

**Item 1. Cover Page**

**Bain Capital Real Estate, LP**

**200 Clarendon Street  
Boston, MA 02116**

**Part 2A of Form ADV: Firm Brochure  
March 2024**



**This brochure provides information about the qualifications and business practices of Bain Capital Real Estate, LP. If you have any questions about the contents of this brochure, please contact us at (617) 516-2318. 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 Bain Capital Real Estate, LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Item 2 is not applicable.

### Item 3. Table of Contents

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#### **Item 4. Advisory Business**

For purposes of this brochure, unless otherwise noted, the “Adviser” or “Bain Capital Real Estate” means Bain Capital Real Estate, LP, a Delaware limited partnership, which is wholly owned by Bain Capital, LP (“Bain Capital”). The Adviser provides investment advisory services to pooled investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). As the investment adviser of the Funds, the Adviser, along with each Fund’s General Partner (each, a “General Partner”), identifies investment opportunities for, and participates in the acquisition, financing, development, management, monitoring and disposition of investments of, each applicable Fund. Bain Capital Real Estate also provides investment management services to clients in separately managed accounts. The Funds and separately managed accounts are referred to collectively as “Clients.”

The primary focus of the Adviser’s investment advisory activity is researching and advising on real estate and real estate-related investments. Such investments may take the form of privately negotiated investment instruments including unregistered equity from both U.S. and non-U.S. issuers or investments, direct or indirect investments in real estate assets or real estate-related assets, real estate related debt instruments, corporate securities, real estate funds and in joint ventures investing in real estate or real estate-related assets, including, but not limited to, investments in life sciences/lab space, industrial-infill, medical office, self-storage, senior housing, media/content space, , residential-horizontal apartments and industrial facilities and in companies associated with such facilities (collectively, “Assets”). Although the focus of each Client is primarily on real estate and real estate-related investments, the Adviser may from time to time recommend other types of investments consistent with the respective Client’s investment strategy and objectives.

The Adviser provides investment advisory services to the applicable Clients pursuant to separate investment and advisory agreements (each, an “Advisory Agreement”). With respect to the Funds, investment advice is provided by the Adviser directly to the applicable Funds, subject to the direction and control of the affiliated General Partner of such Fund and not individually to the investors in the Funds.

Any restrictions on investments are established by the General Partner of the applicable Fund and are set forth in the documentation received by each limited partner prior to investment in such Fund. Currently there are no restrictions on the types of investments, companies or assets in which a Fund may invest.

As of December 31, 2023, Bain Capital Real Estate managed approximately \$9,367,820,000<sup>1</sup> of Client assets, all of which are managed on a discretionary basis.

#### **Item 5. Fees and Compensation**

As compensation for investment advisory services rendered to the Clients, the Adviser generally receives from each applicable Client an annual management fee. Advisory fees billed to Bain Capital Real Estate Clients vary client by client and are generally payable quarterly in advance,

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<sup>1</sup> The Adviser does not have ultimate investment discretion with respect to the assets of any Fund, as such discretion is retained by the applicable General Partner of each Fund.

quarterly in arrears, semi-annually in arrears, or a combination thereof. Management fees paid by a Fund are indirectly borne by the limited partners in such Fund.

The precise amount, and the manner and calculation, of the management fee for each Client is established by the Adviser and is set forth in such Client's Advisory Agreement, limited partnership agreement, client agreement (or analogous organizational document) and/or other documentation received by each limited partner prior to investment in such vehicle. Fees may differ from one Client to another, as well as among limited partners in the same vehicle.

Upon termination of an Advisory Agreement, appropriate treatment, including, where applicable, returning prepaid management fees on a prorated basis, will be given to all management fees collected in advance. As described below, the management fee may be reduced in some circumstances in connection with the receipt by the Adviser or its related persons of various fees paid by actual or prospective portfolio investments. The management fee is generally subject to waiver or reduction by the Adviser in its sole discretion, including in connection with investments made by the General Partners or their related persons. The fee structures described above may be modified from time to time.

To the extent not paid by portfolio investments or investment vehicles, the Funds shall bear their own expenses, which shall include those listed directly below. Expenses borne by a Client may vary among the Clients. Please refer to the limited partnership agreement, client agreement (or analogous organizational document) of the applicable Client for details regarding the practices of such Client.

- (a) all investment-related expenses, including expenses relating to identifying (including any finder's fees); evaluating; valuing; researching; investigating; structuring; diligencing; monitoring; hedging; purchasing, holding, operating, managing, selling (or potentially selling), refinancing (including any brokerage fees or expenses), or restructuring investments and potential investments (whether or not completed) (including lodging, travel, transportation (including the use of private/chartered, first class or business class travel, taxis, car rentals and any form of other transportation), meals, entertainment and other similar expenses relating to the foregoing);
- (b) all expenses incurred in connection with the ongoing operation and administration of the Funds, including any legal, tax, auditing, financial, accounting, domiciliation, consulting, Environmental, Social and Governance ("ESG"), procurement, technology, cybersecurity, bookkeeping, record keeping, reporting and clerical services (in each case, whether performed by internal staff of the Funds' Adviser or the Funds' General Partner, affiliates of or entities established by the Funds' Adviser or the Funds' General Partner or by third parties) and expenses related to acquiring, developing, implementing or maintaining related software;
- (c) all costs and expenses incurred in connection with financings (including financing fees; legal fees and expenses, agent fees and other fees and expenses incurred in connection therewith);
- (d) all fees, taxes and expenses associated with a Fund's and any investment vehicle's financial statements or tax reporting (including fees and expenses associated with preparing tax information, returns, elections, investigations, settlements, reviews and audits); expenses

incurred in connection with the preparation and maintenance of a Fund's and any investment vehicle's books and records, account holder diligence or the preparation and delivery of wires, financial and other reports, circulars, forms, notices, valuations, investment summaries and other information (including courier and delivery expenses); expenses incurred as a Fund's representative in connection with a Fund and expenses incurred in connection with the dissolution and liquidation of a Fund and any investment vehicle;

- (e) expenses and fees of any administrator, depositary and/or custodian;
- (f) all fees, costs and expenses (which may be paid as an annual fee or retainer, consulting fee (e.g., time and materials), and/or incentive compensation (such as a bonus or success fee (in the form of cash or equity) based on pre-determined targets or milestones), based on the particular services provided, or as guaranteed minimum compensation) of professionals (including industry executives, advisors, consultants (including operating and sourcing consultants), joint venture partners, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to the Fund and/or its portfolio investments or investment vehicles, including services related to the development of investment theses and investment opportunities in a given sector or deal analyses (in each case which services may, for the avoidance of doubt, be provided prior to the commencement of an investment);
- (g) research and data expenses (e.g., news and quotation subscriptions and market research, conference expenses (including related travel and other expenses of a category identified in clause (a) above) related to developing potential investment ideas (including senior managers or other employees of the Adviser, portfolio investments or other industry executives attending and/or hosting conferences and networking events organized by the Advisor and/or portfolio investments), trends and themes within industries, sectors or geographies), information technology expenses (including technology service providers) and expenses related to acquiring, utilizing, developing, implementing or maintaining related hardware and software and other information technology expenses (including any investment management systems and phone and information charges) and total logistic control expenses;
- (h) all fees, expenses and costs in connection with any legal and/or regulatory compliance (including anti-financial crime compliance and any compliance obligations that arise from any law, rule, regulation, policy, directive or special measure (including those relating to privacy, protecting confidential information, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations)), participation in or costs arising from, any law, regulation, policies, programs or industry initiatives concerning ESG and any government and/or regulatory filings related to the Funds (including Form PF) or the offering of interests in the Funds or the Funds' investments (including regulatory filings of any Fund General Partner, the Adviser and their affiliates relating to the Funds, including any filings in connection with the AIFMD) whether, for the avoidance of doubt, they are incurred once or on a periodic basis during the life of the Funds;
- (i) all fees, costs and expenses of registration, qualification or exemption of the Funds under any law or regulation (including the Foreign Account Tax Compliance Act, the OECD's

Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard, anti-money laundering and central bank reporting), and any legal or regulatory compliance with any law or regulation, and related reports, disclosures, licenses, registrations or notifications;

- (j) all fees, costs and expenses related to any governmental inquiries, investigations or proceedings relating to the Funds, including any judgments, settlements or fines;
- (k) all expenses related to advisory board meetings (including travel, accommodation, meal, entertainment, venue and other expenses), other out-of-pocket expenses of the advisory board (including costs and expenses of any legal counsel or other advisors retained by the advisory board) and costs and expenses incurred in relation to obtaining consents or approvals of limited partners or the advisory board;
- (l) any costs, losses, damages or other expenses relating to any warranties or indemnities given by a Fund or any subsidiaries, investment vehicles and alternative investment vehicles, in relation to any investments, including where a claim has been made in respect of such warranties or indemnities;
- (m) all costs of all subsidiaries, investment vehicles, alternative investment vehicles and other vehicles and special purpose entities through which investments are held or managed, including costs associated with establishing and administering such entities, admitting limited partners thereto, establishing, changing or maintaining residence in certain jurisdictions (including rent for office space, related overhead, board of directors expenses and employee salaries and benefits) and winding up and dissolving such entities;
- (n) all costs and expenses incurred in connection with the preparation of amendments to limited partnership agreements or other documentation of a Fund (including any amendments in response to a private funds law);
- (o) all costs and expenses incurred in connection with or incidental to the incurrence or refinancing of any credit facility, net asset value loans or other indebtedness (including interest, commitment fees, upfront fees, legal fees, and other fees and expenses), guarantees by or other obligations of a Fund;
- (p) management fees;
- (q) offering expenses up to the applicable offering expenses cap;
- (r) costs and expenses of administering and complying with side letters entered into with a Fund's limited partners (including the process of distributing and implementing applicable elections pursuant to any "most-favored nations" clauses in side letters and complying with any ESG obligations or other standards, including measurement, monitoring, reporting and implementation thereof, and complying with any other similar standards and commitments applicable to a Fund, its investments and potential investments, including diligence, monitoring and reporting thereof);

- (s) all reasonable lodging, travel, transportation (including the use of first class or business class travel), meals, entertainment and other similar expenses relating to the foregoing incurred in connection with a Fund's affairs;
- (t) all out-of-pocket expenses incurred in connection with the collection of amounts due to the Funds from any person;
- (u) all expenses incurred in connection with the obtaining and maintaining of insurance policies by or on behalf of a Fund, investments of a Fund (unless borne by the relevant portfolio investment or investment vehicle), a Fund's General Partner or the Adviser and/or their affiliates or the Advisory Board with respect to the Funds, policies shared with joint venture partners including the allocable portion of any insurance policies that provide a Fund's General Partner and/or their affiliates with coverage covering multiple funds, portfolio investments and/or investment vehicles, personnel or liabilities, including with respect to the Funds;
- (v) all expenses incurred in connection with a purchase, sale, assignment, pledge or transfer of a Fund limited partner's interest in a Fund or the withdrawal or termination of a Fund limited partner (but only to the extent not paid by the applicable purchaser or Fund limited partner, assignee, pledgee or transferee, as the case may be);
- (w) all costs and expenses associated with a defaulting Fund limited partner (but only to the extent not paid by the applicable defaulting Fund limited partner);
- (x) any taxes, or any expenses, penalties or liabilities which are not allocated to one or more limited partners;
- (y) expenses and fees of any local paying agents, licensed local distributors and similar persons;
- (z) all expenses incurred in connection with any structure (including entity-level taxes) formed to address tax or other similar considerations of limited partners (including any upfront tax structuring put in place in connection with the admission of such limited partners), whether incurred by internal staff of the Adviser or a Fund's General Partner, affiliates of or entities established by the Adviser or a Fund's General Partner or by third parties;
- (aa) all extraordinary expenses of a Fund, including all expenses incurred in connection with any proceeding involving a Fund (including the cost of any investigation, prosecution, defense and preparation, including the costs of discovery related thereto) or any investment of a Fund and the amount of any judgment, fine or settlement paid in connection therewith, but excluding expenses incurred in connection with any proceeding, judgment, fine or settlement to the extent a Fund would not be obligated to indemnify the indemnified person for the underlying conduct giving rise to such proceeding; and
- (bb) all indemnification obligations and any other indemnity, contribution, or reimbursement obligations of a Fund with respect to any person, whether payable in connection with a proceeding involving such Fund or otherwise but excluding expenses incurred in connection with any proceeding, judgment, fine or settlement to the extent the Funds would not be



obligated to indemnify the indemnified person for the underlying conduct giving rise to such proceeding (collectively, “Fund Expenses”).

For the avoidance of doubt, similar expenses incurred with respect to any feeder vehicle will also be considered Fund Expenses. The foregoing will be considered Fund Expenses whether incurred directly by a Fund or by such Fund’s General Partner, the Adviser or any of their affiliates on behalf of the Fund. A Fund will bear its pro rata share of out-of-pocket expenses (including rent, compensation and board expenses) directly relating to fund administrative services performed by the Adviser or its affiliates and fund administrative service companies and other special purpose entities maintained by the Adviser, the General Partners or affiliates of or entities established by the Adviser, the General Partners, in certain jurisdictions required or desirable in connection with investments.

Each General Partner and the Adviser will each pay its normal operating expenses, including salaries and employee benefit expenses of employees and related overhead (including rent, utilities, office expenses, travel expenses not allocated to a Fund as described herein and other similar items) and all fees and expenses incurred in connection with each General Partner’s and the Adviser’s compliance with any applicable ongoing regulatory requirements, excluding in each case those requirements that are imposed as a result of the organization or operation of a Fund (including, but not limited to, those fees referred to in sub-paragraph (g) above) and certain material and other expenses as described in the limited partner agreement.

Fund Expenses generally will be allocated among the fund entities pro rata based on the relative capital commitments to each fund entity, provided that Fund Expenses incurred in respect of the operations or activities of a fund entity may be paid by such fund entity or by the Fund and when paid by the Fund (or such fund entity) may be specifically allocated to be borne by the Funds or such fund entity. The appropriate allocation of expenses and fees among the Clients, any feeder vehicles, parallel vehicles, other Related Funds (as defined in Item 10 below) and any other persons or entities that may invest or co-invest with the Clients in one or more investments will be determined by the General Partners and the general partners (or similar governing entity) of such other funds or accounts that invest alongside the Funds in good faith and in a manner consistent with the limited partnership agreements (or analogous organizational documents) of such other investing entities. It is possible that there may be no other entity that has agreed to share expenses with a Client if the investment is not consummated, with the result that a Client may bear all of the expenses relating to that potential investment (including potentially additional costs associated with a potential co-investment), notwithstanding that other funds or third parties may have benefitted from the opportunity to review, investigate and otherwise assess that potential investment, or that such other funds or third parties may be entitled to receive all or a portion of any termination fees paid in respect of such unconsummated co-investment.

#### *Fees Received by Affiliated Broker-Dealer*

Bain Capital Distributors, LLC (“Bain Capital Distributors”), an affiliate of the Adviser, is a broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”). Bain Capital Distributors places securities and instruments issued by certain private investment funds that the Adviser and its affiliates manage.

When Bain Capital Distributors acts as the placement agent for a fund in respect of securities or instruments issued by a fund, no commission or other compensation is received by Bain Capital Distributors from such fund or their investors for such service.

### *Other Fees*

The Clients do participate in investments that will incur fees related to services provided by third parties, the Adviser, affiliates of the Adviser, personnel of the Adviser, and/or other entities affiliated with the Adviser or the operating partner of a joint venture arrangement or owned by Related Funds, including but not limited to asset management, property management, design, development, construction, group purchasing, leasing, site management, mortgage servicing, special servicing and asset management of REO, REIT compliance and shareholder administration, consulting and brokerage, capital markets/credit origination, property and/or other types of insurance, acting as a trustee, acting as a paying agent and other similar operating matters (collectively, “Property Level Services”). The Funds will generally bear, directly or indirectly (as applicable), all fees and expenses in connection with the provision of Property Level Services. When Property Level Services are performed by personnel of the Adviser and/or its affiliates, such fees and expenses are subject to the applicable offset provisions, as set forth in the limited partnership agreement (or analogous organizational documents). For further detail on Property Level Services and Affiliated Service Companies, please see “Conflicts Relating to the Adviser, the General Partners of the Funds and Certain Affiliate Advisers” in Item 10 below.

The Adviser and its affiliates may, from time to time, participate in underwriting or lending syndicates with respect to the portfolio investments, or otherwise be involved in arranging financing (including loans) to portfolio investments or advice on such transactions. For instance, a client of an affiliate of the Adviser could make a loan with respect to a property. The Clients will from time to time incur certain fees or other obligations as a result of the foregoing activities (including, without limitation, underwriting fees, discounts, placement commissions, lending arrangement and syndication fees or related discounts).

The Adviser may receive fees associated with capital invested by co-investors relating to Client’s portfolio investments. These fees may be in connection with a joint venture arrangement in which the Clients participate or similar arrangements with respect to assets or other interests retained by a seller or commercial counterparty. These fees do not offset the management fees.

While expected to be infrequent based on the Funds’ investment strategies, the Adviser and its affiliates may perform certain services for, and may receive fees in respect of such services from, actual or prospective real-estate related operating companies or other deal-related investment vehicles of the Clients. For such services, the Adviser or its affiliate may receive ongoing corporate services fees, transaction fees, and reimbursement of out-of-pocket expenses incurred in connection with the provision of such services. For further details on these other fees received by the Adviser and its affiliates, and the related conflicts of interest arising from receipt of such fees, please see “Conflicts Relating to the Adviser, General Partners of the Funds and Certain Affiliate Advisers” in Item 10 below.

Additionally, please see Item 6 below regarding “carried interest” that the Clients may pay.

Although the Adviser does not generally utilize the services of broker-dealers for transaction-related services, in the event that the Adviser chooses to use a broker-dealer for limited purposes

relating to a particular Client, such Client will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

A portion of each Fund's net investment profit is allocated to the capital account of its General Partner or Special Limited Partner as "carried interest" (also referred to as "profits interest." Each General Partner or Special Limited Partner of a Fund is a related person of the Adviser. References to the General Partner in relation to carried interest for purpose of this document include any Special Limited Partner created for applicable Funds. Carried interest may differ from one Fund to another, as well as among investors in the same Fund.

The payment by Funds of carried interest at varying rates (including varying effective rates based on the past performance of a Fund) may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying carried interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the limited partnership agreements of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously, and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 10 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

## **Item 7. Types of Clients**

The Adviser currently provides investment advisory services to the Clients. For Funds, investment advice is provided directly to the applicable Funds subject to the direction and control of the General Partner of such Fund and not individually to the limited partners of such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in Funds may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other business entities.

Although the Adviser does not impose minimum dollar values on creating a Fund, legal eligibility requirements must be met. Minimum investment commitments may be established for limited partners in Funds. The General Partner of each Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable fund documents of such Fund.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

#### ***Investment Strategy.***

The Adviser employs a range of investment strategies in managing its Clients' assets, which

includes primarily identifying and investing in the Assets, including but not limited to, single real estate assets, portfolios of real estate assets, real estate portfolio investments and other real estate and real estate-related debt and equity assets, seeking to provide attractive risk-adjusted returns. The Adviser will pursue specific investment objectives and strategies for each Client as set out in such Client's limited partnership agreement (or analogous organizational documents). The Adviser seeks to improve assets through value-oriented capital improvements, and will focus on acquiring, developing or redeveloping a broad range of property types throughout the U.S., Europe and Asia and other locations permitted by the specific Client. The Adviser's investment team evaluates real estate products for investment by the Funds with a focus on asset and sector selection and conducts due diligence as described below prior to making any investment.

### ***Methods of Analysis.***

Prior to making an investment in an Asset, the Adviser carries out fundamental analysis on the Asset, its market and its go-forward expected performance, and ultimately the return potential of the investment, as well as the potential risks.

#### **1. Market and Asset Position within Market:**

In performing diligence on an investment, the Bain Capital Real Estate team tours the relevant market, the competitive buildings and the target investment to understand the market and the asset's competitive position within the market.

- **Market Definition:** The Bain Capital Real Estate team assesses how the identified demand drivers underlying the applicable investment strategy apply to the target market and submarket. It then performs a deep analysis of the competitive supply (current, anticipated and potential) that is meeting or could meet this demand. Assessing the demand and supply in this narrow market helps us understand whether our strategy can be effective in the applicable market.
- **Competitive Position:** In an attractive market, the Bain Capital Real Estate team identifies its target investment's relative position in the market, incorporating factors such as location, access, quality of the physical building/efficiency of the floorplates, attractiveness of and proximity to amenities, submarket growth patterns, and ability to improve the operations and/or physical condition of the building.
- **Plan for Strategic and Operational Improvement:** Bain Capital Real Estate is attracted to investments where diligence has identified opportunities for physical or operational improvement. Bain Capital Real Estate is particularly focused on buildings that are well located but poorly operated, un-renovated, outmoded or that could benefit from a change in use.
- **Financing and Exit Analysis:** Prior to making an investment, Bain Capital Real Estate fully explores the availability and cost of acquisition financing and the alternative options for

future liquidity and exits. Assets with fewer liquidity alternatives are discounted more heavily, and are assigned a higher exit capitalization rate. For these investments, cash flow yield can become more important.

## **2. Technical Due Diligence:**

- **Physical and Environmental:** In addition to the detailed, technical analysis on property condition performed by our team, we also engage a third-party engineering firm to complete a “Property Condition Report.” This physical diligence allows us to assess costs and related risks and can lead to renegotiation of purchase price with a seller. In addition, for each acquisition an environmental site assessment report will be provided by a qualified consultant to determine whether there are any environmental concerns at the site.
- **Regulatory, Tax, Legal, Accounting:** Our team reviews technical reports prepared by third-party experts on title, survey, and zoning/entitlements/permits/licenses. In many cases, Bain Capital Real Estate will engage specialists to assist us with other technical diligence matters. For example in some markets, a seismic report is produced. In addition, for development projects Bain Capital Real Estate will work with many different experts to fully understand the opportunity and risks.
- **Tenant Diligence:** Where there are existing tenants in-place Bain Capital Real Estate assesses the credit of those tenants and reviews and abstracts leases and tenant files. Bain Capital Real Estate also holds tenant interviews to determine contractual or non-observable underlying issues that could impact our business plan.

## **3. Upside Potential and Downside Risk:**

- **Opportunities for Upside:** Bain Capital Real Estate looks for investments where there is significant potential for an asymmetric upside through multiple value drivers. Accordingly, Bain Capital Real Estate performs a risk assessment of the potential magnitude, probability and timing of the upside opportunity. For example, Bain Capital Real Estate may purchase a property that has excess land available for future potential development without assigning any value to that land.
- **Downside Risk:** Bain Capital Real Estate’s approach incorporates a balance of assessing upside potential alongside specific analysis of risk and downside scenarios across a range of macro and micro drivers. Bain Capital Real Estate performs a sensitivity analysis showing returns over a variety of down-side scenarios and performs a “break-even” analysis.

The Adviser follows the same methods of analysis for co-investments as it does for investments in real estate assets through joint venture structures with its operating partners.

## **Risks**

Investing in real estate assets involves a substantial degree of risk. Clients are in a position to lose all or a substantial portion of their investments, and Clients must be prepared to bear the risk of loss, including total loss, of their investments therein.

References to “Funds” throughout the risk factors and conflicts of interest identified below apply broadly to all Clients except for those specifically related to investing in a private fund.

Different risks may exist with respect to investments in different Funds.

The risks associated with an investment in a particular Fund may be substantially impacted by the nature and timing of the market.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of investments typically made by Funds in connection with those strategies and methods, include the following:

### ***Risks Related to Investing in a Private Fund***

#### ***Illiquid, Long-Term Investment***

An investment in a Fund is speculative and volatile, requiring a long-term commitment with no certainty of return. In most cases, a Fund’s investments will be long-term in nature and are expected to require many years from the date of investment to the date of disposition. In many cases, during some or all of that time, a portfolio investment may not distribute any net rental income, dividends, royalties or other income to a Fund, and, as a result, investors should not expect to receive any distributions from a Fund for an extended period of time. As a result of the illiquidity of real estate investments, a Fund could potentially not be able to sell a property or properties quickly, on favorable terms or at all in response to changing economic, financial and investment conditions or changes in the properties’ operating performance when it otherwise could be prudent to do so. A Fund cannot predict whether it will be able to sell any property that it desires to sell for the price or on the terms set by such Fund or whether any price or other terms offered by a prospective purchaser would be acceptable to such Fund. A Fund also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. A Fund’s investments are considered highly speculative and may result in the loss of a Fund’s entire investment. Because a Fund may only make a limited number of investments and because many of a Fund’s investments may involve a high degree of risk, poor performance by a few of the investments could significantly reduce the total returns to the limited partners.

#### ***Reliance on the Adviser***

The Funds have not yet identified the particular investments they will make. Accordingly, an investor must rely on the Adviser’s ability to identify and make investments consistent with the Funds’ investment objectives and policies. In addition, investors will generally not have an opportunity to evaluate the relevant economic, financial or other information regarding specific investments to be made by the Funds or the terms of any investment ahead of that investment being made. The Adviser may be unable to find a sufficient number of attractive opportunities to invest

the Funds' committed capital or meet its investment objectives. Further, there can be no assurance that what the General Partners or the Adviser perceive as an attractive investment opportunity will not, in fact, result in substantial losses due to one or more of a wide variety of factors. In addition, there can be no assurances that allocations of investment opportunities will be made pro rata as between the Funds and other Related Funds, and any such allocation determinations will be made in accordance with the factors described herein. Investors have no right or power to take part in the management of the Funds. Investors will not receive the detailed financial information regarding portfolio investments which is available to the General Partners and the Adviser. Accordingly, no person or entity should subscribe or otherwise acquire limited partnership interests unless such person or entity is willing to entrust all aspects of the management of the Adviser to the General Partners and the Adviser.

The loss of the services of one or more of the members of the professional staff of the Adviser could have an adverse impact on a Fund's ability to realize its investment objectives. In addition, it is expected that all of the officers and employees responsible for managing or advising the Funds will have responsibilities with respect to other funds, accounts and investments managed and advised by Affiliate Advisers (as defined below) (including the Adviser). Thus, such persons will have demands made on their time for the investment, monitoring, exit strategy and other functions of other funds, managed accounts or similar investment vehicles. In addition, the limited partnership agreement and the investment management agreement will limit the circumstances under which the General Partners, the Adviser and their respective affiliates (and other related parties) can be held liable to the Funds. As a result, limited partners may have a more limited right of action in certain cases than they would in the absence of such provisions.

