital

commitments to the Funds. As a result, Bluestone may be subject to conflicting interests with respect to offering co-investment opportunities.

Co-Investors Not Paying Their *Pro Rata* Share (or Other Portion) of Investment and “Broken-Deal” Costs and Expenses. As discussed in Item 5 above, any Dead Deal Costs associated with a proposed co-investment opportunity generally will be paid solely by the Funds, and it is expected that any potential Co-Investors will not bear any portion of such Dead Deal Costs; and if a co-investment does close, the Firm generally will have no obligation to cause Co-Investors to bear any expenses incurred by the Funds or to bear any particular portion of such expenses.

Fees from Portfolio Companies. Bluestone may receive certain fees (whether in cash or in the form of options, restricted stock, warrants, or other similar rights) from Portfolio Companies in connection with the purchase, monitoring, or disposition of the Funds’ investments or in connection with unconsummated transactions or in connection with providing services to such Portfolio Companies as directors, consultants, or otherwise (*e.g.*, directors’ fees, transaction fees, financial consulting fees, monitoring fees, advisory fees, and “break-up fees”). As described in the Offering Documents, such fees will generally, but not always, result in a partial reduction in the Management Fee subject to the provisions of the Offering Documents. However, such “management fee offset” provisions of the Offering Documents generally do not apply to (and therefore neither the Funds nor any investors will benefit from) fees or remuneration received from Portfolio Companies of the Funds by any other individual in his or her capacity as an officer or employee of (or consultant to) a particular Portfolio Company, including any such individual employed by or otherwise providing services to the Firm. In addition, such “management fee offset” provisions will not apply to Operating Advisors.

Certain Advisory Committee Approvals. The Offering Documents will contain certain protections for investors against conflicts of interest faced by Bluestone and its affiliates, but will not purport to address all types of actual and potential conflicts that may arise. Under the Offering Documents, certain transactions that involve conflicts of interest between the Firm and its affiliates, on the one hand, and the Funds, on the other hand, may be submitted to the Advisory Committee for resolution. However, (i) the Advisory Committee will not represent the interests of all the investors, (ii) each member of the Advisory Committee may act in the interests of the investor with which it is associated, and (iii) the members of the Advisory Committee may themselves be subject to various conflicts of interest. In general, investors will not be entitled to control the selection of members of the Advisory Committee or to review the actions or deliberations of the Advisory Committee. Furthermore, some or all of the members of the Advisory Committee may also be on the Advisory Committee of any other Funds with which there is a potential conflict or may represent investors that have an interest in both the Fund and such other Fund(s). Such Advisory Committee members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflict of interests. The Firm or its affiliate will, however, retain ultimate responsibility for all decisions relating to the operation and management of the Funds.

Special Tax Considerations Applicable to the General Partners. Solely in respect of the General Partners' interests in the Funds that are disproportionate to the amounts of cash invested by the General Partners in the Funds, the holding period required to claim the lower U.S. federal income tax rates generally applicable to long-term capital gains under the Tax Cuts and Jobs Act is more than three years rather than more than one year. The character of gain recognized by investors generally would not be adversely affected by this rule. However, these new holding period requirements could affect investment decisions, including the timing of dispositions by the Funds and could adversely affect returns for investors. In addition, these new holding period requirements could subject employees or other individuals performing services for the Funds and benefitting from Carried Interest to higher rates of U.S. federal income tax on such Carried Interest than was the case under prior law. As a result, the changed treatment of Carried Interest under these rules could adversely affect such employees or other individuals who benefit from carried interest, which could make it more difficult for the underlying managers to incentivize, attract, and retain individuals to perform services for the Funds. As a result, the General Partners may have incentives not shared by Fund investors, including to cause the Funds to hold investments for longer than three years or to disproportionately distribute securities or other property to the General Partners. In addition, there are pending proposals in the Senate and the House that could increase or change the holding period requirement.

