

# Bluestone Capital Management LLC

## Retail Client Relationship Summary (“Form CRS”)

March 23, 2026

### Item 1: Introduction:

Bluestone Capital Management (“Bluestone”) is registered with the Securities and Exchange Commission (SEC) as a Registered Investment Adviser. [CRD# **157841** & SEC# **801-77657**]. Brokerage and investment advisory services and fees differ; it is important to understand the differences and choose the right account for your needs. Free, simple tools are available for you to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also has additional educational materials available to you to learn more about broker-dealers, investment advisers, and investing in general.

### Item 2: What investment services and advice can you provide me?

Bluestone offers investment advisory services to clients, including retail investors. We provide a variety of asset management services, including the discretionary management of separate accounts, private funds, and ETF sub-advisory services to public and private funds and separately managed accounts.

#### Private Funds

Bluestone provides investment management services to the following product detailed below.

- AALII Fund LP

#### Separate Managed Accounts

As detailed in the Brochure, Bluestone provides investment services to Separate Accounts. Bluestone typically exercises investment discretion with respect to Separate Accounts. Certain private fund investments may require significant minimum investments.

- Bluestone Elite
- Bluestone Income Portfolio
- Bluestone Asset Allocation Portfolio ("AAP")

#### Sub-Advised Fund

Bluestone is the sub-adviser to Adaptive Alpha Opportunities ETF (ticker AGOX).

#### Model Portfolio Services

Several of our strategies are available on third party platforms which can be selected by advisors to utilize for their clients. Bluestone provides model portfolios that third-party platforms may implement for their clients.

Generally speaking, Bluestone’s advisory services include continuous monitoring of your investments to ensure they are managed in accordance with your objectives and any stated investment restrictions as well as with Bluestone’s own investment guidelines. You may choose to have us manage your investments by placing transactions without prior consent (discretionary account), or we can provide advice and recommendations to you for you to make the ultimate decision regarding your investments (non-discretionary account).

**For additional information about our advisory services, see Bluestone’s Form ADV, Part 2A Brochure (Items 4 & 7) at <https://adviserinfo.sec.gov/firm/summary/157841>**

#### **Ask your Financial Professional –**

Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### **Item 3: What fees and costs will I pay?**

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying:

- Our fees for asset management services are generally based on the level of assets under management (asset-based fees). Asset-based fees generally range from .025% to 2.0% of assets under management.
- In addition to asset-based advisory fees, we may charge performance-based fees to certain qualified clients. Specifically, we may charge those clients a periodic performance-based fee equal to a percentage of the realized or unrealized appreciation of the client's account value.
- The custodian or broker-dealer that holds your assets, or the party that trades your assets, can also charge your account certain fees as well as transaction fees when securities are bought or sold on your behalf. These fees are in addition to our advisory fee. We do not receive nor share in any portion of those custodial or transaction fees. Some investments, such as mutual funds, exchange traded funds, and private funds charge additional fees that will reduce the value of your investments over time.

For additional information about our advisory fees, see Bluestone's Form ADV, Part 2A Brochure (Item 5) at <https://adviserinfo.sec.gov/firm/summary/157841>.

#### **Ask your Financial Professional –**

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

#### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have a fiduciary duty to place the interest of our clients ahead of our own and the firm. At the same time, the way we make money creates some conflicts with your interests. The firm's revenue is from the advisory fees we collect from your accounts, whether monthly, quarterly, or otherwise. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Additional information about our conflicts of interest can be found in our Firm Brochure under Item 11 which is available upon request or online at <https://adviserinfo.sec.gov/>.

#### **Ask your Financial Professional –**

How might your conflicts of interest affect me, and how will you address them?

For additional information about our conflicts of interest, see Bluestone's Form ADV, Part 2A Brochure at <https://adviserinfo.sec.gov/firm/summary/157841>

#### **How do your financial professionals make money?**

Our financial professionals are paid either a variable or fixed monthly or quarterly amount as well as the potential for performance based bonuses. Whether as an employee or an independent contractor, each financial professional may receive compensation based upon factors such as the portion of the advisory fees that the firm collects from the accounts each professional manages, the time and complexity of the professional's services, the value provided, and also the overall revenues of the firm.

**Item 4: Do you or your financial professionals have legal or disciplinary history?**

We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client/Adviser relationship, or to continue a Client/Adviser relationship with us. This statement applies to Bluestone and its employees.

This disciplinary action concerns Bluestone's violations of the federal securities laws in connection with the financial statement audits of a private fund that Bluestone advised. The Fund in question was in liquidation. Bluestone failed to have the required audits performed and timely distribute annual audited financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP") to investors in a private fund (AALII Fund) that it advised. In addition, Bluestone did not properly describe the status of its fund's financial statement audits when filing its Forms ADV and did not update certain responses in its Form ADV annual updating amendments for multiple years as required by the Form ADV instructions. These failures resulted in violations of Section 206(4) of the Advisers Act and Rule 206(4)-2 thereunder, commonly referred to as the "custody rule," and Section 204(a) and Rule 204-1(a) thereunder, which required Bluestone to update certain information about Bluestone's private fund audits in its Forms ADV. The Adviser paid a civil money penalty in the amount of \$75,000 to the Commission for transfer to the general fund of the United States Treasury, subject to the Securities Exchange Act of 1934 Section 21F(g)(3).

Without admitting or denying the findings, Mr. Shevland consented to the sanctions and to the entry of findings that he made negligent misrepresentations about the performance of two private equity funds (the Funds) to investors. The findings stated that Mr. Shevland caused the Funds to invest more than \$20 million (including some of his own money) in a separate private equity fund (the Master Fund), which was managed by a former employer of Mr. Shevland. The Funds created documents that contained materially inaccurate performance results, which Mr. Shevland distributed and directed others at the Funds to distribute to investors on a regular basis. To prepare these documents, the Funds relied on information that Mr. Shevland received from the Master Fund, including unaudited financials claiming that the Master Fund earned consistent positive monthly returns and realized an annual rate of return, net of fees, exceeding 80 percent during one year. Mr. Shevland failed to act with due care upon learning of material discrepancies in the financial results reported by the Master Fund. In addition, certain of the Master Fund's monthly reports did not accurately reflect the Funds' investment. Mr. Shevland did not ask anyone at the Master Fund about these discrepancies or take any other steps to investigate them. Instead, Mr. Shevland negligently continued to direct others at the Funds to use the Master Fund's claimed financial results to create documents that he and others distributed to Fund investors. Those documents materially overstated the performance of the Funds. Subsequently, the manager of the Master Fund was arrested and charged with securities fraud in connection with her operation of the Master Fund. The Master Fund is subject to a receivership and losses to investors in the Funds have yet to be ascertained. Mr. Shevland's licenses were suspended for one year from March 4, 2024 to March 3, 2025. His licenses have now been reinstated. This does not affect his ability to work as an investment adviser and manage assets.

**Ask your Financial Professional –**

As a financial professional, do you have any disciplinary history? For what type of conduct?

**Item 5: Additional information:**

Additional Information about Bluestone's investment advisory services can be found at <https://adviserinfo.sec.gov/firm/summary/157841> Bluestone's Form CRS is also available upon request by calling (610) 337-6500 or [info@bluestonecm.com](mailto:info@bluestonecm.com).

**Ask your Financial Professional –**

Who is my primary contact person?

- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?