### *Third-Party Service Providers*

The General Partners and the Adviser will retain third parties (which may include former employees of the General Partner, the Adviser or their respective affiliates) to provide services in relation to the Adviser's offering, investment activities, underlying investments and/or operations of the Funds (any such persons, "Third-Party Service Providers"). For example, the General Partners and the Adviser expect to engage or otherwise retain third-party consultants, legal advisors, accountants, investment banks and/or others to assist in the investment due diligence process to varying degrees depending on the particular investment. In certain instances, the General Partners, the Adviser and/or their respective affiliates may retain one or more senior advisors or other individuals not affiliated with Bain Capital in connection with sourcing investments for the Funds, establishing platforms for investments, operating portfolio investments or providing other similar services,

The involvement of Third-Party Service Providers may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. In addition, Third-Party Service Providers may not have requirements on the time and attention they devote to a Fund, its activities or its investments. The General Partner and the Adviser may rely on the findings of service providers in making offering, investment and/or management decisions. Bain Capital and the Adviser may not be in a position to verify the risks or reliability of service providers. The Funds and the Adviser may suffer adverse consequences from actions, errors or failures to act by such third parties. While no service provider providing services to the Funds will have any fiduciary duties to the Funds or the Limited Partners, they may be entitled to indemnification under the terms of the service contracts or other arrangements entered into with the Funds, the General Partner or

the Adviser, which costs and expenses of such indemnification would be borne by the Funds. In certain circumstances, Bain Capital and its employees may have other commercial or personal relationships with service providers which make the General Partner or Adviser more likely to engage that service provider or which present other conflicts of interest which may not be possible to manage in such a way that they are avoided.

Fees paid to Third-Party Service Providers may be structured in various ways, including as an annual, quarterly, monthly, daily or hourly fee or retainer, a consulting fee (e.g., time and materials), and /or incentive compensation based on the particular services provided (e.g. a bonus, success fee or profits interest (in the form of cash or equity), based on pre-determined targets, milestones or similar factors), based on the particular services provided or as guaranteed minimum compensation (which may ultimately be borne by the Funds). Collectively, these fees generally will be borne by the Funds or their portfolio investments and will not reduce the management fees owed to the Adviser, though in certain instances they will be borne by a General Partner or the Adviser instead. In addition, Third-Party Service Providers may also be granted equity interests (including stock options, warrants and other rights to purchase interests in the portfolio investments) or co-investment opportunities in one or more portfolio investments, which they may not have received if they did not have an ongoing relationship with the Adviser and the Funds. Any such equity interests (including, if any, stock options, warrants and other rights to purchase interests in the portfolio investments) will not be for the benefit of the Funds, and the value of such interests (including stock options, warrants and other rights to purchase interests in the portfolio investments) will not reduce the management fees owed to the Adviser even if the payment of such fees or granting of such equity interests have the effect of reducing payments to such third parties by the Adviser.

Service providers or their affiliates often charge different rates or have different arrangements for specific types of services. However, relevant comparisons may not be available for a number of reasons, including as a result of a lack of a substantial market of providers or users of such services or the confidential, specialized and/or bespoke nature of such services. In connection with such relationships, the General Partners will make determinations of market rates based on its consideration of a number of factors, which are generally expected to include the General Partners' experience with relevant service providers and the overall quality of the services they provide. Whether or not the Adviser or its employees have a relationship or receive financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is not more qualified to provide the applicable services or could provide such services at lesser cost.

### *Operating Professionals*

Although expected to be infrequent, in addition to Third Party Service Providers and Service Companies (as defined below), in certain circumstances portfolio investments and the Funds may engage operating professionals that may include employees and former employees of the Adviser and their affiliates, and other consultants including to provide specialized operational and support services to the Funds or portfolio investments or prospective portfolio investments. Such operating professionals have deep, specialized operating experience, and the activities and compensation of these individuals will vary, including as a result of such individuals' experience and the nature of the intended services for which they are engaged.



Some operating professionals are sector specialists who focus on a particular industry or asset class. Operating professionals may be embedded within portfolio investments and given responsibility for narrowly defined initiatives that are part of a broader value-creation plan, such as sales and marketing, go-to market, cost management, lean manufacturing, development management, construction management, property management, sourcing, supply-chain management or new product development or introduction. They sometimes also act as interim members of management for portfolio investments. Operating professionals may also provide specialized operational services, including operational support, specialized operations and consulting services and similar or related services in connection with the identification, acquisition, holding and disposition of investments (including potential investments). These services may include, among other things, support or analysis regarding a portfolio investment's management (including serving in management positions or participating in the determination of corporate strategy) and other similar operational matters.

These operating professionals typically have tailored compensation arrangements specific to their engagement and are negotiated with the particular portfolio investment (or, if applicable, the Funds). Given the inherently specialized nature of such services, a limited market for such services exists, and there are often no clear market guidelines on appropriate compensation. These arrangements could include, without limitation compensation payments (including salary, bonus, payroll taxes and benefits) and reimbursement for overhead (including rent, property taxes and utilities allocable to the workspaces), an annual, quarterly, monthly, daily or hourly fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets, milestones or similar factors, a profits or equity interest in the portfolio investment or other incentive-based compensation. Any payments made to an operating professional will be retained by such operating professional and will not reduce the management fee or any other fees otherwise payable to the General Partner, the Adviser or their affiliates and will not be shared with the Funds or the limited partners, even if any such payments have the effect of reducing payments to such operating professional by the General Partners, Adviser or their affiliates.

Sometimes, an operating professional is initially engaged as a consultant and later transitions to an employee of the Adviser or one of its affiliates. Conversely, sometimes an operating professional is initially an employee of the Adviser or one of its affiliates and later becomes an employee of a portfolio investment or a consultant of the Adviser, or retained by the Funds or a portfolio investment. Employees that transition to a consultant role may be rehired by the Adviser or one of its affiliates, when their work related to a portfolio investment has been completed. The General Partner and the Adviser may determine, in their discretion, whether to engage an operating professional as an Adviser employee (or an employee of one of its affiliates) or as a consultant. Such determination regarding whether to engage an operating professional as either an Adviser employee (or an employee of one of its affiliates) or a consultant may give rise to conflicts of interest because, in general, the compensation costs for Adviser employees are borne by the Adviser (or such affiliate), whereas compensation costs for consultants are generally paid by a Fund, and/or a portfolio investment, as described above. However, in certain situations, the Adviser can be reimbursed for the costs of certain services, even when the operating professional providing the service is an Adviser employee.

### *Valuation Risks*

Fund investments will be valued at estimated fair value as determined in good faith by the General Partners of the Funds. Due to the generally illiquid nature of the investments held and potential relative scarcity of market comparables, fair values determined by the General Partners may not reflect the prices that actually would be received when such investments are realized, and such difference between the fair value determination and the ultimate sales price could be material. The process of valuing investments is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such investments and may differ from the prices at which such investments may ultimately be sold. Most portfolio investments are expected to be difficult to value and subject to determinations and judgments. If the opinion of the General Partners as to the value of an investment is incorrect or not shared by other market participants, the returns of the Funds will be adversely affected. In addition, with respect to the Funds, the exercise of discretion in valuation by the General Partners may give rise to conflicts of interest, as management fees (in the case of a write-off or permanent write down below cost) and carried interest (in the case of a permanent write-off or permanent write down below cost or an in-kind distribution) are calculated based, in part, on these valuations. Furthermore, the General Partners may or may not value the investments differently with how the same or similar investments are valued by the general partners of the other Related Funds. If the valuations made by the General Partners are incorrect (including both with respect to an in kind distribution or with respect to the fair value of investments that continue to be held by the Funds), the carried interest received by any special limited partner, or the timing of receipt of carried interest, could also be incorrect. Additionally, the exercise of discretion in valuation by the General Partners of unrealized investments gives rise to conflicts of interest as such valuations affect the calculation of a Fund's performance track record. See also "—Conflicts of Interest—Valuations" below.

### *In Kind Distributions*

Although the Funds expect to distribute primarily cash to limited partners, the Fund may make distributions in kind to some or all limited partners in the circumstances noted in the partnership agreements. In the event that distributions are made of property other than cash, the amount of any such distribution will be accounted for as provided in the partnership agreements. Investments distributed in kind may not be readily marketable or saleable and may have to be held by limited partners for an indefinite period of time. Such distributions may include interests in one or more investment vehicles or special purpose vehicles holding, directly or indirectly, the real estate or related assets that are being held or that were held by the Funds. An independent valuation or appraisal generally will not be required and is not expected to be obtained in connection with in kind distributions or contributions.

A distribution in kind of marketable securities could put downward pressure on the price of such securities, which may make it difficult or impossible for limited partners to sell such securities at the opening price on the day of distribution. Further, while securities to be distributed by the Funds are typically permitted to be sold by the limited partners after receipt, due to contractual and/or regulatory restrictions, Fund limited partners receiving a distribution of securities may be unable to sell such securities until any holding periods required pursuant to contractual obligations or regulatory requirements have expired. The risk of loss and delay in liquidating marketable securities will be borne by the Fund limited partners. There can be no assurance that any limited partners will

be able to dispose of distributed securities at the value determined by the General Partners, notwithstanding that such value (and not the value a limited partner receives upon its own disposition) will be used to determine each limited partner's realized base amount and the obligations of limited partners to return distributions to the Funds. In addition, Fund limited partners (whether or not receiving the property that is being distributed in-kind) could in certain circumstances be subject to tax in connection with such in-kind distributions. Such tax could include, depending on the jurisdiction of the property being distributed, transfer taxes on the distribution, or non-resident capital gains tax (which, in some jurisdictions, can be levied by way of withholding tax). A Fund may also be subject to such transfer taxes or non-resident capital gains tax.

Furthermore, once securities are distributed by the Funds, neither the General Partners nor the Adviser will have any duty or responsibility to the limited partners with regards to monitoring or advising with respect to such securities and to the extent the General Partners, any Special Limited Partner and/or affiliates of the Adviser (including the Adviser's personnel) receives any such marketable securities as an in-kind distribution, such persons have no duty to hold such marketable securities and may sell such securities in transactions that may put downward pressure on the price of such securities. A General Partner may also cause a Fund to distribute securities in kind to the General Partner, any Special Limited Partner and/or affiliates of the Adviser (including the Adviser's personnel) while disposing of the limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners, which may cause the General Partner, the Special Limited Partner and/or their affiliates (including the Adviser's personnel) to receive more value from the securities than they would have had the General Partner's and Special Limited Partner's share of such investment(s) been distributed in cash.

The ability of a General Partner to act in its own interest and in the interest of the Adviser with respect to such distributed securities creates a conflict of interest between the General Partner and the Adviser, any Affiliate Adviser to the Related Funds, and the Funds. These conflicts may be exacerbated due to the enhanced knowledge and information a General Partner has relative to the limited partners with respect to such securities and such conflicts may not be able to be managed in such a way as to avoid the conflicts. Limited partners should also anticipate additional costs (including, for example, brokerage commissions) and delays associated with a Fund's in-kind distribution process and in disposing of marketable securities received in kind from a Fund. Where the Fund's investments become marketable securities other than in connection with an underwritten public offering, securities markets for such securities may not be as established.

### *Fund Leverage*

Subject to the limitations on Funds' borrowing, in seeking to enhance returns on invested capital, and otherwise manage cash flows, the General Partners expect to cause the Funds to borrow funds to make investments as well as to defer calling committed capital and for other permitted purposes of the Funds. Each Fund, acting on its own or jointly with one or more parallel vehicles, feeder vehicles, and other Related Funds, is expected to obtain indebtedness, provide guarantees or enter into other obligations directly or indirectly through wholly-owned or joint investment holding vehicles or other direct or indirect subsidiaries of the Funds and any such parallel vehicles, feeder vehicles, or other Related Funds that benefit from the leverage. Indebtedness, guarantees and other obligations may be structured in a way that one or more of the Funds, any parallel vehicles, feeder vehicles, an/or other Related Funds are jointly responsible on a cross-collateralized basis for the repayment of the indebtedness or for satisfying the guarantee or other obligation, as the case may be. As a result of the incurrence of obligations on a joint and several or cross-collateralized basis

(which obligations may not necessarily impose reciprocal joint and several obligations on each relevant entity), a Fund may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for the shortfall if any such parallel vehicles, feeder vehicles or other Related Funds are unable to repay their pro rata share of such obligations.

Although the Adviser will make reasonable efforts to avoid any cross-guarantees or similar obligations between the Fund (on the one hand) and any other Related Funds (on the other hand) that participate in investments alongside the Funds (other than any Alternative Investment Vehicles), in certain circumstances the fund entity and/or other Related Funds and their portfolio investments may enter into cross-collateralization arrangements with other Related Funds (including co-investment vehicles) and their portfolio investments, particularly in circumstances in which financing terms are available only through a cross-collateralized arrangement or better financing terms are available. Any cross-collateralization arrangements with other Related Funds could result in the Fund and/or other Related Funds losing their interests in otherwise performing investments of the Fund and/or other Related Funds due to poorly performing or non-performing investments of other Related Funds in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements (and for the avoidance of doubt, the Funds' obligations under such cross-collateralization arrangements may apply to investments in which the Funds have not participated). The Funds can, in certain circumstances, be exposed to risks associated with borrowings or other indebtedness of Related Funds when such other entities are not in turn exposed to risks associated with the Funds' borrowing for a similar purpose if, for example, such other entities or the partners thereof are excused from cross-collateralizing. Through cross-collateralization, the Funds may nevertheless be indirectly exposed to risks associated with leverage on fees, expenses and/or other obligations of the Funds. See also “—*Guarantees of Portfolio Investments*” below.

The extent to which the Funds use leverage may have important consequences to the limited partners, including the following: (i) greater fluctuations in the net assets of a Fund; (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (iii) to the extent that a Fund's income is required to meet payments of principal, interest or other obligations to its lenders, the limited partners may be allocated income (and therefore incur tax liability) in excess of cash available for distribution; (iv) a Fund may forfeit certain investments, may be required to prematurely harvest investments or may determine to call capital from the limited partners to service its debt obligations; (v) limitation on the flexibility of a Fund to make distributions to its limited partners or sell assets that are pledged to secure or otherwise support the indebtedness; (vi) increased interest expense if interest rate levels were to increase significantly; (vii) impairment of the liquidity or losses arising from the premature sale of the investments pledged to secure or otherwise support such indebtedness; (viii) restrictions on a General Partner's ability to consent to acquire or dispose of assets, incur additional indebtedness, make expenditures, distributions or capital calls, create liens on assets, enter into leases, investments or acquisitions; (ix) limitations on a General Partner's ability to consent to the transfer of a limited partner's interests in a Fund or impose concentration or other limits on a Fund's investments and/or financial or other covenants that could affect the implementation of a Fund's investment strategy; (x) restrictions on a General Partner's ability to make amendments to the governing documents of a Fund or engage in certain transactions with affiliates; (xi) other restrictions on the activities of a Fund without the consent of the lenders; and (xii) potential adverse tax consequences. There can also be no assurance that the Funds will have

sufficient cash flow to meet its debt service obligations. In addition, certain types of financing obtained by the Funds may include margin call or similar mandatory prepayment provisions that allow the financing provider to demand partial or full repayment of the financing if certain events occur, such as a significant reduction in the value of the investments provided by the Funds to secure or otherwise support such financing. If the Funds are unable to meet such a margin call or prepayment obligation, they may forfeit their interest in the collateral securing such financing and / or may be required to liquidate investments at disadvantageous prices in order to raise the funds needed to repay the financing.

There can be no assurance that the Funds will be able to obtain indebtedness on terms similar to terms available to competitors, including terms which may be currently available in the market, or that indebtedness will be accessible by the Funds at any time. To the extent that indebtedness is available there can be no assurance that it will be on terms favorable to the Funds. The failure by the Funds to obtain indebtedness on favorable terms (or at all) could adversely affect the returns of the Funds.

### *Leveraged Investments*

While investments in highly leveraged assets offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Some of the Funds' investments may involve high degrees of leverage, including as a result of borrowing at one or more levels of the investment structure or as a result of implicit leverage through derivative transactions. Recessions, operating problems and other general business and economic risks can have a more pronounced effect on the profitability or survival of highly leveraged companies.

Portfolio investments often issue certain types of debt in connection with leveraged acquisitions or recapitalizations in which the portfolio investment incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Leverage generally has certain implications on the business and operation of these portfolio investments and a Fund as an investor. For example, the substantial indebtedness of a portfolio investment could: (i) limit its ability to borrow money for its working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes; (ii) require it to dedicate a substantial portion of its cash flow from operations to the repayment of its indebtedness, thereby reducing funds available to it for other purposes, including making critical product investments; (iii) make it more highly leveraged than some of its competitors, which may place it at a competitive disadvantage and (iv) subject it to restrictive financial and operating covenants, which may preclude it from favorable business activities or the financing of future operations or other capital needs.

A leveraged portfolio investment's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, a portfolio investment with a leveraged capital structure will be subject to increased exposure to adverse economic factors, such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of that portfolio investment or its industry. If a portfolio investment is unable to generate sufficient cash flow to meet all of its obligations, it will generally take alternative measures (e.g., reduce or delay capital expenditures, sell assets, seek additional capital, or seek to restructure, extend or refinance indebtedness). These actions will often negatively affect a Fund's investment in such a portfolio investment.

A Fund's ability to achieve attractive rates of return on investments will depend on the ability of its portfolio investments to access sufficient sources of debt at attractive rates, including high yield debt. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase portfolio investment interest expenses. In the event a portfolio investment cannot generate adequate cash flow to meet its debt service obligations, a Fund is likely to suffer a partial or total loss of capital invested in the portfolio investment.

### *Guarantees of Portfolio Investments*

The Funds and other Related Funds, and their investment holding vehicles or other subsidiaries may guarantee, including on a recourse and/or joint and several basis, the obligations of portfolio investments. If a portfolio investment for which a Fund has guaranteed debt obligations defaults on its obligations, a Fund may be required to satisfy such obligation. In order to do so, a Fund may call capital, utilize proceeds, recall distributions or liquidate some or all of its investments prematurely at potentially significant discounts to fair value. For example, in connection with certain investments, the Funds may provide completion or performance or payment guarantees. In addition, certain financing arrangements with respect to the investments of the Funds may require that a creditworthy party enter into so-called "non-recourse carveout" or "bad act", environmental or other similar guarantees to protect the lender against certain acts of bad faith by the borrower or guarantor in violation of the loan documents, and in the event that such a guarantee is called, the assets of a Fund could be adversely affected. "Bad act" guarantees typically provide that the loan will become a full personal recourse obligation of the borrower and the guarantor such that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. Further, certain financing arrangements with respect to the investments of the Funds may require full recourse obligations of the borrower or guarantor, such that the lender can recover losses from the borrower or guarantor, as the case may be, in the event of a default under the applicable financing arrangement. Moreover, "bad act" guarantees could apply to actions of Joint Venture Partners, parallel vehicles, other funds, managed accounts, similar investment vehicles, co-investment vehicles, other BCRE Funds or any other investment vehicles associated with the portfolio investments of the Funds. In such cases, the Funds may be required to indemnify the General Partner, the Adviser and their employees and affiliates for any losses incurred in connection with such guarantee. The General Partners expect to negotiate indemnities from such parties to protect the Funds against such risks, and conversely expects that such parties would similarly negotiate indemnities from the Funds. The entity providing the indemnity may not, however, have resources to pay on a claim at the time asserted. Accordingly, there remains the possibility that the acts and/or liabilities of such parties could result in liability to one or more assets of the Funds under such guarantees and indemnity arrangements. It is not expected that the Funds would be compensated for providing any such guarantees. Moreover, the Funds' co-investors are expected to receive the benefit of such guarantee, although as co-investors typically do not agree to participate in guarantee arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Also, "bad boy" guarantees will generally not be included as part of the Funds' limitations on borrowings.

### *Bridge Investments*

The Funds expects, in certain circumstances from time to time, to make bridge investments as part of, in relation to, to facilitate or to otherwise support the Funds' investment activities. Bridge investments may include (i) investments made to provide interim financing (either directly or as a guarantor) to an existing or potential portfolio investment; or (ii) investments intended to facilitate an investment where all or a portion of an existing or potential investment is otherwise intended to be held on a "bridge" or temporary basis, including prior to syndicating a portion of the portfolio investment in respect of which such bridge investment was made to a co-investor. An investment will be designated as a bridge investment in the discretion of the General Partners. Bridge investments do not accrue a preferred return and the proceeds of a bridge investment are not subject to the distribution priorities in the partnership agreements, and therefore limited partners may not be compensated in connection with the extension of a bridge investment and extensive use of bridge investments will result in increased redeployment of capital associated with such bridge investments.

For reasons not always in a Fund's control, a refinancing, redemption, realization or sell down of a Bridge Investment may not occur within the General Partner's expected timeline, which would result in such bridge investment remaining outstanding longer than anticipated. In such event a Fund may have more risk associated with such investment or a larger overall investment in such portfolio investment than originally anticipated. If (i) a bridge investment is not realized within 18 months and, as a result, the investment exceeds an investment limitation, and/or (ii) the Funds exceeds any such investment limitation because all or a portion of a bridge investment is deemed to no longer be a "bridge" (as discussed below), neither the General Partners nor the Adviser will be deemed to have breached the investment limitation.

While the General Partners will make a good faith determination at the time of an investment as to what portion of an investment will be reasonably estimated to constitute a bridge investment, such estimate will be made based on the facts and circumstances and information available at the time of such determination and may not ultimately reflect the exact amount of the bridge investment as originally anticipated. Any capital contributions relating to a bridge investment recouped within 18 months will increase the amount of available capital to be redeployed in accordance with the terms of the Fund, regardless of the amount originally estimated. In addition, a General Partner may, in its sole discretion, determine, at any time, that all or a portion of a bridge investment shall no longer be treated as a bridge investment (such investment, or portion thereof, a "Former Bridge Investment"), and will instead be deemed an investment, in which case such Former Bridge Investment will be subject to the applicable Fund's distribution waterfall. As bridge investments are not subject to a Fund's distribution waterfall (including with respect to profits interest), a General Partner may be incentivized to re-designate bridge investments in order to increase distributions received by the Special Limited Partner. Lastly, as the limitation on recycling investment proceeds does not apply to proceeds from Former Bridge Investments, a General Partner may also be incentivized to initially characterize an investment as a bridge investment.

### *Warehoused Investments*

Bain Capital and Related Funds may warehouse one or more investments (subject to applicable laws and regulations) on an interim basis for the Funds. Bain Capital and/or the applicable general

partners of the Related Funds will determine, in their discretion, when to transfer such warehoused investments to the Funds, which will affect the amount of interest that will accrue to and be paid to Bain Capital and/or the Related Funds, as applicable, upon such transfer and/or redemption. Because the value of warehoused investments may decline prior to their transfer to the Funds, there can be no assurance that their value at the time of the transfer will not be less than their cost to the Funds. Although the value of any warehoused investments made during this period may decline, in some cases significantly prior to the admission of such investors, the Funds will be required to repay Bain Capital and/or the applicable Related Funds any such amounts (including any fees and expenses, including any costs of borrowing or interest attributable thereto) as determined by the warehousing party, and taking into account the impact of any currency fluctuations, as determined by the warehousing party, plus, in the case of a warehoused investment purchased from a Related Fund, an interest charge thereon calculated at a rate as set forth in the organizational documents of the respective Fund.

#### *Side Letters or Similar Agreements*

The General Partners, without any further act, approval or vote of any limited partner, will often enter into certain side letter and similar arrangements with certain limited partners providing such limited partners with different or preferential rights or terms, including (i) different economic arrangements (including with respect to management fees, and/or the Special Limited Partners' profits interest) or reducing or eliminating the obligation of a Fund limited partners to make capital contributions or other payments in certain circumstances; (ii) a most favored nation right to receive the same rights or arrangements offered to other limited partners that made an equal or lesser capital commitment to a Fund, subject to certain exceptions, including the rights granted to the General Partners' investment persons the right to appoint a voting or non-voting representative to the Advisory Board, consents to the use or disclosure of confidential information, additional reporting or notice obligations, agreements to refrain from disclosing the names or marks of certain limited partners, rights based on particular circumstances of a limited partner, any rights established in favor of another fund investor that invests in a fund as an anchor investor or as part of a larger investment program or managed account with Bain Capital and any management fee waivers granted to another limited partner on the condition that such limited partner be admitted to a Fund in connection with the initial closing with a certain minimum capital commitment to a Fund; (iii) certain limited partners receiving notices or other information, including reports, more frequently than, or not otherwise provided to, limited partners generally; (iv) the ability of certain limited partners to provide selected confidential information to regulators or other recipients; (iv) modifications to a limited partner's subscription agreement; (vi) agreements to permit representatives of certain limited partners to serve on an Advisory Board in a voting or non-voting capacity, or any information rights related to such Advisory Board; (vii) the right to be offered a co-investment opportunity either on a one-off or programmatic basis; (viii) the reduction or elimination of a limited partner's capital commitment; (ix) the termination of a limited partner's interest in a Fund and associated right to withdraw from the Fund; (x) consent rights; (xi) arrangements with respect to waivers of or limitations on certain obligations, including indemnification obligations set forth in a limited partner's subscription agreement; (xii) agreements by a General Partner to refrain from exercising certain remedies or taking certain actions against a limited partner (including in connection with a default by such limited partner), if any law, rule or regulation applicable to such limited partner prohibits such limited partner from agreeing to permit such General Partner to exercise such remedies or take such actions; (xiii) rights of a limited partner



not to participate in specific investments or categories of investments; (xiv) rights designed to aid a limited partner in complying with specific laws or regulation, or pre-existing policies applicable to it; and (xv) any other matter deemed appropriate by the Adviser or General Partner (collectively, “Side Letter Rights”). The costs to the fund of complying with side letter rights of limited partners, including any most favored nations process required thereby, are expected to be material and will be treated as an ongoing partnership expense. Except as otherwise agreed with a limited partner, or as required by applicable law, rule or regulation, the Adviser, a Fund or a Fund’s General Partners are not required to disclose the terms of side letters or similar arrangements with other limited partners.

To the extent that the Funds or the General Partners agree with one or more limited partners to limitations on indemnification or to modifications of release, exculpation or waiver provisions, the Funds and the other limited partners could be adversely affected to the extent any such limitation or modification were subsequently to limit the recourse of the Funds against such limited partners or were to allow for recourse by such limited partners against the Funds. Any rights or terms so established in a side letter with a limited partner (including, for example, with respect to management fees and profits interest to be charged to such investor) will govern solely with respect to such limited partner (but not any of such limited partner’s assignees or transferees unless so specified in such side letter) and will not require the approval of any other limited partner notwithstanding any other provision of the applicable partnership agreement and, for the avoidance of doubt, matters arising under or related to any side letter are considered matters that are in connection with the applicable partnership agreement and/or the Funds’ businesses and affairs, and the provisions of the partnership agreement, including but not limited to the exculpation and indemnification, governing law, jurisdiction, forum selection, service of process and jury trial provisions, shall apply equally to any side letter.

In addition to the above, Bain Capital may enter into “strategic platform arrangements” with investors. Strategic platform arrangements with an investor may include Bain Capital granting certain preferential terms to such investors, including a waiver or reduction of management fees and/or a blended management fee. Preferential terms provided can also include granting profits interest rates that are lower than those applicable to the Funds or the Related Funds in which such platform investors invest or entering into co-investment relationships with such investors. In addition, platform investors may be represented on an advisory board of the respective Funds or a Related Fund. The preferential terms provided to platform investors are not subject to “most favored nation” provisions in the Funds’ or in the Related Fund’s governing documents or side letters with investors in the Funds or in the Related Fund. Bain Capital may also provide customization by forming separate accounts for certain platform investors that would invest alongside the Funds or a Related Fund on terms that differ from those in the Funds’ or such Related Fund’s governing documents.