The foregoing list of risks and potential conflicts of interest does not purport to be a complete enumeration of the risks and conflicts attendant to an investment in the Funds. Additional risks and conflicts may exist that are not presently known to Bluestone or its affiliates or are deemed immaterial. Prospective investors should read the Offering Documents in their entirety and consult with their independent advisors before deciding whether to invest in the Funds. In addition, as the investment program of the Funds develops and changes over time, an investment in the Funds may be subject to additional and different actual and potential risks and conflicts of interest.

ITEM 9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to client's evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Bluestone's advisory services or the integrity of its management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Bluestone nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, or a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The Firm is affiliated with the General Partners and the Management Companies, which are subject to the Advisers Act pursuant to Bluestone's registration in accordance with SEC guidance. These affiliated entities operate as a single advisory business together with the Firm and serve as managers, general partners, or management companies of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions. Below is a list of the affiliated entities that serve as General Partner to the Funds.

- Fund I: Bluestone Capital I, L.P.
 - General Partner: Bluestone Capital I GP, L.P.

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

Code of Ethics and Personal Trading. Bluestone has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all employees of the Firm and describes Bluestone’s fiduciary duties and responsibilities to its Funds, requires that the Firm’s employees act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with respect to the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise.

The Code also contains policies and procedures that are reasonably designed to ensure that all personal securities trading by employees of the Firm is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Bluestone reserves the right to prohibit personal trading in certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees’ personal securities transactions and holdings; and require prompt internal reporting of Code violations.

As part of its Code, the Firm has established procedures reasonably designed to prevent the abuse of material non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Firm would make information barriers impractical, Bluestone will not impose information barriers to restrict the internal flow of possible material non-public information. Thus, all professionals will be deemed to be in receipt of material non-public information in all instances where any professional of the Firm has received material non-public information and, therefore, such professionals may not trade on the basis of that information.

Bluestone will provide a complete copy of the Code to any current or prospective client or investor upon request sent to the Chief Compliance Officer (“CCO”), Sharad “Bobby” Sharma at bsharma@bluestoneequity.com.

Participation or Interest in Client Transactions. Principals and employees of the Firm and its affiliates directly or indirectly own an interest in one or more Funds, including certain co-investment vehicles. Such persons generally do not pay Management Fees and Carried Interest related to their investments. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same Portfolio Companies as the Funds. Co-investment opportunities generally are also expected to be presented to certain affiliates of Bluestone as well as third-party investors and other persons, and such co-investments may be effected through co-investment vehicles directly in a particular Portfolio Company or through an intermediate entity in a Portfolio Company’s structure. Such co-investment opportunities generally will be allocated in the manner described in the applicable Offering Documents.

Conflicts of Interest and Their Resolution. From time to time, subject to the applicable Advisory Agreements of a Fund, the Firm and its related entities may engage in a broad range of activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, management, and other services to Funds and Portfolio Companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time conflict with the interests of Bluestone, other Funds, or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Firm addresses such conflicts of interest, can be found below, as well as in the Advisory Agreements and other Offering Documents of the Funds.

In the case of all conflicts of interest, Bluestone's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Firm's best judgment, but in its sole discretion. In resolving conflicts, Bluestone will consider various factors, including the interests of the applicable Funds with respect to the immediate issue or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Firm believes that such investment is an appropriate investment considered from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions, or other provisions contained in the Advisory Agreements for the Funds;
- (3) Bluestone may consult with the Advisory Committee of a Fund as to certain potential conflicts of interest, and on any issue involving actual conflicts of interest the Firm will be guided by its good faith discretion;
- (4) Bluestone may establish certain committees for the purpose of addressing and advising with respect to certain conflicts of interest;
- (5) Where the Firm deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (6) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of such Fund, including in its Advisory Agreements (*e.g.*, the limited partnership agreement) and other Offering Documents (*e.g.*, the private placement memorandum).