#### *Governing Law, Jurisdiction and Sovereign Immunity*

Certain limited partners admitted to the Funds may enjoy sovereign or other immunities and privileges under certain laws and may claim to be or insist on being restricted in their ability to submit to the jurisdiction of particular courts and tribunals, including those designated in the Agreements. In addition, because the Funds’ General Partners expect to admit limited partners from various jurisdictions, the Funds’ General Partners may decide to admit limited partners

notwithstanding that they may be established and based outside, and may have either no assets or only limited assets in, the jurisdiction(s) designated by such provisions. These factors may make it substantially more difficult for the Funds' General Partners and parties to the partnership agreements to enforce the contractual obligations of limited partners, if necessary, by obtaining a judgment or arbitration award and by enforcing that judgment or award against the limited partners' assets.

#### *Different Terms of Employee Investors*

It is expected that certain General Partners, together with partners and other employees of the Adviser and certain other related persons, including any Special Limited Partner, Bain Capital and/or any affiliates of the foregoing, ("General Partner Investment Persons") will invest in the Funds as part of the General Partner Commitment. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external limited partner. For example, employee investors generally will not be subject to a management fee or profits interest with respect to their investment, may receive capital calls, distributions and information regarding investments at different times than limited partners and may benefit from different credit facility arrangements than the Funds.

Additionally, employees of Bain Capital may obtain personal financial and other services from banking institutions that also provide services to the Funds, other Related Funds and their portfolio investments, which may include arrangements relating to financing personal commitments to the Funds and/or other Related Funds.

#### *Different Terms of Executive Investors*

Bain Capital expects to establish an investment program for Executive Investors (the "Executive Investor Program"). Subject to applicable law, the terms of any Executive Investor investing in or alongside the Fund are expected to be different from, and would be expected to be more favorable than, those of an investment by other limited partners. For example, Executive Investors would be subject to a reduced or waived management fee or profits interest with respect to their investment in or alongside the Funds.

#### *Market Disruption Risk and Terrorism Risk*

The military operations of the U.S. and its allies, and the prevalence of terrorist attacks, and instability in various parts of the world could have significant adverse effects on the economy of a particular country or region in which the Funds may invest, as well as the global economy. Regional (including domestic) tensions, conflicts, hostilities, terrorist attacks, insurrections or threats of terrorist attacks and political unrest generally may create an unstable geopolitical climate that could have a material effect on general economic conditions, market conditions and market liquidity in the U.S. and globally. The Funds could therefore be adversely affected by social instability, changes in government administrations and policies or economic, political, legal or regulatory developments that are not within the Funds' control. Terrorist attacks, in particular, may exacerbate some of the foregoing risk factors. Attempted, ongoing, failed or even initially successful negotiations between the U.S. and countries subject to continued international sanctions may negatively affect the global economy and may have amplified effects on emerging market country economies, securities markets and valuations. Neither the Adviser nor the General

Partners can predict the likelihood of these types of events occurring in the future nor how such events may affect the Funds. A terrorist attack involving, or in the vicinity of, an investment may result in a loss far in excess of available insurance coverage. These types of events could impact imports from, or exports to, such geographies with an adverse impact on the economy as a whole, any industry, and/or the operations of investments of the Funds.

There can be no assurances that regional or global conditions will not worsen and/or adversely affect one or more of a Fund's portfolio investments, its access to capital or leverage or key markets, or its overall performance. A Fund's investment strategy and the availability of opportunities satisfying the Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations held by the Affiliate Advisers will prove correct and actual events and circumstances may vary significantly.

### *Russian Invasion of Ukraine*

In February 2022, Russian President Vladimir Putin ordered the Russian military to commence a full-scale invasion into Ukraine. In response, the U.S., UK, and European Union have announced financial, trade, and investment restrictions against Russia (as well as Belarus), and additional restrictions may be introduced in the future. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions have had, and could continue to have, a negative impact on the economy and business activity globally (including in the countries in which the Funds may invest), and therefore could adversely affect the performance of the Funds' investments. Furthermore, given the ongoing and evolving nature of the conflict between Russia and Ukraine 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 Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

The Russian invasion of Ukraine may have a significant adverse impact on, and result in significant losses to, the Funds and their portfolio investments. In particular, the portfolio investments of the Funds may suffer significant increases in operating costs (including, among other reasons, as a result of the substantial increase in energy and commodity prices and potential supply chain disruption), losses from cyberattacks, significant reductions in revenue and growth, increased foreign exchange risk and/or unexpected operational losses and liabilities. It may also limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy that the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfil their investment objectives.

## *Israel and Palestine*

On October 7, 2023, Hamas launched air and ground strikes against the state of Israel. In response to these attacks, on October 8, 2023, the state of Israel declared war on Hamas and began a series of retaliatory attacks. Israel's allies, including the U.S., the UK and the European Union, have denounced Hamas and have reiterated their historic support for Israel's right to defend itself against attacks.

The U.S. has deep historical, geopolitical and economic ties to the state of Israel and may be particularly susceptible to escalations and/or the prolongment of this war. Therefore, the war may negatively affect the ability of the Fund to achieve its investment objectives and may adversely impact the performance of the Funds' investments. Given the ongoing and evolving nature of this war 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 Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

Further, while the U.S., the UK, the European Union and other allies of Israel already have sanctions in place against Hamas and many of its allies, further sanctions may be forthcoming. Further sanctions may adversely affect the Funds, the performance of their investments or operations and/or the ability of the Funds to achieve their investment objectives.

## *Political and Social Risks of Investments in Certain Countries*

Certain countries in which the Funds may invest have in the past experienced, and may in the future experience, political and social instability that could adversely affect the Funds' portfolio investments. The Funds will be exposed to the direct and indirect consequences of potential political, economic, social and diplomatic changes in various countries and regions. Certain countries may face social and political instability resulting from among other things, (i) authoritarian governments or military involvement in political and economic decision making and changes in government through extra-constitutional means; (ii) popular unrest and internal insurgencies associated with demands for improved political, economic and social conditions; (iii) hostile relations with neighboring countries; and (iv) ethnic, racial and religious conflict.

Governments of certain countries have exercised and continue to exercise substantial influence over many aspects of the private sector, and certain industries may be subject to significant government regulation. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on foreign capital inflows, repatriation of investment income or capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of the Funds held in a particular country. Additionally, the availability of attractive investment opportunities for the Funds may depend in part on governments that are continuing to liberalize their policies regarding foreign investment and, in some cases, to further encourage private sector initiatives.

### *Impact of Natural or Man-Made Disasters; Disease Epidemics or Pandemics*

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio investment or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and standard operations can be resumed. Bain Capital, the Funds and its portfolio investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay the Funds' abilities to invest in certain assets, and may ultimately prevent certain investments entirely. Portfolio investments of the Fund may also be negatively affected by man-made disasters, whether or not the portfolio investments are involved in such man-made disasters.

The effects of COVID-19 have led to significant volatility and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, particularly as new variants continue to emerge, the potential effects, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. This uncertainty has been exacerbated by issues with the availability and acceptance of vaccines both in the U.S. and globally. The continued spread of the virus globally could lead to a protracted world-wide economic downturn, the effects of which could last for some period after the pandemic is controlled and/or abated.

If the spread and related mitigation efforts continue, the financial condition, results of operations and cash flows of the Funds could be materially adversely affected. The impact of COVID-19 could have the effect of heightening many of the other risk factors described herein.

In addition, any outbreak of disease epidemics or pandemics such as COVID-19, the severe acute respiratory syndrome, avian influenza, H1N1/09 or other infectious diseases, such as monkeypox, together with resulting voluntary and governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has, and is expected to continue to, meaningfully disrupt the global economy and markets. COVID-19 has caused, and is expected to continue to cause, ongoing material adverse effects across many, if not all, aspects of the global economy. In particular, the outbreak of COVID-19 has adversely affected, and is expected to continue to adversely affect, the Funds' investments and the industries in which they operate, and resulted in the closure of Bain Capital's and certain portfolio investment's physical offices or other businesses, including office buildings, retail stores, and other commercial venues. Any outbreak of disease epidemics or pandemics could also result in (or, in the case of the COVID-19 pandemic, have already resulted in) any or all of the following: (a) the lack of availability or price volatility of raw materials or component parts necessary to a portfolio investment's business, (b) disruption of regional or global trade markets and/or the availability of capital or leverage, (c) trade or travel restrictions which impact the portfolio investments' business and/or (d) a general economic decline and have an adverse impact on the Funds' value, the Funds' investments, or the Funds' abilities to source new investments and to lease properties on favorable terms or at all. The spread of an epidemic or pandemic among the Adviser's personnel and its Third-Party Service Providers would also significantly affect the Advisers' ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment

professionals or other members of senior management), which could result in a temporary or permanent suspension of a Fund's investment activities or operations. The full effects, duration and costs of these epidemics or pandemics are impossible to predict and the circumstances surrounding any outbreak evolve continuously.

### *Impact of Global Market Conditions*

Difficult market and political conditions may reduce the value or hamper the performance of the investments made by the Funds or impair the ability of the Funds to raise or deploy capital, each of which could materially reduce revenue, earnings and cash flow and adversely affect financial prospects and condition.

The Funds are affected by conditions and trends in the global financial markets and the global economic and political climate relating to, among other things, interest rates, the availability and cost of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation, taxation of investors and the possibility of changes to regulations applicable to alternative asset managers), trade policies, commodity prices, tariffs, currency exchange rates and controls, political elections and administration transitions, and national and international political events (including wars such as the Russia-Ukraine War as well as other forms of conflict, terrorist acts, and security operations) and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and pandemics. Those factors are outside of the control of the General Partners, the Adviser and their affiliates and may affect the level and volatility of credit and securities prices and the liquidity and value of fund investments.

During periods of difficult market conditions or slowdowns, which may be across one or more industries, sectors or geographies, companies in which the Funds invest may experience decreased revenues, financial losses, credit rating downgrades, difficulty in obtaining access to financing and increased funding costs. During such periods, those companies may also have difficulty in pursuing growth strategies, expanding their businesses and operations (including to the extent that they are raising additional capital) and be unable to meet their debt service obligations or other expenses as they become due, including obligations and expenses payable to the Funds. Negative financial results in the Funds' portfolio investments may reduce the net asset value of the Funds, result in the impairment of assets and reduce the investment returns, which could have a material adverse effect on operating results and cash flow or ability to raise additional capital through new or successor funds.

### *Climate Change*

The Fund may acquire investments that are located in areas which are subject to or potentially susceptible to the effects of climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes, cyclones, typhoons, and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Fund's business and operations. These effects can impact the Fund's physical assets, tenants and overall operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods, cyclones or hurricanes); sea level rise; fires and extreme and changing temperatures. As a result of these physical impacts from

climate-related events, the Fund may be vulnerable to the following: risks of property damage to the Fund's investments; indirect financial and operational impacts from disruptions to the operations of major tenants of the Fund's investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage, for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the tenants of investments; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the tenant's business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

### *Environmental, Social and Governance Matters*

While environmental, social or governance ("ESG") issues (including sustainability risks) are relevant to the Funds and are only some of the many factors the General Partners will consider (and, where relevant, identify) in making an investment, there is no guarantee that the General Partners will successfully implement and make investments in assets that create positive ESG impact while enhancing long-term investment value and achieving financial returns or identify all relevant sustainability risks associated with a proposed investment. To the extent that the General Partners engage with portfolio investments or their management on ESG-related practices and potential enhancements thereto (and it may not be possible to do so or ESG-related data may not be forthcoming or available), such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the General Partners will depend on the General Partners' skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the General Partners' view of certain ESG-related and other factors and carries the risk that the Funds may underperform compared to other funds that do not take, or who do take additional, ESG-related factors into account because, e.g., the market may ultimately have a different view of a particular company's performance than that anticipated by the General Partners. The impact following the occurrence of an ESG event or sustainability risk may vary depending on the nature of the event or risk, asset class, the region and regulatory regime(s) concerned. Where such event or risk occurs, there could be a negative impact on the value of an underlying asset or other adverse impacts for the underlying asset, the General Partners or the Funds, with such consequences potentially arising directly or indirectly (e.g. as a result of adverse reputational impact). Notwithstanding anything in the foregoing, the Funds are not managed with the goal of maximizing its ESG impact and investors should have no expectation in that regard. Consideration of ESG factors may affect the Funds' exposure to certain assets, sectors, regions, countries or types of investments, which could negatively impact the Funds' performance depending on whether such investments are in or out of favor. Applying ESG-related risks and goals to investment decisions is often qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the General Partners, or any judgment exercised by the General Partners will

reflect the beliefs or values, internal policies or preferred practices of any particular investor. In evaluating an investment, the General Partners are often dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the General Partners to incorrectly assess ESG practices and/or related risks and opportunities in connection with a portfolio investment. The General Partners do not intend to independently verify certain of the ESG information reported by portfolio investments, and may decide in their discretion not to utilize certain information provided by such portfolio investments. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a portfolio investment's ESG-related practices or the General Partners' assessment of such practices may change over time. The General Partners in certain circumstances could determine in their discretion that it is not feasible or practical to implement or complete certain ESG-related practices based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for the General Partners to adhere to all elements of the Funds' investment strategy, including with respect to ESG risk and opportunity management and impact, whether with respect to one or more individual investments or to the investment portfolio generally.

Sustainability and ESG requirements imposed by jurisdictions in which the General Partners do business and/or in which the Funds are marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Funds or for the General Partners. Under such requirements, the General Partners may be required to classify themselves or the Funds against certain criteria, some of which can be open to subjective interpretation. The General Partners' view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures by the General Partners or the Funds or it may require new processes to be set up to capture data about the Funds or their investments, which may lead to additional cost to be borne by the Funds. The General Partners cannot guarantee that their current approach to classification will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement.

### *Financial Information and Projections*

A Fund will rely upon projections, forecasts or estimates developed by the Fund or a portfolio investment in which the Fund is invested concerning such investment's future performance and cash flow. Projections, forecasts and estimates are forward-looking statements and are based upon certain assumptions. Actual events are difficult to predict and beyond a Fund's control. Projected operating results of a portfolio investment are typically based primarily on financial projections prepared by (or substantially informed by) a Fund's Joint Venture Partners with respect to such portfolio investment. In all cases, projections are only estimates of future results, based upon information received from a portfolio investment and assumptions made at the time the projections are produced. There can be no assurance that the results set forth in the projections will be attained, actual events often differ from those assumed and general economic factors (which are generally unpredictable and outside the control of a General Partner and its affiliates and employees) can have a material effect on the reliability and accuracy of financial projections. Some important factors which could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates and domestic and foreign business, market, financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or



projections will be realized or that actual returns or results will not be materially lower or otherwise less favorable than those estimated therein.

### *Expedited Transactions*

Investment analyses and decisions by the Adviser may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that may adversely affect an investment.

### *Trading Risk*

Although the Funds are not expected to generally invest in securities of public companies (other than certain limited investments made by one or more REIT Subsidiaries in connection with qualifying as a REIT), from time-to-time errors may be made by the Adviser in certain securities trading transactions. The Adviser's trade error policy only requires it to reimburse the Funds for any losses resulting from the Adviser's breach of the applicable standard of care. Although the Adviser will endeavor to take the utmost care in implementing investment decisions on behalf of the Funds, trade errors may occur and could have a material adverse impact on the performance of the Funds. The Adviser and the General Partner will have a conflict of interest in determining whether the Adviser has committed a breach of the applicable standard of care under its trade error policy.

### *Operational Risk*

The Funds are subject to operational risk, including the possibility that errors may be made by the Adviser or its affiliates in certain transactions, calculations or valuations on behalf of, or otherwise relating to, the Funds. Limited partners may not be notified of the occurrence of an error or the resolution of any error. Generally, the Adviser and its affiliates will not be held accountable for such errors, and the Funds may bear losses resulting from such errors.

### *Possibility of Fraud and Other Misconduct of Employees and Third-Party Service Providers*

Misconduct by employees of the Adviser, service providers to the Adviser or the Funds and/or their respective affiliates could cause significant losses to the Funds. Such misconduct may include entering into transactions without authorization; failure to comply with operational and risk procedures, including due diligence procedures; misrepresentations as to investments being considered by the Adviser; improper use or disclosure of confidential or material non-public information, which could result in litigation; regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of the Funds; and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Funds. The Adviser has implemented controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

### *Prime Brokers and Custodians*

There are risks involved in dealing with the custodians or prime brokers who settle trades. While the Adviser or its affiliates seek to monitor exposure to prime brokers and custodians, as relevant, there is no guarantee that these prime brokers and custodians, or any other prime broker or custodian that the Funds may use from time to time, will not become insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a failure, insolvency or liquidation of a broker-dealer, in the event of a failure of a broker-dealer that has custody of the Funds' assets, the Funds may incur losses due to their assets being unavailable for a period of time and/or ultimately recover less than the full value of their assets.

The Funds are directly or indirectly exposed to the credit risk of the counterparties, including brokers, dealers and exchanges through which they deal, whether they engage in exchange-traded or off exchange transactions. If a Fund's clearing brokers become bankrupt or insolvent, or otherwise default on their obligations to a Fund, the Fund may not receive all amounts owing to it in respect of its trading, despite the clearinghouse fully discharging all of its obligations. Furthermore, in the event of the bankruptcy of one of the clearing brokers, a Fund could be limited to recovering only a pro rata share of all available funds segregated on behalf of the clearing broker's combined customer accounts, even though certain property specifically traceable to a Fund (for example, Treasury bills deposited by a Fund with the clearing broker as margin) was held by the clearing broker. In addition, certain of the instruments which a Fund may directly or indirectly trade are traded in markets in which performance is the responsibility only of the individual counterparty with whom the trader has entered into a contract and not of an exchange or clearing corporation. The Funds are directly or indirectly subject to the risk of the inability or refusal to perform on the part of the counterparties with whom such contracts are traded.

### *Custody and Banking Risks*

The Funds will maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, their portfolio investments, the General Partners and/or the Adviser transact may inhibit the ability of the Funds or their portfolio investments to access depository accounts or lines of credit at all or in a timely manner and make it more difficult for the Funds to obtain financing or result in any financing obtained by the Funds being on less attractive terms.

In such cases, the Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a banking institution where a Funds or one or more of its portfolio investments holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds and their affected portfolio investments may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual

value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio investments. One or more investors or the Funds' General Partners could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments.

In addition, the Funds' General Partners may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails. It is a condition to many fund-level lines of credit that the borrower maintain most or all of its bank accounts with the lender and in particular any accounts into which capital may be called. If a Fund were to obtain a line of credit and concerns were to develop subsequently as to the safety and soundness of the lending bank, such Fund might have limited flexibility to open accounts at another bank and/or to call capital into such an account without breaching the terms of its credit agreement. Such a breach could trigger an acceleration of all of the loans currently outstanding under the line of credit, which would require the General Partner to call capital from the Fund limited partners to repay such amounts. This could cause liquidity concerns for Fund limited partners that would not have arisen in the absence of such a breach.

#### *Cyber Security Risk; Dependence on Technology*

With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, investment vehicles (such as the Funds, other Related Funds and Joint Venture Partners) and their portfolio investments and service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Risks of cyber-attacks can increase when a significant percentage of a workforce is working remotely. The frequency and seriousness of cyber-attacks may also increase in the context of geopolitical tension or military conflict. Successful cyber-attacks against, or security breakdowns of, the Funds' Joint Venture Partners, the Funds, the Adviser, the Adviser, any administrator to the Funds and/or other third-party service providers may adversely impact the Funds or the limited partners. For instance, cyber-attacks may interfere with the processing of limited partner transactions, impact the Funds' ability to value their assets, cause the release of private limited partner information or confidential information of the Funds, impede Funds' operations, cause reputational damage, and subject the Funds and their assets to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. The Funds and the limited partners could be negatively impacted as a result. While the Funds or the Funds' service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for the Funds' portfolio investments, which could result in material adverse consequences for such investments, including a substantial or total loss in value.

In addition, the Adviser's and the Funds' activities rely on technology, including hardware, software, and other computerized or automated processes. The performance of the Funds could be compromised by computer viruses, telecommunications failures, power loss, natural disasters, security breaches, software related "system crashes," disruption or deterioration of services of third-party providers, terrorist attacks, cyber warfare, and similar events. Any event that interrupts the Adviser's computer and telecommunications operations could result in, among other things, the inability of the Adviser to trade or monitor the Funds' investments and therefore could have a material adverse effect on the operating results of the Funds. Further, jurisdictions in which Bain Capital operates have recently adopted or are considering adopting laws that include stringent operational requirements for entities processing personal information and significant penalties for non-compliance, such as the GDPR (as defined below), California Privacy Act and the New York SHIELD Act, and a range of proposed additional laws at the U.S. federal and state level.

In recent years, technological advances have fueled the rapid growth of artificial intelligence ("AI"), in particular generative AI, and accordingly, the use of AI is becoming increasingly prevalent in a number of sectors. Due to the rate at which AI is improving and the scope of its potential application is therefore broadening, at this time, it is unclear what impact (including, where relevant, opportunities) AI may have on the Funds, the General Partners, the Adviser and/or the Funds' investments, as well as the wider financial sector. Inappropriate deployment of AI by a portfolio investment of the Funds could have a material adverse impact on such investment, and therefore a negative impact on the Funds and Fund limited partners. The rise of AI has also brought a renewed focus from governments and regulators on the regulation of such technology. The world's first comprehensive laws to regulate AI were agreed by the EU at the end of 2023, although these are not likely to come into full force and effect until 2026. Other jurisdictions (including the U.S. and UK) are considering or proposing their own approaches to the regulation of AI. Such laws and/or regulations could have a material adverse impact on the Funds, the General Partners, the Adviser and/or the Funds' investments.

### ***Risks Related to a Fund's Investments***

#### ***General Risks of Real Estate Investment***

All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. Some risks apply only to a particular asset type. For example, real estate investments are relatively illiquid and, therefore, will tend to limit a Fund's ability to vary the Fund's portfolio promptly in response to changes in general and local economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by a Fund will not decrease in the future or that a Fund will recognize full value for any investment that the Fund is required to sell for liquidity reasons. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the investments. In addition, the ability of a Fund to realize anticipated rental and interest income on its equity and debt investments will depend on many factors, which may be beyond the control of a general partner, including the financial reliability of its tenants and borrowers, the location and attractiveness of the properties in which it invests, the supply of, and demand for, comparable space in the areas in which its properties are located; general local, national or international economic conditions; the quality and philosophy of management; competition based on rental rates; attractiveness and location of the properties; changes in the financial condition of tenants, buyers

and sellers of properties; changes in operating costs and expenses; uninsured losses or delays from casualties or condemnation; the availability of financing, interest rate levels, environmental liabilities, contingent liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns real property). There is no assurance that the investments will be profitable or that cash flow will be available for distribution to limited partners. Other risks include changes in zoning, land use, building, environmental and other governmental laws and fiscal policies, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in building and similar laws, fluctuations in energy prices and energy and supply shortages, changes in the availability of property relative to demand, changes in costs and terms of mortgage loans, unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult or impossible, changing in housing policies and regulations, financial resources of tenants, changes in the relative popularity of properties and locations, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, increased mortgage defaults, construction risks, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor, natural catastrophes, such as hurricanes, earthquakes and floods, acts of war (declared or undeclared), terrorism, environmental disruptions, outbreaks of disease epidemics, pandemics, civil unrest, uninsurable losses and other factors beyond the control of a Fund and the Adviser, such as changes in U.S. and global markets that could impact, among other things, access to capital or leverage and interest rate volatility, and cause substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction or development activities once undertaken, any of which could have an adverse effect on the value of the property, financial condition and in turn, the results of operations of the Funds and the amount of funds available for distribution to Funds' investors.

Additionally, after making an investment, a Fund will typically be responsible for ongoing build-outs, structural repairs, improvements and general maintenance of real property, which undertakings may require significant capital. The expenditure of any sums in connection therewith beyond those budgeted for by a Fund will reduce the cash available for distribution and may require the Fund-to-fund deficits resulting from the operation of a property. No assurance can be given that a Fund will have funds available to make such repairs or improvements or complete such build-outs. Moreover, the risks described above could cause significant delays in completion of construction or development projects and could adversely affect the ability to obtain financing for such projects. These factors and any others that would impede a Fund's ability to respond to adverse changes in the performance of its assets could significantly affect the Fund's financial condition and operating results.

#### *Risks Associated with Life Sciences / Lab Space Properties*

The Funds have in the past and expect to continue to make investments in life science / lab space properties. The Funds will compete with many other entities for acquisitions of life science real estate properties, including national, regional and local operators, acquirers and developers of healthcare real estate properties and may compete and/or co-invest with other Funds. Competition may significantly increase the price for life science properties or other real estate-related assets the Funds seek to acquire, and competitors may succeed in acquiring those properties or assets themselves. In addition, potential acquisition targets may find the Funds' competitors to be more attractive because they may have greater resources, may be willing to pay more for the properties or may have a more compatible operating philosophy. In particular, large healthcare REITs may experience competitive advantages that result from, among other things, a lower cost of capital and larger portfolio scale. This competition will result in increased demand for these assets and therefore increased prices paid for them. Because of an increased interest in single-property acquisitions

among tax-motivated individual purchasers, the Funds may pay higher prices if they purchase single properties in comparison with portfolio acquisitions.

Life science properties are typically highly customized and may not be easily adapted to non-healthcare-related uses. A new or replacement operator or tenant may require different features in a property, depending on that operator's or tenant's particular operations. If a current operator or tenant is unable to pay rent and vacates a property, the Funds may incur substantial expenditures to modify a property before it is able to secure another operator or tenant. Also, if the property needs to be renovated to accommodate multiple operators or tenants, the Funds may incur substantial expenditures before they are able to re-lease the space. These expenditures or renovations may have a material adverse effect on the Funds' operations and the ability to make distributions to the Funds' investors.

If the life science industry experiences a downturn, it could adversely affect the credit of tenants and prospective tenants in the life science space, the value of the Funds' investments and the Funds' ability to sell their investments for a price or on terms favorable to the Funds and their investors, which, in turn, would likely have a material adverse effect on the Funds' financial condition, results of operations and the Funds' ability to make distributions. Within the life sciences industry, the development of products generally is a costly and time-consuming process. Many highly promising products ultimately fail to prove safe or effective. Products under development and pre-clinical testing generally will require extensive clinical testing prior to application for commercial use. There can be no assurance that the research or product development efforts of the Funds' life science-focused tenants or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. Any of these adverse developments in a life sciences tenant's business and affairs, financial strength or ability to operate the Fund's lab facilities efficiently and effectively could have a material adverse effect on the Fund's investment results. In the event that a life sciences tenant is a start-up company, the risks mentioned below under "—Risks Associated with Shared Workspace Properties" would be expected to also apply.

In addition, laboratory space may require particular updates or infrastructural improvements that may involve greater expenditure than traditional office space (e.g., upgrades to electrical, gas and plumbing infrastructure, HVAC systems, laboratory benchwork) and such infrastructural needs may vary depending on the particular life science tenant. In addition, depending on the particular life science tenant, such laboratory space may be more susceptible to particular hazards and accidents, including fires, leaks, contaminations, chemical spills and physical injury. The liability and cost arising out of the occurrence of any such event could be considerable and could be borne by the Funds. Further, laboratory space is subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. If a tenant is unable to pay rent and vacates the laboratory space, the Funds may be unable to re-let the laboratory space to another life science industry tenant and/or may incur substantial expense to modify such laboratory space to meet the specific needs of different life science industry tenants before it may be re-let by another tenant.

Life sciences companies and/or lab space may also be subject to governmental laws and regulations requiring the testing of product candidates on animals before initiating clinical trials involving humans, as well as laws and regulations related to experimental animal testing and laboratory procedures. The Funds and its investments may be subject to legal, financial and reputational risk from life science companies' use of animal testing and proper handling of animal test subjects, which have been the subject of controversy and adverse publicity.

In addition, many life science tenants engage in research and development activities that involve controlled use of hazardous materials, chemicals, and biological and radioactive compounds. Together with its tenants, a Fund must comply with federal, state, and local laws and regulations governing the use, manufacture, storage, handling, and disposal of hazardous materials and waste products. In the event of contamination or injury from the use of these hazardous materials, the property owner could be held liable for damages that result, which, in addition to any failure to comply with these laws and regulations, could adversely affect a Fund's operations and the ability to make distributions to the limited partners.

Certain of a Fund's life science properties and their tenants may require licenses or certificates of need to operate. For example, the Food and Drug Administration ("FDA") ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with its Current Good Manufacturing Practice ("cGMP") regulations, which contain minimum requirements for certain attributes, including the facilities used in manufacturing, processing, and packing of a drug product. The approval process for new and generic drug marketing applications includes a review of the manufacturers' compliance with the cGMP regulations. Failure of a life science property or a tenant subject to cGMP regulations to obtain a license or certificate of need, or loss of a required license would prevent a facility from operating in the manner intended. These events could adversely affect a Fund's tenants' ability to make rent payments to the Fund, which may have a material adverse effect on the Fund's operations and the ability to make distributions to the limited partners.

To the extent that a Fund invests in properties with tenants that require compliance with cGMP regulations, the construction of such facilities and/or conversion of existing facilities to cGMP compliant facilities involves significant considerations such as building size, shape, layout and space requirements for storage of necessary on-hand materials, waste generation, housing solvent tanks and bulk gasses, chiller plant(s) and/or backup power generation. Certain cGMP facilities may require modifying existing HVAC systems, structural reinforcement to support the additional weight of equipment and upgrades to electrical, power and other mechanical systems needed to support the facility. In addition, natural gas, sewer, water, waste treatment and data availability must also be accounted for. Because of the specialized construction utilized in connection cGMP facilities, it may prove difficult or costly to convert such properties to an alternative use. Thus, the liquidation value of these properties may be substantially less than would otherwise be the case if the property were readily adaptable to other uses. In addition, it is difficult to assess the environmental risks posed by such properties due to the nature of the facilities. Such properties may pose environmental risks that could adversely affect the value of a Fund's investments. The demand for cGMP facilities may decline in the future, and there can be no assurance that a Fund's investments in cGMP facilities will be profitable for the Fund. There can be no assurance that products of a Fund's cGMP facility tenants will be successful. Any adverse developments in a cGMP facility tenant's business and affairs, financial strength or ability to operate the facility efficiently and effectively could have a material adverse effect on a Fund's investment results.

#### *Acquisitions of Real-Estate Related Businesses*

The Funds may acquire real estate or real estate-related companies or other portfolio investments in order to acquire the underlying real property held by such companies. A Fund may effect such acquisitions through corporate transactions in which the Fund assumes substantially all of the liabilities of the acquired company. Such liabilities may be unknown and could include potential environmental liabilities, tax liabilities, liabilities associated with employee claims, liabilities associated with claims by tenants, vendors, and other persons relating to the former owners of the properties, liabilities relating to state of title, physical condition, or compliance with zoning laws, building codes or other legal requirements, liabilities incurred in the ordinary course of business,

and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. As a result, if liability were asserted against the Funds based upon such properties, the Funds might have to pay substantial sums to dispute or remedy the matter, which would adversely affect the Funds' cash flow and returns.

### *Risks of Acquisition Activities*

The Funds expect to acquire existing properties to the extent that they can be acquired on advantageous terms and meet the Funds' investment criteria. The success of a Fund depends, in large part, on the availability of a sufficient number of investment opportunities that fall within the Fund's investment objectives and the ability of the General Partner and the Adviser to identify, negotiate, close, manage and exit those investment opportunities. Acquisitions of properties also entail general investment risks associated with any real estate investment, including the risk that investments will fail to perform as expected and that estimates of the cost of improvements to bring an acquired property up to standards established for the intended market position may prove inaccurate.

Among others, a Fund's acquisition activities and their success may be exposed to the following risks:

- the General Partner or the Adviser may not be able to locate and complete investments which enable the Fund to invest all of its committed capital in opportunities that satisfy the Fund's investment objectives, realize the value of these investments or fully invest the Fund's commitments;
- the Fund may incur significant expenses in connection with the identification of investment opportunities and the investigation of other potential investments that are ultimately not consummated;
- the Fund may be unable to acquire a desired property or company, or to acquire such property or company on desirable terms, because of competition from other well-capitalized real estate investors, including other real estate investment vehicles, publicly traded REITs, public and private institutional investment funds, foreign investors, various types of financial institutions and their affiliates, family groups and wealthy individuals;
- Even if the Fund is able to acquire a desired property, competition from other real estate investors, including investors with a lower cost of capital than the Funds (e.g., core funds, non-listed and publicly traded REITs, etc.), may significantly increase the purchase price paid;
- even if the Fund enters into an acquisition agreement for a property, such an agreement would typically be subject to customary conditions to closing, including satisfactory completion of due diligence investigations, and performance by the counterparty;
- the Fund may be unable to finance acquisitions or on favorable terms;
- once acquired, a property may fail to perform as the Fund projected when analyzing its investments;
- the Fund's estimates of the costs of construction, repositioning, re-tenanting or refurbishing acquired properties may be inaccurate; and



- partial or total condemnation and casualty, whether arising from destruction by fire, earthquake, flood, hurricane or otherwise.

### *Permits, Approvals and Licenses*

A permit, approval or license may be required to acquire certain investments and their direct or indirect holding companies, or registration may be required before an acquisition can be completed. Examples of permits, approvals and licenses necessary to make an investment include antitrust approvals, environmental licenses, licenses to operate a particular property type (such as senior housing facilities), foreign investment approvals (including CFIUS approvals) and registrations, and other similar matters. The Funds may require some or all of these permits, approvals and licenses to acquire and/or operate an asset. Additionally, counterparties may require some or all of these permits, approvals and licenses in order to acquire assets from the Funds. There can be no guarantee of when and if such a permit, approval or license will be obtained or if the registration will be effected, which may adversely affect a Fund's ability to acquire and sell assets.

### *Real Estate Title*

Disputes over ownership of land sometimes occur. In countries such as the U.S., title insurance is readily available to cover this risk, though typical exclusions from policies may render them ineffective in certain cases. In countries where title insurance is not readily available, or where the Funds do not obtain it, the Funds could rely on opinions of title from lawyers or other professionals, which may prove inaccurate. Furthermore, in some jurisdictions, certain social groups may have claims against property that otherwise appears to be properly entitled in the real estate registries, which may encumber title of property acquired by the Funds. In other jurisdictions, the real estate registry commonly does not reflect the true holders of the real estate title, which complicates title research and may result in title problems. Finally, in some jurisdictions, a purchase of real property can be attacked as not meeting "true sale" requirements and recharacterized as secured financing in the event the seller becomes insolvent. If any of these events occurs in relation to any of the Funds' properties, the Funds could lose certain of their rights in relation thereto.

### *Eminent Domain Risks*

Municipalities and other government subdivisions may, in certain circumstances, seek to acquire certain assets of a Fund through eminent domain proceedings. While a Fund may seek to contest these proceedings which may be costly and may divert the attention of management from the operation of the Fund, there can be no assurance that a municipality or other government subdivision will not succeed in acquiring assets of the Fund. In such event, there is a risk that a Fund will not receive adequate compensation for the assets acquired, or that the Fund will not be able to recover all charges associated with divesting these assets.

### *Ongoing Need for Capital Expenditures*

Certain of the Funds' properties are expected to have an ongoing need for renovations and other capital improvements. In addition, certain of the Funds' properties could be older properties that could potentially require extensive renovations and other capital improvements. In the event that renovations and other capital expenditures are not made, the Funds' properties could become unattractive to tenants, resulting in lower revenues generated at such properties. The tenants of the

Funds' properties will also require periodic capital improvements to be made to such properties. In addition: (i) the Funds' lenders could require that the Funds set aside annual amounts for capital improvements and/or repairs to its properties; and (ii) future sustainability and ESG requirements may be imposed by jurisdictions in which the Funds' properties are located which could require renovations and other capital improvements to such properties in order to satisfy any such future requirements. Furthermore, refinancings and acquisitions or redevelopment of additional properties will require significant capital expenditures. If a Fund is unable to obtain the capital necessary to make required periodic capital expenditures and renovate its properties on favorable terms, or at all, the Fund's business, financial condition, operations, cash flows and ability to make distributions to the partners could be materially and adversely affected.

#### *Failure to Timely Collect Rents*

A portion of the Funds' income is derived from rental revenues. As a result, the Funds' performance depends on the collection of rent from tenants at the Funds' properties. The Funds' income will be adversely affected if a significant number of tenants at the Funds' properties or any major tenants, among other things: (i) fail to make rental payments when due; (ii) renew leases at lower rates; (iii) decline to extend or renew leases upon expiration; (iv) become bankrupt or insolvent; or (v) experience a downturn in their business. Any of these actions could result in the termination of such tenant's lease and a loss of rental revenue to the Funds. The loss of rental revenue from a number of tenants and difficulty replacing such tenants, particularly in the case of a substantial tenant with leases in multiple locations, could materially and adversely affect a Fund's profitability and its ability to meet its debt and other financial obligations. During the outbreak of COVID-19, state, federal and non-U.S. laws and regulations were implemented that placed restrictions on landlords from exercising certain of their rights in the event of a tenant failing to make rental payments when due, including with respect to foreclosure and eviction rights.

In the event of a tenant's bankruptcy or insolvency, a Fund could be restricted from evicting such tenant solely because of its bankruptcy. However, a bankruptcy court could potentially authorize the tenant to terminate its leases with a Fund. In such instances, a Fund's claim against the bankrupt tenant for unpaid future rent would be an unsecured prepetition claim subject to statutory limitations, and therefore such amounts received in bankruptcy are likely to be substantially less than the remaining rent the Fund otherwise would be owed under the lease. Further, any claim a Fund has for unpaid past rent could be substantially less than the amount owed.

Certain leases in a Fund's portfolio could be with customers that have non-investment grade credit ratings. The ability of a non-investment grade customer to meet its obligations to a Fund pursuant to the lease cannot be considered as well assured as that of an investment grade customer. Although a Fund or its Joint Venture Partners are expected to perform credit review and analysis of customers before properties are acquired and also on prospective and existing customers before significant new and renewed leases are executed, events and circumstances that could affect a customer's creditworthiness could be difficult to detect, foresee or evaluate, and a Fund could potentially not become aware of a customer's financial distress until the customer defaults on its lease obligations. Further, any of a Fund's customers likely to face exposure to adverse business or economic conditions, which could lead to an inability to meet their obligations to the Fund. In particular, non-investment grade customers could potentially not have the financial capacity or liquidity to adapt to these conditions or could have less diversified businesses, which would likely exacerbate the

effects of adverse conditions on their businesses. Moreover, the fact that a Fund's customers could be non-investment grade could cause investors or lenders to view such Fund's cash flows as less stable, which could increase the Fund's cost of capital and/or limit the Fund's financing options.

### *Environmental Risks and Potential Environmental Liability on Real Estate*

Real estate assets are subject to numerous statutes, rules and regulations relating to environmental protection. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate (which may include a lender in some instances) may be liable for non-compliance with applicable environmental and health and safety requirements and may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property. An owner or operator may also be liable to a governmental entity or to third parties for non-compliance with applicable environmental and health and safety requirements and for property damage and for investigation, monitoring, removal, remediation and clean-up costs incurred by such parties in connection with contamination. These laws typically impose clean up responsibility and liability without regard to whether the owner or operator knew of, was responsible for or caused the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances or the failure to properly remedy the contamination on such property may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. The presence of hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties, including tenants. Persons who arrange for the disposal or treatment of hazardous or toxic substances or petroleum products at a disposal or treatment facility may also be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at such disposal or treatment facility, whether or not the facility is owned or operated by such person. In certain circumstances, third-party lenders which have directed or had an active involvement in the environmental compliance activities or the day-to-day management of a borrower's facilities or which have taken possession of or title to such borrower's collateral may be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at the facility. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. The owner of a site may also be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain federal, state and local laws, regulations and ordinances govern the removal, encapsulation or disturbance of asbestos-containing materials ("ACMs") when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for release of ACMs and may provide for third parties to seek recovery from owners or operators of real property for personal injury associated with ACMs.

There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants. The presence of hazardous or toxic substances, or the failure to properly remediate contamination, may adversely affect the Fund's ability to sell real estate it acquires, either as an equity investment or through foreclosure on a loan investment, or to borrow using such property as collateral. In connection with its direct or indirect ownership and operation of real estate, a Fund may incur

liability for such environmental costs, and in connection with a Fund's debt investments, the Fund, to the extent it has an active involvement in the environmental compliance activities of a borrower's facilities or takes possession of a borrower's collateral, may incur liability for environmental costs. Also in connection with a Fund's debt investments, the ability of the owner to make payments to the Fund may be reduced, which in turn may also adversely affect the value of the relevant asset held by the Fund. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition and that could not have been foreseen.

Environmental statutes, rules and regulations can also change, or a condition of a real estate asset can change and lead to liabilities or obligations that did not exist or were not foreseen at the time of the investment. The cost of any required remediation and a Fund's liability therefor as to any such real estate asset is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the Fund.

### *Investments Involving Multiple Properties*

Investments involving multi-property acquisitions are often more complex and expensive than single-property acquisitions, and may place additional demands on the Adviser. Where multiple properties are acquired as a group, a Fund may be required to purchase all properties as a package rather than declining the properties it does not want. If a Fund is required to purchase one or more properties that it does not wish to acquire as part of a multi-property transaction, it may not be able to identify a buyer to acquire such properties, and thus may be required to operate or attempt to dispose of those properties. A Fund may also be required to accumulate a large amount of cash to fund such acquisitions. Because of the foregoing, acquiring multiple properties in a single transaction may reduce the overall yield on a Fund's portfolio (see "—Allocation Timing" below).

### *Risks Associated with Retail Properties*

The Funds expect to invest in properties with ancillary retail properties and properties that are retail-focused. An investment in retail properties is subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. In addition, certain retail properties may be anchored by department stores and other large nationally recognized tenants, some of which have experienced, and may continue to experience for the foreseeable future, considerable decreases in customer traffic in their retail stores due to, among other factors, increased competition from alternative retail options such as those accessible via the Internet, the outbreak of disease epidemics (as described in "—Impact of Natural or Man-Made Disasters; Disease Epidemics or Pandemics" above), a downturn in the economy, declines in business and consumer spending and other adverse market conditions. As a result, their ability to meet their obligations as a tenant may be impaired and result in closures of their stores or their seeking of lease modifications. A termination of the lease of an anchor tenant could provide other tenants with the right to modify or terminate their lease. Any such modifications or conditions would be unfavorable to a Fund and would decrease rents or expense recoveries. In the event of default by any tenant, a Fund may experience delays and costs in enforcing its rights as landlord to recover amounts due to the Fund under the terms of its agreements with those parties in the event of litigation or a bankruptcy of the tenant or otherwise. In addition, retail properties may be subject to additional special risks. For example, in many cases, the tenants of retail properties may negotiate leases containing certain

exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions may limit the number and types of prospective tenants for the vacant space. The failure to lease or re-lease on satisfactory terms could harm the operating results of the Funds. The retail investments of a Fund, if any, may have leases with rental payments calculated as a percentage of sales or some other metric tied to the retailer's business. Furthermore, with respect to a portfolio investment, a Fund may be required to decline entering into a lease with a potential tenant if such lease would result in adverse consequences to a REIT holding such investment, including because of related-party rent issues arising from a Related Fund owning, in whole or in part, an equity interest in such potential tenant.

### *Risks Associated with Office Properties*

The Funds expect to invest in properties office properties. In addition to the general risk that tenants may be unable to make their lease payments, office properties may be especially affected by: (i) an economic decline in the business operated by the tenants; (ii) the physical attributes of the property and the adaptability of the property with respect to the technological needs of the tenants; (iii) the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; (iv) patterns of telecommuting or sharing of office space, (v) the proximity of the office to highways and public transport and other means for the transportation of goods, and (vi) and employment growth (which creates demand for office space). Moreover, the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants. Because of the unique construction requirements of these properties, if the current lease is terminated or not renewed, a Fund may be required to renovate the property or to make rent concessions in order to lease the property to another tenant or sell the property. In addition, a Fund may have difficulty selling the property to a party other than the tenant due to the special purpose for which the property may have been designed. These and other limitations may affect a Fund's ability to sell or re-lease office, properties and may adversely affect returns to investors. If the real estate asset is a single tenant building, risks associated with that tenant's financial wherewithal and potential default will be more pronounced than in a multi-tenant building.

### *Risks Associated with Industrial, Distribution or Logistics Properties*

The Funds have in the past and expect to continue to invest in industrial, distribution and/or logistics properties and properties. Significant factors determining the value of industrial properties are: (i) the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); (ii) changes in proximity of supply sources; (iii) the quality of tenants; (iv) a reduced demand for industrial space because of a decline in a particular industry sector, property becoming functionally obsolete, building design and adaptability, scarcity of labor sources, changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; and (v) the expenses of converting a previously adapted space to general use. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties and industrial properties, although industrial properties may more frequently be dependent on a single or a few tenants. If the real estate asset is a single tenant building, risks associated with that tenant's financial wherewithal and potential default will be more pronounced than in a multi-tenant building. Moreover, because of unique construction requirements of many industrial properties, a particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the

case if the property were readily adaptable to other uses, and the Fund's investments in such property may accordingly incur losses. Further, the Funds may invest in cold storage facilities, which may have unique risks such as short lease terms due to seasonal use, making income potentially more volatile than for properties with longer term leases, and customized refrigeration design, rendering such facilities less readily convertible to alternative uses.

In addition, properties used for many industrial purposes are more prone to environmental concerns than other property types. Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in industrial properties that conduct industrial, manufacturing and commercial activities will cause a Fund to be subject to increased risk of liabilities under environmental laws and regulations. The presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect the Fund's ability to sell or rent an industrial property.

### *Risks Associated with Multifamily Residential Properties*

The Funds have in the past and expect to continue to invest in multifamily residential properties. Residential related properties such as multifamily residential, senior housing and student housing may include increased risks associated with habitability related issues, and applicable regulatory requirements. Additionally, certain residential properties may have a unionized workforce subject to collective bargaining agreements, which must be complied with as part of properties' operation. A large number of risk factors potentially affect the value and successful operation of such properties, including: (i) the physical attributes of the property, such as its age, condition, design, amenities, appearance, access to transportation and construction quality; (ii) the location of the property; (iii) ability of the Adviser to provide adequate maintenance and insurance; (iv) the property's reputation; (v) the level of mortgage interest rates and availability of government incentives, which may encourage residents to ultimately purchase rather than lease the homes, if possible; (vi) the presence of competing properties; (vii) the presence of local military base or industrial/business closings; (viii) the resident mix, such as the resident population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local industrial unit; (ix) developments at local colleges and universities; (x) adverse local or national economic conditions, which could adversely affect the financial condition of residential owners and tenants, limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy or leasing activity; (xi) state and local regulations, which may affect a Fund's ability to increase rent to the level of market rents for an equivalent home; (xii) government assistance/rent subsidy programs available in competing homes; (xiii) the inventory of unsold homes in the local market that are being rented until economic conditions in the single-family residential market improve; and (xiv) national, regional and local politics, including current or future rent stabilization and rent control laws and agreements.

Certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. There may be provisions that limit the basis on which a landlord may terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent regulations on apartment buildings. These ordinances may limit rent increases to certain set

percentages, to certain formulas, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. Due to the outbreak of COVID-19, U.S. federal and state and non-U.S. laws and regulations have been implemented that place restrictions on lenders in the real estate sector and other industries from exercising certain of their rights in the event of borrower defaults or delinquencies, including with respect to foreclosure and eviction rights. Such measures and/or similar future measures in response to other unforeseen events may have significant adverse impacts on the performance of fund managers that invest in real estate, such as the Adviser, and their ability to sell existing investments or enforce their rights against borrowers and/or tenants, including to foreclose on and dispose of collateral. Similarly, governmental assistance programs that provide rent subsidies to tenants pursuant to tenant voucher programs may influence tenant mobility and the amount of rent a tenant can pay. Changes in rent stabilization laws or the interpretation or application of such laws from time to time may reduce the amount of rent that the Funds would otherwise be permitted to charge at one or more properties of the Fund, which would likely reduce returns to the limited partners. In addition, investment in these properties presents greater risk of disputes and legal proceedings.

#### *Risks Associated with Medical Office and Health Care Properties*

The Funds have in the past and expect to continue to make investments in medical offices and/or health care properties.. Ownership of certain medical office building properties and other facilities may be subject to ground leases or other similar agreements which may have covenants and/or purchase options for the benefit of the ground lessors. These provisions could have a negative effect on the disposition, leasing and operations of the medical office properties. In addition, medical office buildings are typically highly customized and may not be easily adapted to non-health care-related uses. A new or replacement operator or tenant may require different features in a property, depending on that operator's or tenant's particular operations. If a current operator or tenant is unable to pay rent and vacates a property, the Funds may incur substantial expenditures to modify a property before they are able to secure another operator or tenant. Also, if the property needs to be renovated to accommodate multiple operators or tenants, the Funds may incur substantial expenditures before they are able to re-lease the space. These expenditures or renovations may have a material adverse effect on the Funds' operations and the ability to make distributions to limited partners.

The health care industry is heavily regulated by federal, state and local governmental bodies. Tenants in health care assets generally will be subject to laws and regulations covering, among other things, licensure, certification for participation in government programs and relationships with physicians and other referral sources, and the privacy and security of individually identifiable health information. New laws and regulations, changes in existing laws and regulations or changes in the interpretation of such laws or regulations could negatively affect the financial condition of tenants. These changes, in some cases, could apply retroactively. The enactment, timing or effect of legislative or regulatory changes cannot be predicted.

In addition, certain medical office buildings and health care related facilities and their tenants may require licenses or certificates of need to operate. Failure to obtain a license or certificate of need, or loss of a required license would prevent a facility from operating in the manner intended. These events could adversely affect tenants' ability to make rent payments, which may have a material adverse effect on a Fund's operations and the ability to make distributions to the limited partners.

The operation of assisted living and memory care facilities and the provision of healthcare services are subject to state, local and other regulations that regulate, among other things, the number of licensed residences and units per residence, the provision of services, equipment, staffing (including professional licensing and criminal background checks), operating policies and procedures, fire prevention measures, environmental matters, resident characteristics, physical design and compliance with building and safety codes, confidentiality of medical information, safe working conditions, family leave and disposal of medical waste. Assisted living operators and facilities are periodically audited by state and local authorities to confirm compliance with such regulatory and licensing requirements. The Funds could be required to make substantial capital expenditures for its facilities and operators to comply with these requirements or changes thereto, and these expenditures could adversely affect the Funds' operations. In addition, failure to obtain licensure or loss of licensure would prevent a facility from operating.

#### *Risks Associated with Shared Workspace Properties*

The Funds have in the past and expect to continue to invest in buildings that are leased to shared workspace operators, and may invest in or otherwise have economic exposure to shared workspaces and/or operators in which revenues are derived primarily from the sale and renewal of membership that can be terminated by members on short notice. Such members are often small and medium sized start-up or venture capital-backed companies focused in technology-related fields. In many cases, the companies have not yet achieved profitability and generally lack significant financial reserves or access to credit. Because of the foregoing factors, the members of shared workspace properties are subject to many of the same risks, such as availability of financing. Any adverse economic conditions affecting one member may be expected to also affect other members and could result in sudden and material losses in overall membership revenues due to terminations or defaults by existing members, decreases in sales to new members and other factors. Small and medium-sized start-up or venture capital-backed companies focused in technology-related fields may also be subject to (sometimes rapid) expansion, which may lead to such companies obtaining their own office space and utilizing their short notice termination rights.

#### *Risks Associated with Senior Housing Properties*

The Funds have in the past and expect to continue to make investments in the senior housing sector. If the senior housing industry experiences a downturn, it could adversely affect the value of a Fund's investments and a Fund's ability to sell its investments for a price or on terms favorable to a Fund and its investors, which, in turn, could have a material adverse effect on a Fund's financial condition, results of operations and a Fund's ability to make distributions. In particular, private-pay senior housing is a competitive sector of the senior housing industry. Large healthcare REITs may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. These and other factors could cause the amount of a Fund's revenue generated by private payment sources to decline or the operating expenses associated with a Fund's investments to increase.

The Funds will compete with other senior housing properties for residents. Some significant competitive factors that influence residents in choosing a senior housing property include the geographic location, physical appearance, amenities, level of services, quality of care and reputation of the facility, as well as the financial considerations and personal preferences of the resident. Some states regulate the supply of some types of senior housing facilities through certificate of need laws.



A certificate of need typically is a written statement issued by a state regulatory agency evidencing a community's need for a new, converted, expanded or otherwise significantly modified senior housing facility or service which is regulated pursuant to the state's statutes. These restrictions could create barriers to entry or expansion and could limit the availability of properties for the Funds' acquisition or development. In addition, the Funds are permitted to invest in properties which cannot be replaced if they become obsolete unless such replacement is approved or exempt under a certificate of need law. The performance of the Funds' senior living facilities will depend in part upon their ability to attract residents with the ability to pay for the services that they receive. Inflation, decreases in the market values of residents' retirement savings or homes and other circumstances that adversely affect the ability of residents to continue to pay for the services they receive could have a material adverse effect on the Funds' operations.

It is expected that a significant portion of the residents in the Funds' investments, particularly in its assisted living and memory care facilities, will rent on a month-to-month basis. In addition, many states require that an assisted living facility's agreements with its residents allow the residents to terminate such agreements for any reason on reasonable notice. Thus, there can be no assurance that the residents of the Funds' facilities will stay for a long period of time. If a large number of the residents of the Funds' facilities were to elect to terminate their resident agreements or otherwise cease to continue renting at or around the same time, then the Funds' profitability could be adversely affected.

The health care industry is facing various challenges, including increased government and private payor pressure on health care providers to control costs and the vertical and horizontal consolidation of health care providers. This trend is likely to lead to reduced or slower growth in reimbursement for services provided by a Fund's facility managers at some of a Fund's senior housing facilities and could therefore result in reduced profitability. Additionally, the health care industry is highly regulated, and changes in government regulation and reimbursement in the past have had material adverse consequences on the industry in general. The market for healthcare professionals and other key personnel is highly competitive, and the Funds' facilities could experience difficulties in attracting and retaining qualified personnel. Increases in labor costs incurred by the Funds' facilities, due to higher wages and greater benefits required to attract and retain qualified personnel, could affect their operations.