More detailed procedures for resolving specific conflicts of interest are set forth in the Advisory Agreements of the applicable Fund and certain provisions of a Fund's Advisory Agreements are designed to protect the interests of investors in situations where certain conflicts exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

ITEM 12. BROKERAGE PRACTICES

Bluestone provides investment advice to the Funds primarily with regards to private equity related investments. As such, the Firm's transactions on behalf of the Funds are normally privately negotiated and generally will not involve the use of a broker or dealer for the execution of Fund transactions. In those cases when Bluestone needs to use a broker-dealer, the Firm will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Funds. Due to the nature of the Firm's investment advice and relationship with the Funds, Bluestone does not expect to recommend or select broker-dealers for transactions in the Funds. In rare cases where the Firm determines to utilize a broker or a dealer to transact on behalf of the Funds, the Firm will evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital, ability to execute the desired transaction, and other factors. As a fiduciary, Bluestone must execute securities transactions in such a manner that each Fund's total cost or proceeds in each transaction is the most favorable under the circumstances. The determinative factor is whether the transaction represents the best qualitative execution for the account and not whether the lowest possible commission cost was obtained. Thus, the Firm will consider the full range and quality of a broker-dealer's service in selecting or recommending broker-dealers to meet best execution obligations, including the ability to access or otherwise execute large transactions in the public market. Bluestone may not pay the lowest commission rate available. As a starting point, though, the primary consideration is the trade price and commission quoted by the broker-dealers.

As noted above, the investment advisory services provided by the Firm to the Funds will generally be in relation to private equity related investments, for which the aggregation of orders is not applicable.

ITEM 13. REVIEW OF ACCOUNTS

The Funds' Portfolio Companies are continually monitored and reviewed by the investment committee. The investment committee will be responsible for, among other things, reviewing the Portfolio Companies in the context of the Funds' stated objectives and monitoring for portfolio and risk management.

More frequent reviews may be triggered by material changes in key variables that affect the performance of the Portfolio Companies, including, without limitation, changes in the financial markets activity and trends in the political or economic environment as well as the specific circumstances affecting the Funds.

Audited financial statements are provided to investors in the Funds, within 120 days of the end of each Fund's fiscal year as required by Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). Additional reporting may be provided to investors of a particular Fund pursuant to such Fund's Advisory Agreements.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Bluestone currently does not receive an economic benefit from anyone, other than its Funds, for providing investment advice or other advisory services to the Funds.

Bluestone and certain Funds may enter into third-party marketing arrangements with respect to the sale of interests in the Funds. Such third party placement agents will typically be compensated with a portion of the Firm's Management Fee payable with respect to the relevant Fund, at no cost to the investors in the Fund. Investors will not incur additional fees as a result of these arrangements. Any such arrangements would be conducted in a manner that is consistent with Rule 206(4)-1 under the Advisers Act and relevant SEC guidance.

ITEM 15. CUSTODY

Bluestone is deemed to have custody of the assets of each Fund because it or an affiliate serves as each Fund's General Partner. Bluestone and/or such General Partner can withdraw a Fund's cash and/or securities held with a custodian upon Bluestone's and/or such General Partner's instruction to the custodian. Therefore, Bluestone is subject to the Custody Rule.

In accordance with the Custody Rule, the Firm adheres to the applicable requirements of the Custody Rule with respect to the Funds' assets. The CCO ensures that all privately offered securities, not held at a qualified custodian, do not violate the "Private Security Exemption" provided in the Custody Rule; so long as such securities are (i) acquired from the issuer in a transaction not involving any public offering, (ii) uncertificated (with ownership recorded only on the books of the issuer or its transfer agent in the name of each Fund), and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. The Firm is responsible for arranging for annual independent audits of the Funds by an accounting firm, registered with and subject to inspection by the Public Company Accounting Oversight Board ("PCAOB"), within 120 days of the Funds' fiscal year end, and for obtaining audited financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). The Firm arranges for the delivery of such audited financial statements to investors of the Funds within 120 days of the Funds' fiscal year end.

ITEM 16. INVESTMENT DISCRETION

Bluestone maintains discretionary authority to manage assets and securities on behalf of its Funds through the Advisory Agreements and other Offering Documents of the Funds. The investors generally do not have the ability to place any limits on Bluestone's authority beyond the limitations set forth in the Offering Documents of the applicable Fund.