The acquisition of existing facilities presents a number of risks. Existing facilities available for acquisition could frequently serve or target different market sectors than those that the Funds will seek to serve. It could be necessary in these cases to reposition and renovate acquired facilities or turn over the existing resident population in order to achieve a resident care level and income profile that is consistent with the Funds' objectives. These obstacles could delay the achievement of acceptable occupancy levels and increase the Fund's operating and capital expenditures. The Funds could potentially not succeed in repositioning acquired facilities or in effecting any necessary operational or structural changes and improvements on a timely basis. In addition, the Funds could face unforeseen liabilities attributable to the prior operator of such facilities, against whom the Funds could have little or no recourse.

Senior housing properties are often not readily adaptable to other uses. It is possible that some of the properties in which the Funds invest could be special purpose properties that could not be readily converted into general residential, retail or office use or could otherwise involve limitations on such conversion, such as the inclusion of minimum age requirements in deed restrictions. Transfers of operations of assisted living and memory care facilities often are subject to regulatory approvals not required for transfers of other types of commercial operations and other types of real estate. Therefore, if the operation of any of the Funds' properties becomes unprofitable due to competition,

age of improvements or other factors, the liquidation value of such property could be substantially less than would be the case if the property were readily adaptable to other uses. In addition, the receipt by the Funds of liquidation proceeds could be delayed by the approval process of any state or local agency necessary for the transfer of the property. If any of these events occur, the Funds' operations could be impacted.

A Fund's senior housing properties may be managed by or leased to third-party managers. Any adverse developments in a local manager's business and affairs, financial strength or ability to operate a Fund's senior housing facilities efficiently and effectively, could have a material adverse effect on a Fund's investment results. For example, the facility managers utilized by a Fund to operate senior housing investments may be subject to claims that their services have resulted in resident injury or other adverse effects. The insurance coverage that will be maintained by such facility managers, whether through commercial insurance or self-insurance, may not cover all claims made against them or continue to be available at a reasonable cost, if at all. These increased costs could limit the facility manager's ability to meet their obligations to a Fund, potentially decreasing a Fund's revenue and increasing its collection and litigation costs. Additionally, failure of a Fund's senior housing facility managers to comply with licensing and certification requirements, the requirements of governmental programs, fraud and abuse regulations or new legislative developments may also materially adversely affect a Fund's investments, financial condition and results of operations and a Fund's ability to make distributions to partners. To the extent a Fund is required to remove or replace a facility manager, a Fund's revenue from the affected facility could be reduced or eliminated for an extended period of time. In addition, investments in the senior housing sector could be particularly affected by a disease epidemic or pandemic (see "—Impact of Natural or Man-Made Disasters; Disease Epidemics or Pandemics" above) and are also exposed to the same risks as investments in multifamily residential properties, as described under "—Risks Associated with Multifamily Residential Properties."

#### *Risks Associated with Self-Storage Properties*

The Funds have in the past and expect to continue to make investments in self-storage properties. The self-storage market generally has low barriers to entry, and in combination with the short-term nature of leases for self-storage space, results in volatility in terms of supply and demand that is likely greater than that experienced with respect to other types of properties. In addition, because of the construction utilized in connection with certain self-storage facilities, it may be difficult or costly to convert a self-storage facility to an alternative use, which results in a lower liquidation value than would be the case if the property were easily adaptable to alternative uses. It is difficult to assess the environmental risks posed by such facilities due to tenant privacy, anonymity and unsupervised access to such facilities and, therefore, such facilities may pose additional environmental risks that could adversely affect the value of the Funds' investments. Unanticipated results or changes in particular self-storage facilities, or changes in general or local economic conditions or other relevant factors, including changes in government regulations or demand, could affect such values which could have a material adverse effect on the Funds' investments, financial condition, results of operations and prospects.

Additionally, changes in consumer spending may adversely affect the Funds' investments. When consumer spending decreases, there is less demand for use of self-storage facilities in the market. Such decrease in demand may result in a material adverse effect on the Fund's investments in self-storage facilities, financial condition, results of operations and cash flows..

### *Risks Associated with Hospitality Properties*

The Funds expect to invest in real estate assets in the hospitality sector. Because hotel rooms generally are rented for very short periods of time, hospitality properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. Hospitality properties are also affected by other particularized factors, including: franchise affiliation (or lack thereof); continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and operator of a hotel or motel; and changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements. Furthermore, the ability of a hotel to attract customers, and some of such hotel's revenues, may depend in large part on its having a liquor license. Liquor licenses may not be transferable (for example, in connection with a foreclosure). The hotel industry is highly cyclical in nature. Fluctuations in hotel demand and, therefore, hotel operating performance, are caused largely by general economic and local market conditions, which subsequently affect levels of business and leisure travel. In addition to general economic conditions, new hotel room supply is an important factor that can affect the hotel industry's performance and fundamentals, and overbuilding has the potential to further exacerbate the negative impact of an economic recession. The hotel industry also is seasonal in nature. Generally, hotel revenues are greater in the second and third calendar quarters than in the first and fourth calendar quarters. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural or man-made disasters and environmental disasters and pandemics, such as the COVID-19 pandemic (see "Impact of Natural or Man-Made Disasters; Disease Epidemics or Pandemics" above), can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hospitality properties. Finally, hospitality properties are facing new and increased competition from non-traditional market players, including those focused on the sharing economy, which may disrupt the hospitality industry and reduce demand for traditional hotels.

### *Risks Associated with Single Family Housing*

The Funds have in the past and expect to continue to invest in single-family residential rental properties. A large number of risk factors potentially affect the value and successful operation of such properties, including: the physical attributes of the property, such as its age, condition, design, appearance, access to transportation and construction quality; the location of the property; ability of the Adviser to provide adequate maintenance and insurance; the property's reputation; the level of mortgage interest rates and availability of government incentives, which may encourage residents to ultimately purchase rather than lease the homes, if possible; the presence of competing properties; adverse local or national economic conditions, which could limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy or leasing activity; state and local regulations, which may affect a Fund's ability to increase rent to the level of market rents for an equivalent home; government assistance/rent subsidy programs available in competing homes; and the inventory of unsold homes in the local market. If any of such risk factors are heightened or the conditions associated with such risk factors deteriorate, a Fund's investments in single family housing properties are likely to incur losses.

With respect to such properties acquired by the Funds that are occupied by renters, the Funds may not have the opportunity to evaluate the qualifications of such renters prior to purchase of the homes in which the renters reside. Renters impose additional risks to owning real property. Renters do not have the same interest as an owner in maintaining a property and its contents and generally do not participate in any appreciation of the property. Accordingly, renters may damage a property and its contents, and may not be forthright in reporting damages or amenable to repairing them completely or at all. A rental property may need repairs and/or improvements after each resident vacates the premises, the costs of which may exceed any security deposit when the rental property is originally leased. Accordingly, the cost of maintaining rental properties can be higher than the cost of maintaining owner-occupied homes, which will affect a Fund's costs of operations and may adversely impact a Fund's ability to make distributions to the limited partners. Residents are not required to provide updated financial information during the terms of their leases, notwithstanding the fact that this information can, and frequently does, change over time. For example, increases in unemployment levels or adverse economic conditions in certain markets where a Fund's properties may be located may adversely affect the creditworthiness of residents in such markets. Even though this information is not updated, a Fund may use such information to evaluate the characteristics of such Fund's investments over time. If resident-supplied information is inaccurate or the residents' creditworthiness declines over time, a Fund's investments may contain more risk than believed. The bankruptcy of a tenant or other default by a tenant may result in delays in receiving payments, as well as increased costs incurred by a Fund to enforce its rights.

Many of the expenses associated with single family rental investments, such as real estate taxes, Home Owner Association ("HOA") fees, personal and property taxes, insurance, utilities, acquisition, renovation and maintenance costs, and other general corporate expenses are relatively inflexible and will not necessarily decrease with a reduction in revenue from such investments. Some components of fixed assets depreciate more rapidly and require ongoing capital expenditures. Some expenses and ongoing capital expenditures are also affected by inflationary increases and certain of the cost increases may exceed the rate of inflation in any given period or market. By contrast, rental income is affected by many factors beyond a Fund's control, such as the availability of alternative rental housing and economic conditions.

In addition, state and local regulations may require a Fund to maintain properties that it owns, even if the cost of maintenance is greater than the value of the property or any potential benefit from renting the property, or pass regulations that impose rent control or otherwise limit such Fund's ability to increase rental rates. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency or to increases determined through mediation or binding arbitration and may also limit a Fund's ability to recover increases in operating expenses and the costs of capital improvements. Certain properties may be located, and a Fund may purchase additional properties, in markets in which rent-limiting legislation may be enacted. As a result, a Fund may not be able to fully offset rising costs and capital spending by increasing rental rates, which would have an adverse effect on the results of operations of such Fund's investments and cash available for distributions to the limited partners.

Investment opportunity decisions in single family housing and/or single family rental communities will primarily rely on a Fund's Joint Venture Partners prudently leveraging their operating and sector/market experience and directing a geographic market and property due diligence effort consisting of, but not limited to, the analysis of existing multifamily supply and unmet market needs; replacement value; incremental multifamily supply (i.e., development and re-development); demographic trends (i.e., household income, population growth rate); existing single family housing and single family rental communities stock, incremental supply growth, and affordability; and

economic and employment outlook. There can be no assurance that what a Joint Venture Partner perceives as an attractive investment opportunity for a Fund will not, in fact, result in substantial losses due to one or more of a wide variety of factors. Rental housing generally is a need-based investment, and with the supply/demand imbalance in housing, may be subject to adverse effects in the event of a period of economic slowdown. Deteriorating economic conditions could significantly affect the credit of tenants in single family housing and/or single family rental communities, and accordingly could adversely affect the value of a Fund's investments, results of operations and a Fund's ability to make distributions. Although single family rentals may offer certain benefits of homeownership combined with professional management for those that prefer not to or are unable to own due to economic or lifestyle considerations, there can be no assurance that demand for single family rentals will continue or that investments in single family housing and/or single family rental communities will be profitable for a Fund.

The Funds expect to invest in properties that are located within HOAs and are subject to HOA rules and regulations. HOAs have the power to increase monthly charges and make assessments for capital improvements and common area repairs and maintenance. Property taxes, HOA fees, and insurance premiums are subject to significant increases, which can be outside of a Fund's control. The HOAs may have enacted or may from time to time enact onerous or arbitrary rules that restrict a Fund's ability to restore, market, lease, or operate the properties in accordance with such Fund's investment strategy, or require such Fund to restore or maintain such properties at standards or costs that are in excess of planned budgets. Such rules may include requirements for landscaping, limitations on signage promoting a property for lease or sale, or the use of specific construction materials to be used in renovations. Some HOAs impose limits on the number of property owners who may lease their homes, which, if met or exceeded, would cause a Fund to incur additional costs to sell the property and opportunity costs from lost rental revenue. Further, some HOAs impose limits on the number of times an individual home can be leased in a single year, which, if a resident vacates early, could restrict a Fund from re-leasing the property in that year, resulting in lost rental revenue. Many HOAs also impose restrictions on the conduct of occupants of homes and the use of common areas. Furthermore, residents may violate HOA rules and incur fines for which a Fund may be liable as the property owner and for which a Fund may not be able to obtain reimbursement from the resident. Additionally, the governing bodies of the HOAs may not make important disclosures about the properties or may block access to HOA records, initiate litigation, restrict a Fund's ability to sell the properties, impose assessments, or arbitrarily change the HOA rules. The Funds may be unaware of or unable to review or comply with HOA rules before purchasing a property, and any such excessively restrictive or arbitrary regulations may cause a Fund to sell such property at a loss, prevent such Fund from leasing such property, or otherwise reduce cash flow from such property, which would have an adverse effect on such Fund's returns on these properties. Several states have enacted laws that provide that a lien for unpaid monies owed to an HOA may be senior to or extinguish mortgage liens on properties. Such actions, if not cured, may give rise to events of default under certain of a Fund's indebtedness, which could have a material adverse impact on such Fund.

#### *Risks Associated with Short-Term Rental Properties*

The Funds expect to invest in short-term rental properties. A large number of risk factors potentially affect the value and successful operation of such properties, including: (i) the physical attributes of the property (its age, condition, design, appearance, amenities, access to transportation and construction quality); (ii) the location of the property; (iii) the ability of the Adviser to provide adequate quality of programming, maintenance and insurance of such properties; (iv) the cleanliness of such properties; (v) the property's reputation, including guest reviews of such properties; and (vi) the presence of competing properties. The financial performance of short-term

rental properties is dependent on the strength of the travel and hospitality industries and such properties are disproportionately effected by disruptions to travel and the hospitality industry. For example, the COVID-19 pandemic resulted in global travel restrictions and a corresponding significant reduction in travel. While many industries were adversely impacted, travel was disproportionately affected as governments implemented travel restrictions and people were reluctant to travel irrespective of such restrictions. Guests that would typically utilize such properties were either unable to travel or uncomfortable doing so as a result of COVID-19. The Funds' results of operations and financial condition could be materially adversely affected if there is any further and continued decline or disruption in the travel and hospitality industries, and any prolonged economic downturn would materially adversely affect the Funds' investments in short-term rental properties.

Short-term renters also impose additional risks, including social and political risks, such as perceptions of trust and safety, negative experiences with guests, including guests who damage property, throw unauthorized parties, or engage in violent and unlawful acts. In addition, the number of bookings of such properties may continue to decline as a result of a number of other factors, including: (i) the COVID-19 pandemic; (ii) enforcement or threatened enforcement of laws and regulations that seek to limit or ban short-term rental properties, including short-term occupancy and tax laws; and (iii) private groups, such as homeowners, landlords, and condominium and neighborhood associations, adopting and enforcing contracts that prohibit short-term rentals. The institution of such measures would materially adversely affect the Funds' investments in short-term rental properties.

Short-term rental properties are particularly exposed to short-term economic conditions in the global and local markets, as their space is let on a short-term basis. Such properties may be subject to more volatility in terms of supply and demand than other types of properties. Furthermore, upon acquisition of a short-term rental property, the owner generally has limited visibility into future bookings. Like most real estate, short-term rental properties are highly competitive. If a property's occupancy or rental rates drop such that its revenues are insufficient to cover its operating expenses, additional funds, including reserves, will be required to cover operating expenses. There is a risk that cash flow from operations and reserves may be inadequate to fund capital improvements, or financing for these capital improvements may not be available on attractive terms.

#### *Need for Follow-On Investments*

Following its initial investment in any investment, the Fund is permitted to invest additional funds in such investment or could have the opportunity to increase its investment in such investment by investing in additional real estate assets related thereto (whether for opportunistic reasons, to fund the needs of the investment, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such follow-on investments (including in connection with an event of default under applicable debt documents in the event an equity cure cannot be made or an exercise of "buy sell" mechanisms or other liquidity rights). Any decision by the Fund not to make follow-on investments, or its inability to make such investments could have a substantial adverse effect on a particular real estate asset in need of such an investment.

#### *Risks of Increased Costs and Reduced Rents*

Many of the Funds' operating costs, such as facility management fees, depreciation and property taxes, should be largely fixed, as will debt service under fixed rate instruments that a Fund or its properties could have issued. On the other hand, a Fund's rental revenues could decrease due to

rising vacancy rates or decreased rents. Also, some of a Fund's operating costs, such as utility expenses, will not be fixed and could increase, and the tenants of a Fund's properties could potentially not agree to pay any or all of these costs. Any decreases in rental revenues or increases in operating costs could have a material adverse effect on a Fund's profitability, thereby decreasing the amounts available for distributions to limited partners and possibly the value of the interests.

#### *Development, Redevelopment and Construction Risks*

The Funds have in the past and expect to continue to invest in real property requiring construction, new development, renovation or redevelopment, and/or in undeveloped land or under-developed real property and may also invest in "broken" residential condominium projects, which may often be non-income producing. The development and construction of such property is subject to timing, budgeting and other risks that may adversely affect a Fund's operating results. Any renovation, redevelopment, development and related construction activities could subject a Fund to a number of risks, including risks associated with:

- construction delays or cost overruns that may increase project costs (including risks beyond the control of the Funds, such as inclement weather or labor conditions, work stoppages, supply chain delays, insolvency of building contractors, the inability of contractors to perform their obligations or material shortages, unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals);
- failure to be able to obtain or delay in obtaining entitlements, availability and timely receipt of zoning, occupancy and other required governmental permits, authorizations and regulatory approvals;
- development costs incurred for projects that are not pursued to completion;
- natural disasters (such as earthquakes, hurricanes, floods or fires) and/or outbreaks of disease epidemics or pandemics that could adversely impact a project;
- government shutdowns, or other restrictive governmental orders;
- labor shortages or material shortages or delays that may adversely impact the cost and timing of construction;
- defects in plans and specifications;
- the availability of both construction and permanent financing on favorable terms, or at all;
- market or site deterioration after acquisition;
- governmental restrictions on the nature or size of a project; and
- lawsuits and other delays.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction or development activities once undertaken, any of which could have an adverse effect on the value of the property, financial condition and in turn, the results of operations of a Fund and on the amount of funds available for

distribution to the investors. Any unanticipated delays or expenses could have an adverse effect on the operations and financial condition of the Funds. Properties under construction or development, or properties acquired to be developed, generally generate no cash flow from the date of acquisition through the date of completion of construction or development and experience operating deficits for a period after the date of completion. A Fund may commence construction, development, renovation or redevelopment activities prior to obtaining financing for such activities and there is no guarantee that financing will be available on favorable terms, or at all. Once completed, such properties may perform below anticipated levels, producing cash flow below budgeted amounts. In addition, substantial renovations and developments, regardless of whether or not they are ultimately successful, typically require a substantial portion of management's time and attention, which could divert management's time from the Fund's day-to-day operations. The Funds anticipate that future development and renovation activities may be financed through construction loans, in which case there is a risk that, upon completion of construction, permanent financing may not be available or may be available only on disadvantageous terms. Market conditions could change during the course of development that make such development less attractive than at the time it was commenced. Also, recently developed properties could take longer than expected to achieve stabilized operating levels, if at all. To the extent such facilities fail to reach stabilized operating levels or achieve stabilization later than expected, it could materially and adversely affect the Funds' tenants' abilities to make payments to the Funds under their leases and thus adversely affect the Funds' financial performance and operations.

#### *Americans with Disabilities Act and Similar Laws*

Under the American with Disabilities Act of 1990 (the "ADA"), commercial facilities and public accommodations must meet federal requirements related to access and use by disabled persons. If one of the properties in the Funds' portfolio do not comply with the ADA, the Fund may incur costs to bring the property into compliance, which may or may not have been foreseen at the time of acquisition. Future changes to federal, state and local laws also may require modifications to the Fund's properties, or restrict the Fund's ability to renovate its properties. The Fund cannot predict the ultimate cost of compliance with the ADA or other legislation. If the Funds incur substantial costs to comply with the ADA and any other similar legislation, the Funds' financial condition, operations, cash flow, cash available for distribution and ability to satisfy its debt service obligations could be materially adversely affected.

#### *Harmful Mold and Other Air Quality Issues*

Some of the Funds' properties could potentially contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation. When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the Funds' properties could require the Funds to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose the Fund to liability from its tenants, employees of its tenants, and others if property damage or health concerns arise.



### *Casualty and Condemnation*

Investments in real estate are subject to the risks of partial or total condemnation in accordance with applicable law or regulation and casualty, whether arising from destruction by fire, earthquake, flood, hurricane or otherwise. In either case, the Funds' investments (depending on such investments' status as lender, borrower or equity owner) could be subject to one or more of the following liabilities: (i) lenders could require prepayments of outstanding loans with any proceeds arising from a casualty or condemnation recovery event (i.e., insurance coverage); (ii) insurance coverage could potentially not be sufficient to cover renewal of an investment; (iii) renovations or developments with respect to an investment could be delayed; (iv) inability to rebuild an investment if such investment is a pre-existing non-conforming structure, and (v) a seller could bear the risk of loss for such casualty or condemnation in connection with the disposition of an investment through the date of disposition.

### *Volatility of Property Income*

The volatility of net operating income for a property may be influenced by matters such as: the length of tenant leases; the creditworthiness of tenants; the level of tenant defaults; the ability to convert an unsuccessful property to an alternative use, and to re-let space in a timely manner, new construction in the same market as the property; rent control laws or other laws, the number and diversity of tenants; the availability of trained labor necessary for tenant operations; the rate at which new rentals occur; and the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants. A decline in the real estate market or in the financial condition of a major tenant will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties.

An investor's return will be based on the efficient operations of and steady cash flows from the properties in which a Fund invests. For example, following the termination or expiration of a tenant's lease, there may be a period of time before a Fund will begin receiving rental payments under a replacement lease. During that period, the Fund will continue to bear the expenses associated with operating real estate property. In addition, declining economic conditions or oversupply may impair a Fund's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require a Fund to provide tenant lease term concessions or make capital improvements to properties that would not have otherwise been planned. Any unbudgeted concessions provided or capital improvements that a Fund undertakes may reduce cash that would otherwise be available for distribution to limited partners. To the extent that a Fund is unable to renew leases or re-let space as leases expire, or in the event that a Fund can do so but on less favorable terms (such as lower leasing rates), decreased cash flow from tenants will result, which would adversely impact the Fund's operating results.

### *Termination or Expiration of Leases*

A Fund's properties may be subject to existing leases with tenants occupying a substantial portion of the properties. There can be no assurance that a Fund will be able to retain tenants in any of their respective properties upon the expiration of their leases. Upon the expiration or early termination of such leases, the availability of the large blocks of space they cover may have an adverse effect

on a Fund's ability to achieve the lease terms and rents it might otherwise be able to achieve if space were to turn over in smaller portions, spread out over a period of time. If the space is suited to the particular needs of a former tenant, then a Fund may have difficulty finding a new tenant for the space or may need to redevelop such space.

#### *Unable to Lease Properties*

Any of a Fund's properties could become partially or completely vacant in the future. If a Fund is unable to re-lease these properties and generate sufficient cash flow to replace or exceed that amount lost due to the vacancy, the Fund will be required to recognize a financial loss as to that property, which would reduce the Fund's operating results and ability to make distributions.

#### *Ground Lease Investments*

A Fund may invest from time to time in real estate properties that are subject to or in ground leases. As a lessee under a ground lease, a Fund may be exposed to the possibility of losing the property upon termination or an earlier breach by the Fund of the ground lease, which would adversely impact the Fund's investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, a Fund will generally need to obtain consent of the landlord of such property and/or grant rights-of-first-refusal, which, in turn, could adversely impact the price realized from any such sale.

#### *Risks of Joint Venture Investments*

The Funds intend to make most (if not all) of its investments through joint ventures or other entities with another person or entity (including Joint Venture Partners or other third parties and funds, separate accounts or co-investment capital managed by the Adviser), which may involve risks not present in investments where such person or entity is not involved. These risks may include diverging economic or business interests or investment objectives of the Funds and Joint Venture Partner or other co-venturer, including interests relating to the financing, management, governance, operations, leasing or sale of the assets in the joint venture agreement, management challenges, increased costs, greater illiquidity, the possibility that a Joint Venture Partner or other co-venturer may have financial difficulties resulting in a negative impact on such investment, or that a Joint Venture Partner or other co-venturer may take actions that are inconsistent with the investment objectives of the Funds. The Joint Venture Partner could have joint control or joint governance of the joint venture or certain veto rights even though its economic stake in the joint venture is significantly less than that of the Funds. The joint venture agreement between a Fund and a Joint Venture Partner may grant a Joint Venture Partner veto powers with respect to certain decisions concerning the management, financing or disposition of an investment, which could allow a Joint Venture Partners to block an action, contrary to a Fund's investment objectives, and could increase the risk of deadlocks that may adversely affect investment liquidity, values and returns and/or the ability of the joint venture to act quickly in connection with a potential acquisition or disposition.

The Funds are expected to be subject to various costs and fees relating to such ventures, including on occasion additional performance-based or asset-based fees or allocations (including management, incentive and/or other fees) that may be paid to Joint Venture Partners or other third-party operating partners. Any such costs and fees paid to Joint Venture Partners or other third-party operating partners will not reduce the management fee. A Fund may bear or be responsible for more than its pro rata share (based on relative equity participation) of expenses, guarantees and/or

recourse liabilities, including environmental and other “non-recourse carveout” or so-called “bad act” liabilities as further described in “—Guarantees of Portfolio Investments” above. A Fund may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect its position in such investments and will be exposed to the risk that the Joint Venture Partner fails to fund its share of the obligations of the Joint Venture, although the General Partners and the Adviser expect to procure appropriate fundamental rights to protect the Funds’ interests.

If a Fund and Joint Venture Partners have the ability to dispose of their interests in the investment separately, a disposition of a large position by one party may depress the market value of the continuing investment of the remaining Joint Venture Partners (possibly including the Fund), or may reduce the price available to other Joint Venture Partners (possibly including the Fund) which may also be disposing of their respective investments. If the Joint Venture Partner charges fees or performance-based compensation, the Joint Venture Partner could have an incentive to hold assets longer or otherwise behave to maximize fees and performance-based compensation paid, even when doing so would not be in the best interests of the Funds. In addition, agreements governing joint ventures often contain restrictions on the transfer of a Joint Venture Partner’s interest, “buy sell” mechanisms, forced sale rights, or similar provisions that may require a Fund to obtain the consent of a Joint Venture Partner prior to divesting its interest in the joint venture or result in the purchase or sale of the Fund’s interest at a disadvantageous time or on disadvantageous terms.

If a Joint Venture Partner removes its general partner or manager or terminates prior to a Fund, the ability of the Fund to exercise certain rights associated with its investments may require the cooperation of a successor general partner/manager or other persons. In addition, a Fund may be liable for actions of its Joint Venture Partners. Further, it is possible that in certain circumstances (such as death or disability), the Joint Venture may be required to redeem the interests of a Joint Venture Partner, which could have an adverse effect on a Fund’s investments or in the case of a governance impasse under the joint venture agreement or other circumstance that results in an acquisition or disposition, a Fund could be forced to sell its interest in the joint venture and its asset(s), or buy the Joint Venture Partner’s share of such assets, at a time when it would not otherwise be in the Fund’s best interest to do so. In addition, although a Fund would generally intend to review the qualifications, conditions or suitability of prospective Joint Venture Partners or other operating partners, it may not be practicable or possible to do so in every instance.

In certain circumstances, a Fund may make loans or other advances to Joint Venture Partners for the purpose of allowing such partners to satisfy capital contribution and other funding obligations to the applicable joint venture, which may give rise to additional risks.

In addition, the Funds’ investment strategies in certain investments depend on the Adviser’s ability to enter into relationships with Joint Venture Partners. There can be no assurance that the Adviser will, in the future, establish any relationship with such persons or partners on terms favorable to a Fund.

### *Highly Competitive Market for Investment Opportunities*

The market for attractive investment opportunities in the Funds’ target sectors is highly competitive. The number of investors seeking to make real estate investments primarily in North America may reduce the number of suitable investment opportunities available to the Funds and adversely affect the terms upon which investments can be made. In that regard, the Funds will be competing for investments with other investment funds (including other real estate funds, credit funds, venture capital funds, hedge funds and private equity funds), as well as individuals, companies, financial

institutions and other investors. It is possible that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions more frequently than is currently expected. The outcome of these auctions cannot be guaranteed, thus potentially reducing the number of investment opportunities available to the Funds and potentially adversely affecting the terms, including price, upon which investments can be made. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory, political or environmental climate. Moreover, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. The Funds may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors. There can be no assurance that the Funds will be able to locate, complete and exit investments that satisfy the Funds' investment objectives or that the Funds will be able to fully invest their committed capital, and limited will remain obligated to bear management fees on their full capital commitment during the investment period, even in circumstances where a Fund is unable to complete sufficient suitable investments.

Further, this increased competition may generally limit the number of suitable investment opportunities offered to a Fund or the number of assets that it is able to acquire, and it may also increase the bargaining power of property owners seeking to sell to a Fund, making it more difficult to make new investments on attractive terms.

In addition, over the past several years, many real estate investment funds and publicly traded REITs have been formed for the purpose of investing in real estate assets, and others have been consolidated or grown substantially in size. Additional real estate funds and publicly traded REITs with similar investment objectives, including those with a lower cost of capital than the Funds, are likely to be formed in the future by other unrelated parties which would result in increased competition for the Funds.

### *Economic and Market Risk*

General economic conditions may affect the Funds' activities. Investments made by the Funds may be sensitive to general downward swings in the overall domestic and global economy, or in the healthcare, medical technology, and related life sciences industries in particular. Changes in economic conditions, including, for example, interest rates, availability and terms of credit, inflation, economic uncertainty, change in laws, unemployment, competition, technological developments, political events, changes in fiscal policies, national and international political or environmental circumstances, and innumerable other factors, none of which will be within the control of the General Partners or the Adviser, can substantially and adversely affect the business and prospects of the Funds. Investments in real estate and real estate-related entities are subject to various risks, as described above in "—General Risks of Real Estate Investment." In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in real estate values. Many of the factors which could affect the performance of the Funds, or the properties will be beyond the control of the Adviser. For instance, the performances of certain of the portfolio investments are vulnerable to downturns in various economic environments. U.S., regional or local economic declines may negatively affect the payments of borrowers or the performance of real estate assets. The prices for investment sales, and the prices, terms and conditions for investment

refinancing may be threatened by unanticipated declines in various economic environments – thereby reducing or extinguishing anticipated returns of capital and internal rates of return.

Fluctuations in the market prices of investments and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The public securities markets have seen increased volatility and the ability to obtain financing for ongoing operations or expansions may be severely hampered by, among other reasons, the tightening of the credit markets, and the ongoing financial turmoil and uncertainty. The repercussions of this market turmoil are unclear.

Investors' reactions to events in one country can have adverse effects on the securities of companies and the value of property and related assets in other countries in which the Funds may invest. A significant adverse change in the economy of one country, or a loss of investor confidence in the financial systems of emerging markets and other markets generally, could cause increased volatility in the economy and market of another country and, as a result, have an adverse effect on the investments of the Funds. There can be no assurance that financial events of such type will not happen again or will not have an adverse effect on the Fund's investments. Events of this nature may adversely affect the economies of emerging and other markets in both the near and long term.

The Funds may be adversely affected to the extent that it seeks to dispose of any of its investments in an illiquid or volatile market and the Funds may find themselves unable to dispose of investments at prices that the General Partners believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. No assurance can be given as to the effect of these economic conditions on the Funds' investment objectives.

### *Concentration of Investments*

While the General Partners intend to employ some degree of portfolio diversification as one of its risk management strategies and the partnership agreements may restrict the amount that a Fund may invest in a single real estate asset, in certain geographic areas, in certain development projects, and in certain blind pool vehicles, diversification is not a primary objective of the Funds and there can be no assurances concerning the degree of diversification that the Funds will actually achieve in their investments. As such, the Funds' assets may not be diversified. In particular, the Funds will focus their investments in North America and therefore will be particularly vulnerable to events affecting this region. Adverse events or conditions affecting the United States, Canada, and/or Mexico could have a more negative effect on the financial condition and operations of a Fund than if its investments were more geographically diverse. Furthermore, the Funds are expected to participate in a limited number of investments, and with a limited number of Joint Venture Partners, each with a significant portion of a Fund's aggregate capital commitments invested. In such event, an adverse change in one or more investments, or in the financial conditions or operations of a Joint Venture Partner, could have a material adverse effect on a Fund overall and, in turn, a significant effect on the total returns to the partners due to the concentrated nature of the Fund's portfolio. Therefore, a material loss in any one investment or joint venture will yield a return to the limited partners that may be lower than if a Fund had invested in a more diversified portfolio or with a broader group of

Joint Venture Partners. Any such non-diversification would increase the risk of loss to the Funds if there was a decline in the market value of any security, category or asset class in which the Funds had invested a large percentage of its assets. If a large portion of the assets of the Funds is held in cash or cash-like instruments, performance may be affected.

Similarly, a Fund's financial condition and results of operations could be adversely affected by conditions affecting the Fund's specific property types. This could lead to increased risk as a result of a Fund having an unintended long-term investment and reduced diversification. A limited degree of diversification increases risk because, as a consequence, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, investors have no assurance that as a Fund continues to invest the degree of diversification in the Fund's investments will increase, with respect to asset category, geographic location or other risk exposure. Portfolio diversification will decrease as a Fund's investments are divested.

#### *Currency Risk; Commodity Price Risk; Hedging*

Some of the Funds' investments, and the income received by the Funds with respect to such investments, will be denominated in currencies other than the U.S. dollar. The Funds' books, however, will be maintained, and contributions to and distributions from the Funds will generally be made, in U.S. dollars. Accordingly, changes in currency exchange rates, costs of conversion and exchange control regulations could adversely affect the dollar value of the Funds' investments and the amounts of distributions, if any, to be made by the Funds. Currency exchange rates have previously and may in the future fluctuate significantly over short periods of time and may also be affected unpredictably by intervention (or the failure to timely intervene) by governments or central banks or by currency controls or political developments in one or more jurisdictions. The Funds may incur costs or experience substantial delays when, or be prohibited from, converting one currency into another. In addition, depending on the Funds' investments, the Funds may be subject to commodity price risk arising from the acquisition and operation of certain of its investments.

The Funds will likely engage, but are not required to, engage in commodity price, currency, interest rate and other hedging transactions. There can be no assurance, however, that the Funds will engage in such hedging transaction at any given time or from time to time, or that such hedging transactions will be available at a reasonable cost or at all, or that such hedging transactions will be effective to reduce or eliminate the applicable commodity price, currency, interest rate, or other risk. Such hedging transactions may even exacerbate any negative impact on the Funds resulting from changes in price or currency exchange rates or interest rates. While such transactions may reduce certain risks, hedging transactions themselves may entail certain other risks. The success of hedging transactions will be subject to the ability to correctly predict movements in and the direction of currency exchange rates, interest rates and public security prices. Thus, while the Funds may enter into hedging transactions to seek to reduce these risks and may ultimately benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, commodity prices, or currency exchange rates could result in a poorer overall performance for the Funds than if they had not entered into such hedging transactions.

### *Derivatives Instruments*

The Funds may, but are not required to, use derivatives in its investment strategy. Derivatives instruments, or “derivatives”, include instruments and contracts which are derived from, and are valued in relation to, one or more underlying securities, financial benchmarks, or indices (e.g., swaps, credit derivatives, futures contracts, index futures, forward contracts, and options). Derivatives typically allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, or index at a fraction of the cost of acquiring, borrowing, or selling short the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading. Transactions in certain derivatives are subject to clearance on a U.S. national exchange and to regulatory oversight, while other derivatives are subject to risks of, and relevant regulatory rules (including those relating to mandatory trading and clearing obligations) concerning, trading in the over-the-counter markets or on non-U.S. exchanges.

Derivatives may entail investment exposures that are greater than their initial margins or option premiums would suggest, meaning that a small investment in derivatives could have a large potential impact on the Fund’s performance. If the Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments could lower the Funds’ returns or result in a loss, which could be significant. Derivatives are also subject to various other types of risk, including market risk, liquidity risk, structuring risk, counterparty financial soundness, credit worthiness and performance risk, legal risk, and operational risk. In addition, the Funds could experience losses if they are unable to liquidate its positions because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Derivatives instruments that may be purchased or sold by the Funds may include instruments not traded on an exchange. The risk of non-performance by the obligor on an instrument may be greater than, and the ease with which the Funds can dispose of or enter into closing transactions with respect to an instrument may be less than, the risk associated with an exchange traded instrument, although this is not always the case. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments. Derivative instruments not traded on exchanges are not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

### *Leveraged Investments*

While investments in highly leveraged assets offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Subject to certain limitations on asset level leverage, some of the Funds’ investments may involve high degrees of leverage, including as a result of borrowing at one or more levels of the investment structure or as a result of implicit leverage through derivative transactions. Recessions, operating problems and other general business and economic risks can have a more pronounced effect on the profitability or survival of highly leveraged companies.

Portfolio investments often issue certain types of debt in connection with leveraged acquisitions or recapitalizations in which the portfolio investment incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Leverage generally has certain implications on the business and operation of these portfolio investments and the Funds as an investor. For example, the substantial indebtedness of a portfolio investment could: (i) limit its ability to borrow money for its working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes; (ii) require it to dedicate a substantial portion of its cash flow from operations to the repayment of its indebtedness, thereby reducing funds available to it for other purposes; (iii) make it more highly leveraged than some of its competitors, which may place it at a competitive disadvantage and (iv) subject it to restrictive financial and operating covenants, which may preclude it from favorable business activities or the financing of future operations or other capital needs.

A leveraged portfolio investment's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, a portfolio investment with a leveraged capital structure will be subject to increased exposure to adverse economic factors, such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of that portfolio investment or its industry. If a portfolio investment is unable to generate sufficient cash flow to meet all of its obligations, it will generally take alternative measures (e.g., reduce or delay capital expenditures, sell assets, seek additional capital, or seek to restructure, extend or refinance indebtedness). These actions will often negatively affect the Funds' investment in such a portfolio investment.

A Fund's ability to achieve attractive rates of return on investments will depend on the ability of its portfolio investments to access sufficient sources of debt at attractive rates, including high yield debt. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase portfolio investment interest expenses. In the event a portfolio investment cannot generate adequate cash flow to meet its debt service obligations, a Fund is likely to suffer a partial or total loss of capital invested in the portfolio investment.

### *Loan and Debt Investments*

While the Funds intend to invest primarily in equity interests, the Funds may invest in secured or unsecured loans or debt investments, including subordinated loans, mezzanine loans and other structured investments which may be subordinated to the senior obligations of the borrower. These investments generally will not be readily marketable, will be subject to restrictions on resale and may require lengthy negotiations in connection with disposition. Loans are often less liquid than other types of debt securities, particularly in times of significant market dislocation. Investors should note that investments may be structured to include shareholder loans or other investments structured as debt of intermediate holding companies, which may give rise to additional risks.

Loans and other debt investments will subject the Funds to credit risk, i.e. the risk that a borrower will default in the payment of principal, interest or other obligations, including investments that are not rated by any rating agency. There may be limits to enforceability or to legal and financial recourse upon a default under the terms of the mortgage or mezzanine loan or applicable state law.



Most commercial real estate loans provide recourse only to specific assets, such as the property, and not against the borrower's other assets. Loans that are fully secured may offer the Funds more protection than unsecured loans in the event of non-payment, however there is no assurance that the liquidation of any collateral would satisfy the borrower's obligation, or that such collateral could be liquidated. Greater credit risks are usually attached to subordinated investments which will be limited by restrictions benefitting more senior lenders, will be subject to greater risk of default, may not be protected by financial or other covenants and may have limited liquidity. Exercise of foreclosure and other remedies may involve lengthy delays and unforeseen expenses in the face of declining property values. If a borrower becomes involved in bankruptcy proceedings, the Funds may receive a lesser return on its investment than expected or no return at all. Additionally, various U.S. federal and state and non-U.S. laws enacted for the protection of creditors may apply to the Funds. In general, if payments on an investment are voidable as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Fund) or from subsequent transferees of such payments (such as limited partners).

Investments in loans and other debt will generally be subject to risk associated with market changes in interest rates. Factors that generally affect market interest rates include, inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the U.S. Federal Reserve Board and central banks throughout the world, international disorders and instability in U.S. and non-U.S. financial markets. Interest rate changes affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of fixed rate instruments and falling interest rates will have a positive effect on the price of fixed rate instruments, and the prices of long term obligations generally fluctuate more than prices of short term obligations. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including, among other factors, the index chosen, frequency of reset and reset caps or floors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. The Funds expect that they will periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, if the Funds do not manage this risk effectively, then the Funds' performance could be adversely affected. In addition, the Funds' investments may include subordinated or unsecured debt investments issued with a fixed yield; thus, credit risk and interest rate risk are often greater than those generally applicable to other types of debt investments. Changes to applicable law and regulation in one or more relevant credit markets could also increase the risk, cost or complexity associated with investing in loans and other forms of debt.

Loans may permit or require the prepayment of the loan, which when made reduce the actual outstanding debt on which the Funds derives interest income, sometimes with no or a nominal prepayment premium. The degree to which a borrower prepays a loan may be affected by prevailing interest rates, general business conditions, the financial condition of the borrower and competitive conditions among lenders, among others. In the event a Fund receives proceeds from an investment earlier than it had anticipated, the Fund will often be permitted to reinvest such proceeds, but there is no assurance that the Fund will be able to reinvest such proceeds even where they are received during the investment period. A Fund's inability to reinvest such proceeds may materially affect the performance of the Fund.

While the Funds intend to invest primarily in equity interests, investments in real estate loans may be subject to certain risks relating to the legal aspects of such loans. Depending upon the applicable law governing real estate loans (which laws may differ substantially), the Funds may be adversely affected by the operation of law with respect to its ability to foreclose on collateral securing one or more real estate loans or its ability to exercise other remedies. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a loan including numerous lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action, which often complicates an already difficult and time consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. In addition, the Fund may be adversely affected by the borrower's right of redemption, a bankruptcy of the borrower, the enforceability of assignments of rents, due on sale and acceleration clauses in loan instruments, as well as other creditors' rights provided in such documents. The Fund may be subject to liability as a lender with respect to its negotiation, administration, collection and/or foreclosure of real estate loans. Moreover, the Funds may attempt to obtain contractual rights to participate in or substantially influence the management of properties by borrowers which may result in an increased likelihood that a borrower may claim that the Funds interfered with the borrower's business, acted in bad faith in exercising its management rights or otherwise acted in a manner giving rise to a claim for lender liability. As a lender, the Funds may also be subject to penalties for violation of usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. In addition, bankruptcy laws may delay the ability of the Funds to realize on collateral for loan positions held by them or may adversely affect the priority of such loans through doctrines such as Equitable Subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

### *Distressed Investments*

The Funds are permitted to purchase, directly or indirectly, investments that are experiencing significant financial or business distress, including securities, companies or real estate assets involved in bankruptcy or other reorganization and liquidation proceedings. Many of these investments ordinarily remain unpaid unless and until the investment is reorganized and/or emerges from bankruptcy proceedings, and as a result could have to be held for an extended period of time. A wide variety of considerations, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others could affect the value of these investments. The uncertainties inherent in evaluating such investments could be increased by legal and practical considerations which limit the General Partners' access to reliable and timely information concerning material developments affecting an investment, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. There can be no assurance that the General Partners will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action.

### *Investments in Mortgage-Related Assets*

While the Funds intend to invest primarily in equity interests, a Fund may make certain investments in mortgage-related assets. The investment characteristics of mortgage-related securities differ from traditional debt securities. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, such investments may exhibit additional volatility. This is known as extension risk. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Fund because the Fund will have to reinvest that money at the lower prevailing interest rates. This is known as contraction risk.

Over the past several years, events in the real estate and securitization markets, as well as the debt markets and the economy generally, have caused significant dislocations, illiquidity and volatility in the market for mortgage-backed securities, as well as in the wider global financial markets. Declining real estate values, coupled with diminished availability of leverage and/or refinancings for commercial and multifamily real estate has resulted in increased delinquencies and defaults on commercial and multifamily mortgage loans. In addition, the downturn in the general economy has affected the financial strength of many commercial and multifamily real estate tenants and has resulted in increased rent delinquencies and increased vacancies. The default rate and price volatility of mortgage-backed securities may continue to increase as a result of delinquencies losses, lower recoveries on underlying mortgage pools and the other factors described, which in turn may materially and adversely affect the value of a Fund's assets.

Additionally, credit lease loans may not require principal payments until maturity, and thus may require payment in full of the balance at maturity (i.e., balloon loans). Balloon loans pose a special payment risk because at maturity, the lessee must either (a) purchase the property for an amount equal to the outstanding balance or (b) cause the respective mortgaged property to be sold whereby the proceeds from such sale will be used to repay the credit lease loan. If the lessee is unable to pay the lump sum upon default or final maturity or to refinance such amount at final maturity, a Fund may suffer a loss if the collateral for such credit lease loan is insufficient or unavailable to pay the related loan.

### *Risks Related to Exit Strategy*

The ability of a Fund to achieve successful and profitable exits from its portfolio investments and/or other investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio investment, security or asset at the time a Fund seeks a realization. There can be no assurance that a Fund will be able to dispose of its investments at the price and at the time it wishes to do so. A Fund may be required to expend funds to correct defects or to make improvements before an investment in a property can be rented or sold. No assurance can be given that a Fund will have funds available to correct those defects or to make those improvements. In acquiring a property through a joint venture or similar vehicle, a Fund may agree to lock-out, rights of first refusal, first look, buy/sell mechanisms or similar provisions that materially restrict it from selling that property, or its interest in the investment vehicle, for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others could impede a Fund's ability to respond to adverse changes in the performance of its properties and could significantly affect the Fund's

financial condition and operating results. In addition, the ability to exit an investment will depend upon, among other things, the ability of a potential buyer to secure the financing necessary to consummate a sale, favorable market conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. Investments in publicly traded companies (including publicly-traded REITs) may also be subject to legal or contractual restrictions on resale, including the possibility that the General Partner or the Adviser will be in possession of material non-public information about the company. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio investment at the time a Fund seeks a realization.

### *Liquidation of Investments*

Investors should be aware of the inherent conflicts of interest that arise if a Fund or other Related Fund liquidates an investment that is also held by a Fund. The sale of such investment by such Fund or other Related Fund may not be optimal timing for a Fund and could negatively impact the value of such investment if it continues to be held by such Fund, especially in the case of illiquid investments. If the sale by a Fund or other Related Fund of a common investment would require the sale of such investment by a Fund, such sale could be at a price and/or on other terms that are less favorable than the price and/or other terms that could have been received by such Fund if it was able to continue to hold such investment and sell it at a later time. In addition, it is possible that a Fund will not be able to dispose of a common investment because the disposition is not in the interest of the Funds or other Related Funds holding such investment, in which case such Fund would likely be required to continue holding the investment, including, potentially after the expiration of such Fund's term (in which case the limited partners will continue to bear management fees with respect to such investment).

### *Investments Longer Than Term*

The Funds may invest in investments which may not be advantageously disposed of prior to the date that a Fund will be dissolved, either by expiration of a Fund's term or otherwise. A Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution or continue to hold such investments until they may be disposed. Certain investments may be held by one or more Funds or other Related Funds, and certain conflicts will emerge in connection with the management and disposition of investments if those Funds or other Related Funds have different terms and objectives. In addition, a potential exists for investments that cannot be liquidated within the term of a Fund to be distributed in-kind to the investors upon the dissolution of such Fund.

### *Limitations on Liquidity*

The sale of investments may be subject to restrictions imposed by the applicable securities or other laws of the countries in which the Fund invests. In addition, practical limitations may inhibit the Fund's ability to liquidate certain of its investments when the Fund owns a relatively large percentage of a portfolio investment. Sales may also be limited by market conditions, which may be unfavorable for sales of certain assets. The limitations on liquidity of the Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

### *Risks Regarding Dispositions of Portfolio Investments*

In connection with the disposition of an investment, the Fund or its affiliates may be required to make representations and warranties typical of those made in connection with the sale of the asset or business. The Fund or its affiliates may also be required to indemnify (or to otherwise participate in the indemnification of) the purchasers of an investment to the extent that any of these representations and warranties turns out to be inaccurate or misleading. These arrangements may result in liabilities for the Fund, depending upon recontribution obligations owed with respect to the portfolio investment. Liabilities incurred by the Fund in connection with the disposition of interests in portfolio investments may cause the Fund to recall distributions made to Limited partners.

### *Control Investments*

It is expected that the Funds, either alone or together with other Related Funds, will typically obtain controlling interests in certain of the portfolio investments in which they invest. The exercise of such control may result in additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws), pension plan underfunding, or other types of liability in which the limited liability generally applicable to business ownership may be challenged. If any of these liabilities were to arise, the Funds could suffer a significant loss.

### *Non-Control Investments*

The Funds may also hold non-controlling interests in certain portfolio investments and, therefore, may have a limited ability to protect their position in such portfolio investments. As a condition of making non-controlling investments in portfolio investments, the Funds will typically seek to obtain appropriate shareholder rights to protect the Funds' investments, but they may not necessarily pursue or obtain such rights in all cases. If a Fund does not have a controlling position or other shareholder rights to protect its interests, it is possible that a portfolio investment could take actions that negatively impact the value of a Fund's investment or that prevent a Fund from disposing of its investment in the portfolio investment. The mere fact that the General Partner of a Fund disagrees with decisions made by other investors in a portfolio investment likely will not trigger any particular ability of a Fund to dispose of its investment in such portfolio investment, with the result that the value of a Fund's investment in a portfolio investment may be materially impacted by the decisions of other investors. In addition, in certain situations, including where the businesses are in bankruptcy or undergoing a reorganization, minority investors may be subject to the decisions taken by majority investors, and the outcome of a Fund's investment may depend on such majority controlled decisions, which decisions may not be consistent with a Fund's objectives.

### *Operating and Financial Risks of Portfolio Investments*

Portfolio investments often face intense competition, including competition from companies or properties with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, or a larger number of qualified managerial and technical personnel. As a result, portfolio investments that the Adviser expects to be stable at times will likely operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position or have a weak financial condition

or be experiencing financial distress.

### *Increasing Property Taxes*

The cost of property taxes may be a significant component of the Fund's expenses. Potential properties are subject to real and personal property taxes that are expected to continue to increase as tax rates change and as the real properties are assessed or reassessed by taxing authorities. As owner of such properties, the Funds are ultimately responsible for payment of the taxes to the applicable government authorities. If real property taxes increase, the Fund's expenses will increase. If the Funds fail to pay any such taxes, the applicable taxing authority may place a lien on the real property and the real property may be subject to a tax sale.

### *Losses Not Covered by Insurance*

The Funds' investments are expected to be covered by comprehensive liability, fire, extended coverage, and rental loss insurance, with policy specifications and insured limits that the Fund believes are adequate and appropriate under the circumstances. Some types of losses, such as from terrorism, natural disasters or disease epidemics, may be uninsurable or not economically insurable. In addition, many insurance carriers are excluding asbestos-related claims, certain environmental-related claims and most mold-related claims from standard policies. The Funds will evaluate the availability and cost of additional insurance coverage for such claims. If the Funds decide to purchase insurance for terrorism, asbestos, mold or environmental liabilities, the cost could have an adverse effect on the Funds' results of operations. If an uninsured loss or a loss in excess of insured limits occurs on a Fund investment, the Funds could lose capital invested in an investment, as well as the anticipated future revenues from an investment and, in the case of debt that is recourse to the Funds, the Funds would remain obligated for such debt. Any loss of this nature would adversely affect the Funds.

The Funds may also require, prior to lending on a given real estate asset, that the owner or property manager obtain suitable comprehensive liability, fire and extended coverage insurance for the property of the types and in the amounts customarily obtained for similar properties. Inflation, changes in building or zoning codes and ordinances, environmental considerations, and other factors may also make it infeasible to use insurance proceeds to replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by the Funds might not be adequate to restore its economic position with respect to the affected asset. Because the Funds are pooled investment funds, all Fund assets may be at risk in the event of an uninsured or underinsured liability. See also "*Conflicts of Interest—Insurance Expenses*" below.

### *Third-Party Litigation*

In addition to litigation relating to the bankruptcy process, a Fund's investment activities subject it to the normal risks of becoming involved in litigation by a portfolio investment, its other security holders or creditors, governmental agencies or other third parties, including novel and/or speculative litigation brought by third party claimants. This risk is somewhat greater where the Funds exercise control or significant influence over a portfolio investment's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Funds and would reduce net assets.

### *General Risks Associated with Non-U.S. Investments*

Investments in non-U.S. companies, properties, and other assets frequently involve certain additional risks due to non-U.S. economic, political and legal climates, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on income, dividends, interest payments, capital gains, or gross proceeds, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, there frequently is less information publicly available about a non-U.S. issuer than about a U.S. issuer, and issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than is the case with U.S. issuers. As a result, information available to the Funds may be less reliable and less detailed than information available in more developed countries, and the Funds' due diligence reviews may provide less information than reviews conducted in more developed countries.

The securities of some non-U.S. governments, companies and non-U.S. securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Moreover, the expenses normally associated with non-U.S. investments often exceed those associated with U.S. investments. Certain countries may restrict foreign investment in the securities of issuers operating in that country. These restrictions or controls may at times limit or preclude foreign investment in certain issuers and increase the costs and expenses of the Funds. Certain countries require governmental approval prior to investments by foreign persons or limit the amount of investment by foreign persons in a particular company, or limit investment by foreign persons to a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by nationals.

### *Inflation*

Certain countries in which the Funds may invest have historically experienced substantial rates of inflation, and the rapidly growing nature of an emerging economy may lead to higher rates of inflation. Inflation and rapid fluctuations in interest rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging economies. Past governmental efforts to curb inflation have included wage and price controls, as well as more drastic economic measures that have had a materially adverse effect on the level of economic activity in the affected country. In particular, a number of countries globally are currently experiencing higher inflation levels. The current inflationary environment could negatively impact the capitalization rates at which assets that a Fund will hold are priced and could disrupt settled expectations around long-term interest rates in the U.S. and in other developed markets. There can be no assurance that inflation will not continue to be a serious problem in the future and thereby negatively affect the Funds' investment returns.

### *Deflation*

Deflation could reduce the value of investments as economic growth is often negatively impacted by consumers and businesses delaying purchase decisions as prices reduce. Deflation may also make it more difficult for investments which are leveraged at the asset level to meet or service their debt obligations, due to reductions in revenues and increases in the size of the debt relative to the

overall value of a portfolio investment.

Periods of deflation are often characterized by a tightening of money supply and credit, which could limit Funds' ability to leverage investments, and so limit the number and size of investments that the Funds may make and affect the rate of return to Fund limited partners. Such economic constraints could also make the Funds' investments more illiquid, preventing the Funds from realizing such investments.