ITEM 17. VOTING CLIENT SECURITIES

While the securities evidencing the investments made by the Funds are not typically the subject of proxies, there could be certain circumstances where Bluestone, having discretionary authority over the accounts of the Funds, will be asked to vote the securities of such Funds on restructuring or other corporate matters. Bluestone plans to adopt a proxy voting policy as required by the Advisers Act. While unlikely, the Firm's investment strategy may involve the acquisition of publicly traded securities with voting authority, and as such, the Funds may be placed in a position of proxy voting authority. If the Funds do come into possession of securities with proxy voting rights, the Firm may have the authority to vote proxies and will do so in its sole judgement and in the best interests of its Funds. To the extent Bluestone receives proxy voting authority, the Firm generally believes that company management is best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, Bluestone will generally vote proxies in line with company management. However, under circumstances where the Firm believes that company management's proposal will not maximize value for the Firm's Funds, Bluestone will vote against company management. Bluestone's proxy voting policy will include guidelines for voting against company proposals as well as guidance for situations where a proxy vote presents a conflict of interest to ensure that such conflict is resolved in the best interests of the Funds. Investors can obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting the CCO, Sharad "Bobby" Sharma, at bsharma@bluestoneequity.com.

ITEM 18. FINANCIAL INFORMATION

Bluestone will not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance.

The Firm does not believe that there are any conditions that are reasonably likely to impair its ability to meet contractual commitments to the Funds.

Bluestone has never been the subject of a bankruptcy petition.

FORM ADV PART 2B: FIRM BROCHURE SUPPLEMENT

ITEM 1. COVER PAGE

Bluestone Equity Partners, L.P.

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March 27, 2024

Important Disclosure:

This Brochure Supplement provides information about investment personnel of Bluestone Equity Partners, L.P. (“**Bluestone**” or the “**Firm**”) that supplements Bluestone’s Brochure. You should have received a copy of that Brochure. Please contact Sharad “Bobby” Sharma at 212.279.5077 if you did not receive the Firm’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Bluestone’s investment personnel is available on the United States Securities and Exchange Commission’s website at www.adviserinfo.sec.gov.

SHARAD K. SHARMA

(Born 1973)

ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Sharad “Bobby” Sharma is the Principal of Bluestone. Mr. Sharma founded the Firm in April 2022. In addition, Mr. Sharma is the Chairman at Blue Devil Holdings (sports, media & entertainment M&A advisory, from 2015 to 2022), the Managing Partner at Electronic Sports Group (esports M&A advisory, from 2017 to 2022), and a Special Adviser at Foley & Lardner LLP (law, since 2019).

Prior to founding Bluestone, Mr. Sharma was a Partner at General American Capital Partners LLC (“GACP Sports”) (private equity, from 2018 to 2022), a Founding Member at NextGen Venture Partners (venture capital, from 2013 to 2018), and Vice Chairman of the Board of Directors of Soccerex (soccer industry events & media company, part of the GACP Sports portfolio, from 2019 to 2022), as well as its CEO (from 2019 to 2021). Prior to that, Mr. Sharma was the SVP, Global Head of Basketball & Strategic Initiatives at IMG (from 2011 to 2015), and the VP & General Counsel, NBA Development League at the National Basketball Association (from 2002 to 2011).

Mr. Sharma received his B.A. from the Duke University and his J.D. from the Duke University School of Law. He also completed the Harvard Business School executive program on the business of entertainment, media, and sports.

ITEM 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to disclose with respect to Mr. Sharma.

ITEM 4. OTHER BUSINESS ACTIVITIES

Mr. Sharma is not currently engaged in any investment-related business outside of his role with Bluestone.

ITEM 5. ADDITIONAL COMPENSATION

Mr. Sharma will not receive any economic benefit from anyone other than Bluestone’s advisory clients for providing advisory services.

ITEM 6. SUPERVISION

Bluestone has implemented a compliance manual and code of ethics, internal compliance documents that will guide each Firm employee in meeting their fiduciary obligations to Bluestone’s clients. Further, the Firm has engaged a third-party regulatory compliance consultant, PINE Advisor Solutions, which will assist Bluestone in implementation and administration of its compliance program as well as in supervision and oversight of its employees.