#### *New Sector in Certain Jurisdictions*

Private fund and/or real estate investing is in its early stages in certain countries, and in this respect these types of investments are riskier than other more established asset classes in those countries. Additionally, given the sector's relatively short history in certain countries, it may be difficult for an investor to assess the potential future performance, regulation, taxation and risks associated with expanding investments in this sector in those countries. In particular, private fund investing in certain countries may not currently be as heavily regulated as it is in the United States. As a result, these countries may be more likely to introduce new regulations during the term of the Funds. For example, with the development of this sector, new regulations may be promulgated by governments which can impact: (i) the operations of any investment funds denominated in foreign currencies and/or (ii) offshore U.S. dollar-denominated funds seeking to invest in foreign countries. There can be no assurance that such new regulations, when implemented, will not have a negative impact on the Funds and their investments in the applicable jurisdiction.

#### *Investments in Emerging Markets*

To the extent that the Funds invest in real estate in emerging or less-developed markets, the Funds may be subject to more substantial risks in political and macro-economic conditions that are not usually associated with similar investments in the United States and other industrialized democracies. The economies of emerging markets may perform favorably or unfavorably compared with more developed economies in such respects as growth of gross domestic product, rate of inflation, currency appreciation or depreciation, capital reinvestment, resource self-sufficiency and balance of payments. The economies of emerging markets generally are heavily dependent upon international trade and, accordingly, may be affected adversely by protective trade barriers and economic conditions in the countries with which they trade. In addition, the economies of certain emerging markets are vulnerable to weaknesses in world prices for their commodity exports.

Emerging markets have in the past experienced, and are likely in the future to experience, interest rate volatility, extensive external debt, lack of financial liquidity, high rates of inflation, and stock market volatility, which have contributed to declines in business and consumer spending in addition to other adverse market conditions. Although such events may at times create significant investment opportunities leading to attractive returns, there can be no assurance that economic and financial difficulties will not adversely affect the value of the Funds' investments or make it more difficult for the Funds to locate appropriate investment opportunities.

Differences may remain between the degree of sophistication of the legal systems of many developing countries and the degree of sophistication of the body of commercial law and practice typically found in more developed countries. The lack of comprehensive and enforceable legal



systems in some developing countries may adversely affect the Funds' investments and prevent the Funds from effectively enforcing their rights. As a result, the Funds or a portfolio investment may have difficulty in successfully pursuing claims in the courts of such countries. Furthermore, to the extent the Funds or a portfolio investment may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which the Funds invest, there can be no assurance that such courts will enforce such judgment. The validity and enforceability of contracts in such countries, particularly with governmental entities, is relatively uncertain. In addition, bankruptcy regulations in some emerging markets are still developing. There is no assurance that the Funds could accurately anticipate the outcome of any bankruptcy proceedings in emerging markets.

Additional risks associated with investing in emerging markets include: (i) greater risk of expropriation, confiscatory taxation, nationalization, social and political instability (including the risk of changes of government following elections or otherwise) and economic instability; (ii) the relatively small current size of some of the markets for securities and other investments in emerging markets issuers and the current relatively low volume of trading, resulting in lack of liquidity and in price volatility; (iii) increased risk of national policies which may restrict the Fund's investment opportunities, including restrictions on investing in industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the potential for higher rates of inflation or hyper-inflation; (vi) increased currency risk and risk of the imposition, extension or continuation of foreign exchange controls including managed adjustments in relative currency values; (vii) increased interest rate risk and credit risk; (viii) lower levels of democratic accountability; (ix) greater differences in accounting standards and auditing practices which may result in increased risk of unreliable financial information and (x) different corporate governance frameworks. The emerging markets risks described above also increase counterparty risks for investments in those markets. In addition, investor risk aversion to emerging markets can have a significant adverse effect on the value and/or liquidity of investments made in or exposed to such markets and can accentuate any downward movement in the actual or anticipated value of such investments which is caused by any of the factors described above.

#### *Local Intermediary Risks*

Certain of the Funds' transactions may be undertaken through local brokers, banks or other organizations inside or outside the U.S., in which case the Funds will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Funds would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Funds to a variety of risks including theft, loss and destruction. The Funds may also rely upon the general soundness of the banking systems outside the U.S., which, in some cases, remain relatively under-developed or unstable compared to developed markets such as the U.S.

#### *Risks of Multi-Step Acquisitions*

In the event a Fund chooses to effect a transaction by means of a multi-step acquisition, there can be no assurance that the remainder (i.e., follow-on steps in such acquisitions) can be successfully acquired. This could result in a Fund having only partial control over the investment or partial

access to its cash flow, including to service debt incurred in connection with the acquisition.

### *Privatizations*

The Funds may invest in state-owned enterprises that have been, or will be, transferred from government ownership to private ownership. There can be no assurance that any privatizations will be undertaken or, if undertaken, successfully completed. Changes in political or economic factors would result in changes in government policies towards privatization, and it is possible that governments may decide to return projects and companies to state ownership. In such scenarios, the level of compensation that would be provided to the private companies concerned cannot be accurately predicted, but could be substantially less than the amount invested in such companies. Recent privatizations and exits from these transactions have triggered relatively extreme political and regulatory reactions, which may curtail or otherwise adversely impact the Funds' investments in state-owned enterprises.

### *Fraud*

The value of investments made by the Funds may be adversely affected by material misrepresentations, omissions, inaccuracies or incompleteness on the part of the Joint Venture Partners or owners (or other counterparties) of portfolio investments in which the Funds invest. Such material misrepresentation, omission, inaccuracy or incompleteness may undermine the Adviser's due diligence efforts with respect to such Joint Venture Partners or portfolio investments and, if discovered, negatively affect the valuation of the Funds' investments and real estate assets. In addition, when discovered, material misrepresentations, omissions, inaccuracies or incompleteness may contribute to overall market volatility that could negatively impact the Funds' investments. In the event of a material misrepresentation, omission, inaccuracy or incompleteness by any portfolio investment in which a Fund invests, a Fund may suffer a partial or total loss of its capital invested in that portfolio investment.

## ***Certain Regulatory and Tax Risks***

### *Absence of Regulatory Oversight*

The Funds have not registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment company pursuant to the Investment Company Act, in reliance on an exemption under Section 3(c)(7) of the Investment Company Act, or with any other regulatory or governmental authority as a regulated or registered fund in a jurisdiction other than the U.S. Investors will not be afforded the protections of the Investment Company Act.

### *Investments in Regulated Industries*

The Funds are expected to make real estate investments related to life sciences, including the healthcare, pharmaceutical and biotechnology sectors, which are generally subject to greater amounts of regulation than other industries. Greater amounts of governmental regulation could pose additional risks relative to investments in other assets. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures and/or regulatory capital requirements in the case of

banks or similarly regulated entities.

The success of the Funds' investments may be dependent upon tenants obtaining certain government approvals. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a life sciences or medical technology company's products are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration (the "FDA") and other regulatory agencies in the United States and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing, is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a tenant of a property owned by the Funds will be able to obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. If tenants in properties owned by the Funds are unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, such tenants may experience significant adverse effects, which in turn, could negatively affect the performance of the Funds.

### *Evolving Legal and Regulatory Regime*

The regulatory environment for private investment funds, their managers and advisers, is evolving, and changes in regulation could occur during the term of the Funds that may adversely affect the Adviser, the Funds and their investment results, and/or some or all of the Funds' Investors or lead to decreased investment returns, increased taxes or other costs. New laws and/or revised rules, regulations or guidance imposed (including thematic work by governments or regulators which indicates that new laws, rules or guidance may be forthcoming) or supervised by the UK Financial Conduct Authority (the "FCA"), the SEC and other governmental regulatory authorities and self-regulatory organizations or industry bodies that supervise the financial markets could adversely affect the Funds. For example, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of the Adviser and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed and adopted a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Adviser and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources are expected to be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the operations of the Funds. Additionally, in light of the changing global regulatory climate, the Funds' Advisers, the General Partners and/or the Funds may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market interests to potential investors. The effect of any future regulatory change(s) in such jurisdictions on the Funds could be substantial and adverse.

The U.S. Congress, the previous U.S. presidential administration and U.S. financial services agencies have previously taken various actions to amend but not repeal the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). In June 2017, the U.S. Treasury Department issued the first in a series of reports pursuant to a February 2017 executive order establishing core principles for financial regulation and directing the Treasury Department to

review then-current regulation of the financial services industry to accomplish, among other things, making financial regulation efficient, effective and appropriately tailored. In the June 2017 report, the Treasury Department recommended a number of changes both to federal banking and financial services regulation and statutes including the Dodd-Frank Act. Among the changes recommended by the Treasury Department Report were modifications that would ease regulatory burdens related to Section 619 of the Dodd-Frank Act and Regulation VV as adopted by the Board of Governors of the Federal Reserve (each as amended, the “Volcker Rule”). The Volcker Rule generally prohibits a banking entity from sponsoring or investing in private equity and hedge funds without a specific exemption or exclusion thereunder. In May 2018, Congress passed and the previous administration signed into law the Economic Growth, Regulatory Relief and Consumer Protection Act (“EGRRCPA”), which represented the first significant deregulatory piece of legislation amending the Dodd-Frank Act. The EGRRCPA is wide-ranging, affecting many financial services laws.

If the restrictions under the Dodd-Frank Act are further curtailed or repealed, banking entities may be subject to fewer restrictions on their investment activities, which may allow them to become more active in the markets and compete more actively with the Funds for investment opportunities and to sponsor funds that compete with the Funds for investment opportunities. The Dodd-Frank Act also imposes increased recordkeeping and reporting obligations on the Fund Advisers with respect to the Funds. Records and reports relating to the Funds that must be maintained by the Advisers and that are subject to inspection by the SEC include: (i) assets under management and use of leverage (including off-balance-sheet leverage); (ii) counterparty credit risk exposure; (iii) trading and investment positions; (iv) valuation policies and practices of the Fund; (v) type of assets held; (vi) side arrangements or side letters; (vii) trading practices; and (viii) such other information as the SEC, in consultation with the U.S. Financial Stability Oversight Council, determines is necessary and appropriate. This is in addition to books and recordkeeping requirements that all Fund Advisers are required to maintain and produce upon inspection by the SEC. While the Dodd-Frank Act subjects such records and reports to certain confidentiality provisions, no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact on the Funds, the Fund Advisers or any limited partner. In addition, the new recordkeeping and reporting requirements and enhanced SEC scrutiny and audits may increase the Funds’ compliance, administrative and other operational costs. As it is unclear whether and how the current U.S. presidential administration and the U.S. Congress will further amend, or even repeal, the Dodd-Frank Act and what other legislative, regulatory and executive actions may be taken, it is difficult to predict how the Funds will be affected by any such legislative, regulatory or executive actions. Depending on the nature of any changes to the Dodd-Frank Act, such changes may prove detrimental to the Funds.

One of the recently proposed amendments to existing rules promulgated under the Advisers Act would potentially require changes to the operation of private funds managed by registered investment advisers. The proposed rules impose new and more stringent requirements relating to the custody and safeguarding of client assets and relationships with custodians. These proposed rules are subject to notice and comment and may be revised substantially before being adopted. There can be no assurances that any final rules will be promulgated, what the terms of the final rules will be if promulgated and when any such rules would take effect. Any such final rules may result in increased costs, expenses and compliance burdens for the Adviser and/or the Funds and may require amendments to certain agreements and / or offering documents, the costs of which will

be borne by the Funds.

Furthermore, in October 2020, the Board of Governors of the Federal Reserve System and four other federal agencies adopted amendments to the Volcker Rule provisions relating to “covered funds.” Among other things, these amendments permit certain banking entities and employee securities companies to co-invest in an unlimited amount alongside private equity funds, real estate funds, infrastructure funds, energy funds and other funds, so long as all the investments are permitted by applicable laws. These amendments have the effect of allowing banking entities and their affiliates to compete more actively with the Funds for investment opportunities and to sponsor funds that compete with the Funds for investment opportunities.

The Funds may be adversely affected by these and other changes in the enforcement or interpretation of existing statutes and rules by these or other regulatory authorities or self-regulatory organizations. Further, the SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, which may have an adverse impact on the business of the Funds or one or more of the portfolio investments. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Funds conducts business. In particular, changes in the regulation of private investment funds may adversely affect the ability of the Funds to obtain the leverage it might otherwise seek. See also “— Costs of Complying with Regulations” below.

Additionally, the Adviser, the General Partners and the Funds are subject to U.S. laws governing overseas investment, including the Foreign Corrupt Practices Act, and to anti-corruption laws of other jurisdictions. New laws or revised regulations, including those imposed by the SEC, other governmental regulatory authorities, self-regulatory organizations or industry bodies that supervise the financial markets that could adversely affect the Funds, may be adopted in the future. Enforcement actions under these and other laws, including with respect to allegations beyond Bain Capital’s control, could adversely affect the Funds and the Adviser.

#### *Private Funds Rules*

In recent years, the SEC has proposed and adopted several new rules that will increase governmental scrutiny of the private equity industry. In particular, on August 23, 2023, the SEC voted to adopt previously proposed new rules and amendments (collectively, the “Private Fund Rules”) to existing rules under the Advisers Act specifically related to registered investment advisers and their activities with respect to private funds. On September 1, 2023, several trade groups representing private fund managers filed a legal challenge to the Private Fund Rules in the U.S. Court of Appeals for the Fifth Circuit and other legal challenges to the Private Fund Rules may be forthcoming. To the extent that such lawsuits are not successful, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

The Private Fund Rules, and any other new rules or regulations relating to private funds, are expected to materially impact the operation of the Funds and/or their investments, including by increasing expenses borne by Fund limited partners and restricting certain activities. Significant time and resources may be required to comply with such new regulations. The Adviser and the

Funds' compliance burdens and associated costs, including insurance expenses and any expenses associated with the Funds' independent audit (which, to the extent permitted under the limited partnership agreements (or other analogous organizational documents) and consistent with applicable law (including the Private Fund Rules), will be treated as partnership expenses) will likely increase. The Adviser will also be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which would likely negatively impact the Funds' reputation as well as its investment activities, thereby materially reducing returns to investors. There can be no assurance that the Private Fund Rules and any other new SEC rules and amendments will not have a material adverse effect on the Adviser, the Funds, their investments and/or any Fund limited partners.

#### *International Organization of Securities Commissions*

Thematic work by governments, agencies, regulators and formal and informal groups comprising such members (whether internationally, in specific regions or domestically) may lead to new law or regulation (or changes to existing law and regulation). For example, the Board of the International Organization of Securities Commissions published, in September 2023, a report containing a thematic analysis on emerging risks in private finance, which made a number of observations on a variety of issues of interest to private equity strategies and alternative investment fund managers more broadly with such issues including conflicts of interest, aspects of the offering and organization of private funds, certain types of sales and exit, and market conditions and risks. Any such new law or regulation resulting from this, or other similar thematic work, may result in adverse impacts or additional costs or compliance obligations for any of the Adviser, the Funds and/or their investments.

#### *Speculative Position Limits*

The Commodity Futures Trading Commission (the "CFTC") and various exchanges have established limits referred to as "speculative position limits" or "position limits" on the maximum net long or net short number of positions which any person or group of persons may own, hold or control in various futures contracts and options on such contracts, as well as, in the case of certain agricultural, energy and metal commodities, economically equivalent swaps. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if a Fund does not intend to exceed applicable position limits, it is possible that different clients managed by the Adviser and its affiliates may be aggregated for this purpose. The European Union and some other jurisdictions are considering or implementing similar requirements and the full impact of these new rules is not yet known. Each Fund limited partner is responsible for complying with this requirement in connection with its investment in the Funds and any of its other investments, and should consult with its own legal advisors with regard to this requirement.

#### *Liability for Certain Pension Obligations*

Under Title IV of ERISA, employers who sponsor defined benefit pension plans or contribute to so-called "multiemployer" plans may be liable to the plan in the event of a full or partial plan termination or withdrawal from participation. This liability extends to other entities within the same "controlled group" as well as other "trades or businesses under common control". Recent case law

concludes that an entity such as a Fund, could be treated as a “trade or business” for this purpose, depending upon the level of active management of a portfolio investment that a Fund engages in and certain other factors. If a Fund were to be deemed a “trade or business” with the requisite level of ownership of an investment (generally 80% or more), a Fund itself could face liability for the Title IV obligations of those investments, as could any other investment in which the Funds owns an 80% or greater interest.

### *Costs of Complying with Regulations*

The operations of the Funds and tenants in properties owned by the Funds are subject to material U.S. federal, state and local laws, rules and regulations, as well as the laws, rules and regulations of non-U.S. jurisdictions, which could materially adversely affect the Funds. Generally, real estate properties are subject to various laws, ordinances, rules and regulations, including regulations relating to lien sale rights and procedures. In certain jurisdictions tenants benefit from legal protections, such as the right to request a rent reduction when market rents decrease, the right to terminate a lease before the stated terms ends or rent control programs that reduce the ability of an owner to raise rents. In addition, property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state. Changes in U.S. federal, state and local laws, rules and regulations, and, to the extent applicable, non-U.S. laws, rules and regulations, could negatively affect the ability of the tenants in properties owned by the Funds to make lease payments to the Fund and, therefore, the Fund, its returns and cash available for distribution to holders of Interests, if any.

In addition, any further increases in the regulations applicable to private investment funds generally or the Funds, the Fund’s General Partner or the Adviser in particular may result in increased expenses associated with the Fund’s activities and additional resources of the Adviser being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for Limited partners or have an adverse effect on the ability of the Fund to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the General Partners and the Adviser and may furthermore place the Funds at a competitive disadvantage to the extent that a General Partner or the Adviser is required to disclose sensitive business information. There can be no assurance that the foregoing will not have an adverse impact on the Funds or otherwise impede the Funds’ activities. Given that the Funds will have investments and investors globally, they may need to comply with the most onerous regime applicable to them notwithstanding that other jurisdictions may deregulate or have less onerous requirements in place.

### *Compliance with Anti-Money Laundering Requirements*

In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the subscription agreements executed by investors will require certain representations verifying, among other things, such investors’ identity, the identity of beneficial owners/controllers (if applicable) and the source of funds used to purchase the limited partnership interests in the Funds, and will require the investors to provide additional information upon a General Partner’s request as a result of applicable anti-money laundering, financial crime, and counter terrorist finance requirements, which, in Europe in particular, are periodically renewed and changed over time (the EU is currently working on its Sixth Anti-Money Laundering Directive).

The General Partners may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the investors that the information has been so provided. The Funds' subscription agreements will authorize the General Partner to take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures, which steps may include prohibiting an investor from making further contributions of capital to the Funds, depositing distributions to which an investor would otherwise be entitled into an escrow account or causing the withdrawal of an investor from the Funds.

### *Sanctions, FCPA and Anti-Corruption*

Economic and trade sanction laws and regulations in the U.S., the EU, the United Kingdom ("UK") and other jurisdictions may prohibit the Funds from transacting, directly or indirectly, with certain countries, territories, entities and individuals. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the U.S. Department of State's Office of Economic Sanctions Policy and Implementation ("ESPI") administer and enforce laws, executive orders, regulations and related authorities establishing U.S. economic and trade sanctions. Such economic and trade sanctions prohibit, among other things, transactions with, and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals (each a "Sanctioned Party," and collectively, "Sanctioned Parties"). These Sanctioned Parties include certain foreign countries and individuals and entities listed on OFAC's list of Specially Designated Nationals (as such list may be amended from time to time), which includes certain designated narcotics traffickers, certain entities and persons engaged in activities related to the proliferation of weapons of mass destruction and other parties subject to OFAC economic and trade sanctions programs. In addition, certain programs administered by OFAC and ESPI prohibit dealing with certain individuals or entities, including individuals or entities in certain countries or of certain nationalities, regardless of whether such individuals or entities appear on the lists maintained by OFAC and ESPI. Furthermore, OFAC imposes sanctions on entities owned 50% or more in the aggregate by one or more Sanctioned Parties as if the entity was itself a Sanctioned Party. It is possible that these types of U.S. and other economic and trade sanctions law and regulations may significantly restrict or completely prohibit a Fund's intended investment activities. In the United States, OFAC enforces sanctions civilly on a "strict liability" basis. The Adviser, the Funds and their portfolio investments may be exposed to monetary fines and penalties for failure to comply with U.S., EU, and/or UK sanctions.

The Adviser and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws and regulations, as well as U.S. anti-boycott regulations, to which they are subject. As a result, a Fund may be adversely affected because of its unwillingness to participate in transactions that may violate such laws or regulations. Such laws and regulations may make it difficult or impossible in certain circumstances for a Fund to act expeditiously or successfully on investment opportunities and for portfolio investments to obtain or retain business. Additionally, failure to comply with such laws and regulations may expose the Adviser, the Funds and their portfolio investments, to risk of civil and criminal penalties, fines, debarments, and loss of future business.

Furthermore, if after subscribing to a Fund an investor is determined to be a Sanctioned Party, such Fund may be required to cease any further dealings with the investor's limited partnership interest



until such sanctions are lifted or a license is sought under applicable law to continue dealings with such investor. For the avoidance of doubt, the General Partners have the sole discretion to determine if an investor is subject to sanctions and is under no obligation to seek a license to continue dealing with such investor. As such, a General Partner may “freeze” the Sanctioned Party’s capital account, prohibit further Capital Contributions from or distributions to such Sanctioned Party, and make any required filings or notices to regulators and lenders. Although Bain Capital expends significant effort to comply with the sanctions regimes in countries where it operates, one of these rules could be violated by the Funds’ activities or investors, which could adversely affect the Funds. Further, addressing a Sanctioned Party may result in additional expenses to the Funds and may require Fund limited partners to cover shortfalls resulting from the Sanctioned Party not being permitted to make capital contributions.

Also, as a result of sanctions, the Funds may be required to sell securities and other Fund investments at prices and times that it otherwise would not have done so if not for the sanctions. While the General Partners will use commercially reasonable efforts to mitigate any such situation, such situations could still adversely affect the Funds and the Fund limited partners’ returns.

Finally, sanctions could also result in other actions that adversely affect the Funds and Fund limited partners’ returns, including but not limited to assets or other investments of the Funds being frozen or otherwise rendered inaccessible, the Funds being required to terminate existing agreements with service providers or other parties and/or the Funds losing access to particular markets or related infrastructure.

#### *CFIUS and National Security/Investment Clearance*

In some cases, investments by the Funds involving the acquisition of or investment in a U.S. business or assets with a nexus to U.S. interstate commerce (including a U.S. subsidiary of a company domiciled outside of the U.S.) could be subject to review and approval by the Committee on Foreign Investment in the United States (“CFIUS”) and/or non-U.S. national security/investment clearance regulators. In the event that CFIUS or another regulator reviews one or more of the Funds’ proposed or existing investments, it is possible that CFIUS or another regulator will seek to impose limitations on or prohibit one or more of the Funds’ investments or unwind a transaction. Such limitations or restrictions may prevent the Funds from pursuing certain investments, cause delays with respect to consummating such investments or require the Funds to consummate an investment on terms that are less advantageous than would be the case absent such restrictions. Where a Fund is required to unwind a transaction, in addition to incurring additional legal, administrative and other costs, the Fund may have to dispose of the investment at a price that is less than it would have received had the Adviser managed the investment to exit at a different time or under different circumstances. Any of these outcomes could adversely affect a Fund’s performance with respect to such investments, and thus such Fund’s performance as a whole. Significant CFIUS reform legislation and regulations, which became effective on February 13, 2020, among other things, expanded the scope of CFIUS’ jurisdiction to cover more types of transactions and empowered CFIUS to scrutinize more closely investments in U.S. assets, including investments involving foreign limited partners or co-investors that may be deemed “non-passive.”

Certain of the limited partners of the Funds are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Funds’ aggregate capital commitments, which

may increase the risks that portfolio investments may be subject to review by CFIUS and that such restrictions, limitations, or conditions will be imposed by CFIUS on the Funds' investments. While the Funds may take steps (including, but not limited to, placing limitations on limited partners' rights) to help ensure that portfolio investments are not within the jurisdiction of CFIUS or to improve the Funds' regulatory profile to help obtain approval of CFIUS, there can be no assurance that any restrictions implemented on any such investor or any such group of investors will allow the Funds to maintain, or proceed with, any investment, that the Funds' investments will be exempt from CFIUS requirements, or that CFIUS will not seek to ask questions about a transaction or will approve a particular transaction. A failure to notify CFIUS of a transaction where such notification was required or otherwise warranted based on the national security considerations presented by an investment target may expose a Fund and/or a portfolio investment to legal penalties, costs, and/or other adverse reputational and financial effects, thus potentially diminishing the value of a Fund's investments. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. Moreover, the Funds may invest in companies that are, or may become, subject to CFIUS requirements based on pre-existing foreign ownership and control or status as "covered real estate"; in such cases, CFIUS requirements may adversely impact a portfolio investments ability to obtain or retain business or otherwise make it more difficult for the Funds to realize a profit from an investment.

#### *Potential Implications of Brexit*

Following the UK's withdrawal from the EU ("Brexit"), the UK and the EU entered into a free trade agreement on January 1, 2021 to govern their future relationship on a number of areas (the "Treaty"). Although the EU and the UK agreed upon the Treaty, trade in goods and services between the UK and the EU may be disrupted through the imposition of new customs checks, and processes at the border. The UK's departure from the customs union and the single market has rendered its access to EU markets significantly more restricted than it has been until now.

The Treaty does not cover the UK's future relationship with the EU on financial services. The EU and the UK have agreed on a memorandum of understanding establishing a framework for regulatory cooperation in financial services, which does not include a new framework for mutual market access. While some EU directives contemplate access to EU markets by financial services firms established in countries deemed to have equivalent standards, even if UK domestic law continues to be equivalent to EU law (which is not guaranteed), there is no certainty that the EU will facilitate equivalence decisions. Where the EU makes such equivalence decisions, it may unilaterally revoke them at short notice. It is therefore expected that there will be disruption in all areas in which there is currently harmonizing EU legislation, because the current legal framework has ceased to apply to the UK with nothing to replace it unless and until the UK negotiates alternative arrangements with the EU and/or with individual EU Member States.

The future application of EU-based legislation to the private fund industry in the UK will depend on the territorial scope of the Fund's operations and the actions of the UK government. Any re-negotiated terms or amended laws and regulations may have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased legal, regulatory or compliance burden for limited

partners, the Adviser and/or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

Brexit may have an adverse effect on the tax treatment of a Fund and its investments, in particular where reliance might have been placed on a UK entity's status as being in an EU Member State for the purposes of determining eligibility for benefits under a double tax treaty. In particular, depending on the agreed future application of EU law to the UK, EU directives preventing withholding taxes being imposed on intragroup dividends, interest and royalties may no longer apply to payments made into and out of the UK, meaning that instead, the UK's double tax treaty network would need to be relied upon. Further, there may be changes to the operation of value-added tax (VAT).

While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and elsewhere in Europe.

#### **Item 9. Disciplinary Information**

No material items exist as of this time.

#### **Item 10. Other Financial Industry Activities and Affiliations**

##### **Related General Partners**

Various limited partnerships serve as General Partners of the Bain Capital Real Estate Funds, and Bain Capital Real Estate Investors, LLC is the general partner or serves in a similar capacity of each of the General Partners.

##### **Affiliated Advisers**

The Adviser has several affiliated advisers based in the U.S., each of which focuses primarily on a different area of investment management, although such areas overlap from time to time (such advisers, together with the Adviser, the "U.S. Affiliate Advisers"). Each U.S. Affiliate Adviser is registered as an investment adviser with the Securities and Exchange Commission. The U.S. Affiliate Advisers currently include, in addition to the Adviser:

- Bain Capital Credit, LP (including its relying adviser subsidiaries based in the US) which uses fundamental credit analysis to identify attractive investment opportunities and seeks strong risk adjusted returns, primarily in credit products and fixed-income investments;
- Bain Capital Crypto, LP, the crypto affiliate of Bain Capital, whose primary objective is investing capital, knowledge and time to enhance protocol or company growth in crypto and blockchain technology sectors.
- Bain Capital Double Impact, LP, which focuses on equity investing in impact- or mission-oriented companies and more traditional companies with positive impact products and services;

- Bain Capital Insurance Solutions, LP, the insurance affiliate of Bain Capital, which advises private funds focused on investing in insurance companies and subadvises insurance dedicated funds;
- Bain Capital Life Sciences, LP, which focuses on equity investing in biopharmaceutical, medical device, diagnostics and enabling life science technology companies;
- Bain Capital Partnership Strategies, LP, the capital allocation affiliate of Bain Capital, which focuses on creating strategic partnerships with third-party fund managers, principally in the emerging markets public equity and independent return strategies;
- Bain Capital Private Equity, LP, which focuses on leveraged buyouts and growth capital in a wide variety of industries;
- Bain Capital Public Equity, LP, the public equity affiliate of Bain Capital, whose primary objective is investing in securities of publicly-traded companies that offer opportunities to realize substantial long-term capital appreciation;
- Bain Capital Tech Opportunities, LP, which focuses on equity investing in technology and technology-enabled companies;
- Bain Capital Ventures, LP, the venture capital affiliate of Bain Capital, which focuses on seed through late-stage growth equity investing in software, hardware, information, healthcare and technology-driven business services companies;
- BCPC Advisors, LP, a subsidiary of Bain Capital Credit, LP, which is an investment adviser to business development companies;
- BCSF Advisors, LP, a subsidiary of Bain Capital Credit, LP, which is an investment adviser to business development companies and a sub-adviser to registered investment companies; and
- Boylston Advisors, LP, (“Boylston”) which focuses on providing alternative investment opportunities to current and former personnel of Bain Capital and invests primarily in third party private fund managers via managed funds of funds and direct investments. In addition, Boylston related persons also serve as the general partners to investment vehicles whose primary purpose is to invest in, or coinvest with, funds managed by the Advisers and other Affiliate Advisers (as defined below) for the benefit of employees and former employees of Bain Capital, LP and its affiliates. Boylston is also registered as a Commodity Trading Advisor (“CTA”) with the Commodity Futures Trade Commission (“CFTC”).

In addition, Bain Capital Distributors, LLC, is a broker-dealer registered with the SEC and is a member of FINRA. Bain Capital Distributors places securities and instruments issued by certain private investment funds that the Adviser and its affiliates manage.

In addition to the U.S. Affiliate Advisers, Asset Resurgence Mauritius Manager, Bain Capital (Singapore) Pte. Ltd., Bain Capital (UK) Limited, Bain Capital Advisors (India) Pvt. Ltd., Bain Capital Asset Manager Mauritius, Bain Capital Credit (Asia) Ltd., Bain Capital Credit (Australia)

Pty. Ltd., Bain Capital Credit, Ltd., Bain Capital Investments (Europe) Ltd., Bain Capital Investments (Ireland) Ltd., Bain Capital Investments (Luxembourg) Sarl, Bain Capital Private Equity (Asia) Ltd., Bain Capital Private Equity (Europe), LLP, Bain Capital Private Equity (Japan), LLC, and India Resurgence Asset Management Business Pvt. Ltd., affiliates of Bain Capital, are licensed in their applicable jurisdictions with various regulators (together with the U.S. Affiliate Advisers, the “Affiliate Advisers”).

Each of the Affiliate Advisers’ investment activities are conducted independently, but the Affiliate Advisers may provide an extensive personal network and access to vertical industry expertise. In addition, personnel from other Affiliate Advisers sit on Bain Capital Real Estate’s investment committee. On occasion, the Funds may also benefit from attractive non-traditional investment opportunities from Affiliate Advisers.

Bain Capital has established other non-investment advisory related entities that are affiliates of the U.S. Affiliate Advisers. These entities do not provide investment advisory services and have been organized primarily to provide services incidental to the services of the U.S. Affiliate Advisers, such as servicing portfolio investments of the Funds.

### **Conflicts of Interest**

The discussion below reflects the current and expected practices of the Adviser and the Funds and practices vary among the Funds. Please refer to the limited partnership agreement (or analogous organizational document) of the applicable Fund for details regarding the practices of such Fund.

As a diversified private investment firm, Bain Capital and its affiliates, including the Adviser, engage in a broad range of activities, including investment activities for their own account (such as internal co-investment vehicles and/or other internal investment vehicles) and for the account of other investment funds, managed accounts or similar investment vehicles, in addition to providing investment banking, advisory, management and other services to funds, managed accounts or similar investment vehicles and operating companies, including portfolio investments of the Funds and their subsidiaries.

Bain Capital currently has several affiliated advisers, including the Adviser each of which focuses primarily on a different investment strategy, although such investment strategies overlap from time to time. The funds, managed accounts and other investment vehicles (including any co-investment vehicles) advised or managed by the Adviser (including parallel vehicles) from time to time are referred to as the “Funds” and the funds, managed accounts or other similar investment vehicles (including any co-investment vehicles) advised or managed by the Affiliate Advisers (including the Funds), which include internal investment vehicles of Bain Capital, are referred to as the “Related Funds.” In the ordinary course of conducting its activities, the interests of a Fund or its limited partners (or analogous equityholders) will, on occasion, conflict with the interests of another Fund, the Adviser or its affiliates (including the other Affiliate Advisers) or with one or more other Related Funds or their respective affiliates.

Additionally, the Adviser will establish certain investment vehicles through which certain personnel of the Adviser or its affiliates, or other persons are expected to invest in or alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as “co-investment

vehicles,” that are expected to invest in or alongside the Funds generally are created to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund, or after the corresponding purchase or sale by the Fund, subject to legal, regulatory, tax or other similar considerations. Such co-investment vehicles may not pay management fees or carried interest. If Bain Capital establishes the executive investor program, the terms of any executive investor investing in or alongside the Fund are expected to bear reduced or waived management fees or carried interest. A Fund may enter into loan agreements, guarantees and/or commitment letters on behalf of one or more co-investment vehicles, and if such co-investment vehicle fails to meet its obligations relating to such loan agreements, guarantees or commitment letters, any amounts owed as a result of such failure will be borne by such Fund. Certain personnel of the other Affiliate Advisers may also invest in, or alongside, one or more Funds through a co-investment vehicle. Conflicts may arise to the extent such personnel manage other Related Funds, the interests of which conflict with those of the Funds.

The following discussion describes certain actual and potential conflicts of interest that do or may exist among Bain Capital, the Funds, the Adviser, the other Affiliate Advisers, and the other Related Funds. Certain conflicts of interest which may be relevant to an investment in the Funds are described generally with respect to a Fund or a Related Fund. Dealing with conflicts of interest is complex and difficult, and new and different types of conflicts may subsequently arise. While Bain Capital and the Adviser have adopted policies and procedures to address such conflicts, no assurance can be made that these policies and procedures will have their desired effect. There may be certain situations where the organizational and administrative arrangements established by the Adviser will not be sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Funds and the limited partners will be prevented. There can be no assurance that Bain Capital or the Adviser will be able to identify all conflicts, or, if identified, resolve such conflicts in a manner that is favorable to the Funds.

### Resolution of Conflicts

Each of the Adviser and the Affiliate Advisers will deal with all conflicts of interest using its best judgment, but in its sole discretion. When conflicts arise among investment funds or accounts advised or managed by Affiliate Advisers, the Adviser will represent the interests of the Funds, and the participating Affiliate Advisers will represent the interests of the investment funds or accounts they advise. In resolving conflicts, the Adviser and the other Affiliate Advisers will generally consider various factors, including the interests of the Funds and the other Related Funds they advise in the context of both the immediate issue at hand and the longer-term course of dealing among the Funds and the other Related Funds.

From time to time, the Advisers and the Affiliate Advisers may determine to refer certain conflicts of interest to Bain Capital’s Allocation Committee (the “Allocation Committee”), comprised of senior Bain Capital personnel, for review and resolution, particularly in situations where the Advisers and the Affiliate Advisers are unable to resolve such conflicts. Similarly, the Allocation Committee may in its sole discretion determine to review and make determinations regarding certain conflicts of interest.

When conflicts arise between a Fund, on the one hand, and another Fund, on the other hand, the Adviser will seek to resolve the conflict. In doing so, the Adviser will generally consider various

factors, including the interests of a Fund and another Fund with respect to the immediate issue and/or with respect to the longer-term course of dealing among a Fund and the other Funds. In the case of all conflicts involving a Fund and other Funds, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts will be made in the Adviser's sole discretion except as required by the governing documents of the applicable Fund. There can be no assurance that the Adviser will be able to resolve all conflicts in a manner that is favorable to a Fund.

While the Affiliate Advisers endeavor to resolve all conflict in a fair and impartial manner, there can be no assurance that their own interests will not influence their conduct and decisions.

### Sources of Conflicts of Interest

The conflicts of interest that may be encountered by the Funds include those discussed below, although the discussion below does not describe all of the conflicts that may be faced by the Funds. Other conflicts are disclosed throughout this document and this document should be read in its entirety for other conflicts.

### ***Conflicts Relating to the Adviser, the General Partners of the Funds and Certain Affiliate Advisers***

#### *Adviser Personnel; Allocation of Time*

Personnel of the Adviser that are responsible for managing a Fund may have responsibilities with respect to Bain Capital, other Related Funds, including other Funds, and funds, managed accounts or similar investment vehicles that are raised in the future, and the existing investments of the Funds and/or such other Related Funds. Substantial time may be spent by such personnel making and monitoring the investments of other Funds and/or other Related Funds. Conflicts of interest may arise in allocating time, services or functions of such personnel.

In addition, the Adviser and/or its affiliates expect to provide Property Level Services (as defined below) to the Fund's portfolio investments (either directly or through one or more Service Companies (as described below)) and may perform a variety of other services including managing funds, managed accounts, similar investment vehicles, joint ventures and other arrangements. Such services may also include Advisory Services, Transaction Services (each as defined below) and/or other services relating to investments owned by the Funds, as well as any such services with respect to third parties. The Adviser and/or its affiliates (including a Service Company) may serve as the general partner or managing member of any funds, managed accounts, similar investment vehicles and joint ventures or otherwise provide such services and receive management, incentive and/or other fees that would not be offset against the management fee (as described in "—Other Services to Portfolio Investments" below). In addition, the existence of a Service Company may, in unlikely scenarios, create conflicts that affect the Adviser's evaluation of opportunities for the Fund or negotiation of arrangements on behalf of the Fund, including joint venture arrangements.

Certain members of the Adviser's investment committee could also serve on the investment committees of other Affiliate Advisers. Such individuals will have responsibilities to such other Affiliate Advisers and to other current or future Related Funds advised or managed by such Affiliate Adviser, including funds, managed accounts or similar investment vehicles that may be eligible to invest in assets eligible for purchase by the Funds, as well as to the portfolio investments and

investment activities of such Related Funds. Such personnel may have restrictions on the time and attention they devote to the Funds as a result of the requirements contained in the limited partnership agreements (or other analogous organizational documents) of the other Related Funds or otherwise. Conflicts of interest may arise in allocating time, services or functions of such personnel.

From time to time, members of a Fund's investment committee may face conflicts of interest in making investment decisions with respect to the Funds due to their membership on such investment committee, on the one hand, and their obligations to other Affiliate Advisers or Related Funds advised or managed by other Affiliate Advisers, on the other hand. Such conflicts of interests may result in decisions that are not exclusively in the interest of a Fund. Certain decisions may be more beneficial to a Related Fund than they are to a Fund. There is no guarantee that the policies and procedures adopted by a Fund, the terms and conditions of the limited partnership agreements (or analogous organizational documents) or the policies and procedures adopted by the other Affiliate Advisers' investment committees will enable a Fund to identify, adequately address or mitigate these conflicts of interest.

#### *Co-Investments Alongside Bain Capital Funds*

A Fund may, from time to time, make co-investments in transactions sourced by Bain Capital Private Equity, LP, the Affiliate Adviser which advises Related Funds that make private equity investments (the "Private Equity Adviser"), Bain Capital Ventures, LP, the Affiliate Adviser which advises Related Funds that make venture capital investments (the "Venture Adviser"), Bain Capital Public Equity, LP, the Affiliate Adviser which advises Related Funds that make public equity investments (the "Public Equity Adviser"), Bain Capital Credit, LP, the Affiliate Adviser which advises Related Funds that make credit and special situations investments (the "Credit Adviser"), Bain Capital Life Sciences, LP, the Affiliate Adviser which advises Related Funds that make equity investments in life sciences companies (the "Life Sciences Adviser"), Bain Capital Double Impact, LP, the Affiliate Adviser which advises Related Funds that make impact-oriented investments (the "Impact Adviser"), Bain Capital Tech Opportunities, LP, the Affiliate Adviser which advises Related Funds that make equity, growth equity, and opportunistic technology investments (the "Tech Opportunities Adviser"), Bain Capital Partnership Strategies, LP, the Affiliate Adviser which advises Related Funds that make investments in open- or close-ended funds, funds of one, separately managed accounts and strategies managed by a diverse pool of investment managers (the "Partnership Strategies Adviser"), Bain Capital Insurance Solutions, LP, the Affiliate Adviser which advises Related Funds that make investments in insurance-related companies (the "Insurance Adviser"), and Bain Capital Crypto, LP, the Affiliate Adviser which advises Related Funds that make digital asset investments (the "Crypto Adviser" and collectively with the Private Equity Adviser, the Venture Adviser, the Public Equity Adviser, the Credit Adviser, the Life Sciences Adviser, the Impact Adviser, the Tech Opportunities Adviser, the Partnership Strategies Adviser, and the Insurance Adviser, the "Co-Investment Advisers"). In addition, a Co-Investment Adviser may cause a Related Fund to make investments in transactions sourced by the Adviser.

When a Related Fund makes a private equity, real estate, venture, digital currency, public equity, life sciences, opportunistic technology, impact-oriented, partnership strategies, insurance, or credit investment, or a Co-Investment Adviser makes investments on behalf of managed accounts or other similar investment vehicles, or when the Funds make such an investment, the applicable Co-Investment Adviser will often, and the Adviser may, perform management, advisory, investment



banking, financial advisory and other services for, and will receive fees from, actual or prospective portfolio investments. Additionally, a portfolio investment of a Related Fund advised by a Co-Investment Adviser will generally reimburse the Adviser and/or such Co-Investment Adviser for expenses incurred by the Adviser and/or such Co-Investment Adviser in connection with its performance of services for such portfolio investment. Although the Adviser and/or a Co-Investment Adviser receives these fees and reimbursements from actual or prospective portfolio investments, the opportunity to earn these fees creates a conflict of interest between the Adviser and/or such Co-Investment Adviser, on the one hand, and, to the extent a Fund co-invests in the transaction, a Fund on the other hand, because the amounts of such fees and reimbursements are often substantial and a Fund typically will not share in such fees and reimbursements.

The Adviser may, in its discretion, recommend to a Fund or a portfolio investment of the Fund that it contract for services with a portfolio investment of another Related Fund or an entity with which the Adviser, another Affiliate Adviser, one of their affiliates or any other their personnel has a relationship or otherwise derives a financial or other benefit. While the Adviser will make decisions for a Fund in accordance with its obligations to manage a Fund appropriately, the fees, allocations, compensation and other benefits to the Adviser, another Affiliate Adviser or one of their affiliates arising from those decisions may be greater as a result of certain portfolio, investment, or other decisions made by the Adviser for a Fund than they would have been had other decisions been made which also might have been appropriate for a Fund.

#### *Affiliated Service Companies and Property Level Services*

The Adviser has formed, and expects in the future to form, acquire or otherwise establish, one or more affiliates or related entities of the Adviser (each a “Service Company” and together, the “Service Companies”) to provide property level services for investments of the Funds and/or engage in one or more other real estate services businesses. Such property level services are expected to include, among other things, development and construction management, asset management, property management and leasing services, and could also include design, group purchasing, site management, mortgage servicing, special servicing and asset management of REO, REIT compliance and shareholder administration, consulting and brokerage, capital markets/credit origination, loan servicing, property and/or other types of insurance, acting as trustee, acting as paying agent and other similar operating matters (collectively, “Property Level Services”). Such Property Level Services will be provided to the relevant investments of the Funds and are separate from and additional to the services which the Adviser will provide in respect of the Funds.

Separate Service Companies have been, and are expected in the future to be, established with respect to certain of the Funds’ platform joint ventures and such Service Companies will be either (i) wholly owned by the Adviser and/or its affiliates or (ii) partially owned by the Adviser and/or its affiliates, on the one hand, and partially owned by the relevant Joint Venture Partner, one or more other strategic partners and/or one or more other third parties, on the other hand. Each Service Company will employ a team of individuals, which could include in certain cases current and/or former employees of Bain Capital, and is permitted to hire and retain operating advisors for the purpose of providing the Property Level Services. The Service Companies are expected to enter into agreements with a Fund’s investments to provide such Property Level Services and receive fees in connection therewith (collectively, the “Property Level Service Fees”). To the extent such Property Level Service Fees are paid by a Fund’s investments, such Property Level Service Fees will be borne indirectly by the Fund and the management fee payable by the Fund will only be offset by 100% of the amount of the Fund’s pro rata share of such Property Level Service Fees

received the Adviser Group (as defined below) (including those allocated to the Adviser through a Service Company) for services rendered or to be rendered that are, in the aggregate, in excess of the amount that is reasonable in relation to the cost of obtaining similar services from qualified third parties. Such Property Level Service Fees will not otherwise be shared with or for the benefit of the limited partners. In addition, there is no offset for amounts paid by a Fund's investments or prospective investments for reimbursement of expenses incurred by the Adviser or its affiliates in connection with the provision of Property Level Services.

The Adviser expects that the fees received by the Service Companies will be reasonable in relation to the cost of obtaining similar services from qualified third parties. The Adviser will determine, in good faith but in its discretion, the cost of obtaining services similar to the Property Level Services provided by the Service Companies by benchmarking the value of such services against the cost for services (or a sub-set of similar services) provided by unaffiliated third parties that provide one or more of development and construction management, asset management, property management, leasing and other property services (including third party joint venture partners of other Funds which provide such services) similar to the Service Companies. In respect of benchmarking, while the Adviser expects to obtain benchmarking data regarding the rates charged or quoted by unaffiliated third parties (including third party joint venture partners of other Funds) for services similar to those provided by the Service Companies in the same real estate industry sector or sub-sector (e.g., office, retail, industrial, etc.) with the same or similar investment strategies (e.g., acquisitions, developments, adaptive reuse, etc.), relevant comparisons could potentially not be available for a number of reasons, including, as a result of a lack of a substantial market of providers or users of such services or the confidential, specialized or bespoke nature of such services (e.g., different assets may receive different services). Moreover, while the Adviser expects to benchmark such services against those provided by unaffiliated third-party firms providing services similar to the Service Companies, there can be no assurance that no other firm is not more qualified to provide the applicable services or could provide such services at lesser cost.

The relationship between the Adviser and the Service Companies will give rise to potential conflicts of interest between the Adviser, on the one hand, and the Funds, on the other hand, because the Adviser could be incentivized to utilize a Service Company instead of a Third-Party Service Provider. Further, nothing in the partnership agreements prohibits Service Companies from providing Property Level Services to, and receiving Property Level Service Fees from, investments of other Funds, investments of other Related Funds or from third parties, including buyers of one or more of a Fund's portfolio investments (or any asset thereof). As such, conflicts of interest could arise because the Adviser and its affiliates can potentially benefit to a greater extent in pursuing a sale to a buyer (including a continuation fund) that intends to retain a Service Company to provide post-sale Property Level Services. In such circumstances, any compensation or fees received by such Service Company is not subject to the management fee offset described above, or otherwise shared with the Funds or limited partners. Finally, while unlikely, certain persons that are involved in providing Property Level Services could be employed by multiple Service Companies. As the Service Companies are permitted to provide services to multiple investments of various Funds and/or provide services to third parties, in such circumstances, the Service Companies and such persons would likely face conflicts of interest in dedicating time and resources to a Fund's investments, other Funds' investments and such other third parties.

The Adviser will not be required by the investment management agreements (or limited partnership agreements or other analogous organizational documents of a Fund) of the Funds to provide a Fund or its limited partners with information regarding the amounts of the Property Level Service Fees. It will be the practice of the Adviser to disclose the aggregate amount of Property Level Service Fees paid by a Fund's portfolio investments during a given fiscal year, together with the

corresponding offset amounts, if any, in the audited financial statements for the applicable Funds.

#### *Other Services to Portfolio Investments*

In addition to the Property Level Services described above and the investment advisory services that the Adviser and/or its affiliates are expected to provide to the Funds and their portfolio investments, such persons are permitted to perform a variety of additional services for, and receive fees in respect of such services from, actual or prospective portfolio investments or other deal-related investment vehicles of the Funds (including, for the avoidance of doubt, joint ventures and other entities with another person or entity) in connection with certain Fund portfolio investments. While the Adviser expects the provision of such services to be infrequent based on a Fund's investment strategy, such services may include (i) ongoing corporate services, which may include, among other things, management, operational and strategic advice provided by the Adviser (together with any other advisory and similar services provided by the Adviser to portfolio investments of a Fund, "Advisory Services"), and (ii) services relating to transactions, which may include, among other things, investment banking, financial advisory, operational and transactional services (such as advice and consulting in connection with mergers, acquisitions, restructurings, add-on acquisitions, financings, refinancings, public offerings, sales, dispositions, and similar transactions), as well as monitoring and consulting services (collectively, "Transaction Services"). Fees or other compensation paid to the Adviser, its affiliates or its professionals for such services may be paid in cash, in securities of portfolio investments or investment vehicles (or rights thereto) or otherwise.

Although expected to be infrequent, prior to, or in connection with, closing an investment, the Adviser and/or its affiliates may enter into a management agreement with respect to the portfolio investment pursuant to which the Adviser and/or its affiliates are expected to provide, and be compensated for, a variety of services to such portfolio investment and will be reimbursed for its related expenses. Although the Adviser does not currently engage in such management agreements, if it did, the Adviser would typically receive one or more of the following: (i) a periodic fee related to Advisory Services, (ii) a transaction fee for Transaction Services (including financial advisory, investment banking and break-up fees), and (iii) reimbursement of out-of-pocket expenses incurred in connection with the provision of such services. Where a management agreement is not entered into in respect of a portfolio investment, other governing documents typically provide for reimbursement of out-of-pocket expenses incurred in connection with the provision of any services by the Adviser's professionals in respect of the applicable portfolio investment.

The appropriate fee for Advisory Services is generally expected to be determined by the Adviser, together with other co-investors (such as sponsor investors), if any, following negotiation with management of the portfolio investments and/or other investors, and, though infrequently based on the Adviser's business practices, and in other consultation with investors, prior to when the investment is closed. However, in certain circumstances, the appropriate fee for Advisory Services may be determined by the Joint Venture Partner participating in the relevant investments. The starting point for such fee is generally expected to be based on a relevant operating metric for the applicable portfolio investment, which the Adviser believes is an indicative proxy for the amount of resources that it expects it will provide to the portfolio investment, but other factors are considered such as additional effort that may be required in a turnaround situation. Although certain investments of the Adviser may result in a non-controlling ownership stake in a particular portfolio

investment, in many cases with respect to the implementation of the arrangements described above, there is not always an independent third party involved on behalf of the relevant portfolio investment. Therefore, a conflict of interest will exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio investment.

The investment management agreements for the Funds generally require the Adviser to offset 100% of the amount of the Funds' pro rata share of fees for Advisory Services received by the Adviser for services rendered or to be rendered that are, in the aggregate, in excess of the amount that is reasonable in relation to the cost of obtaining similar services from qualified third parties against the management fee payable by the Funds with respect to each limited partner. For recent Related Funds, there have been no offsets to date, and there may or may not be any offsets in the future, as such offsets are determined based on fees received from, and the volume of Advisory Services provided to, the applicable portfolio investments by the Adviser or its affiliates. As applicable, the Adviser will determine, in good faith but in its discretion, the cost of obtaining services similar to the Advisory Services it may provide to portfolio investments by tracking the actual amount of time that its professionals spend providing such Advisory Services and benchmarking the value of such time against the cost for services of similarly experienced professionals at industry appropriate consulting firms. In respect of benchmarking, while Bain Capital often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Bain Capital affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., different assets may receive different services). Moreover, while the Advisor benchmarks such services against those provided by qualified management consulting firms, there can be no guarantee that a portfolio investment would independently retain a management consulting firm of similar quality and/or cost. There is no offset for amounts paid by portfolio investments or prospective portfolio investments for reimbursement of expenses incurred by the Adviser or its affiliates in connection with the provision of Advisory Services. For the avoidance of doubt, services provided by operating professionals that are consultants (whether former employees or not) are not "Advisory Services" and any fees paid or received in connection with such services are not subject to the offset provisions and any compensation received by such persons is not subject to the benchmarking requirements as set forth herein.

In the infrequent circumstance where the Adviser or its affiliates enters into an agreement to provide Advisory Services, and such agreement is terminated upon a portfolio investment's initial public offering, the portfolio investment could pay the Adviser or its affiliates a termination fee as prescribed in the applicable agreement. These termination fees can be substantial, particularly in the event such initial public offering occurs early in the life of a Fund's investment in such portfolio investment. When a termination fee is taken, the Adviser will continue to measure the value of services provided or to be provided to the applicable portfolio investment and apply the offset calculation described in the preceding paragraph against the termination fee. More generally, the Adviser may continue to provide Advisory Services to the portfolio investment without additional compensation from the portfolio investment, even though it has not been contractually obligated to do so, if the applicable Funds continue to have an ownership interest in the portfolio investment.

The investment management agreements and the partnership agreements require the Adviser to offset 100% of the amount of the Funds' pro rata share of fees for Transaction Services received by

the Adviser (net of dead deal expenses that were borne by the Adviser or its affiliates and not reimbursed by the Funds or otherwise recovered) against the management fee payable by the Funds with respect to each limited partner.

Any fees that result in an offset to the management fee will only apply to the extent such fees are received as part of a Fund's investment in the relevant portfolio investment. As a result, in the case of fees received that relate to another Related Fund's investment in an investment held by a Fund, such as directors' fees, the Fund will not receive the benefit of any offset to the management fee. In addition, notwithstanding anything to the contrary described herein, in the organizational documents, compensation and/or fees received by any Affiliate Adviser (other than the Adviser) or its respective officers, employers and partners (in their capacities as such) or entities, the majority of the economic interests in which are held by such persons, are not subject to the management fee offsets described herein, and will not be shared with such Fund and/or the such Fund's investors. Further, management fees will not be reduced below zero in connection with any offset. Accordingly, any limited partner whose management fee is waived or reduced will receive no benefit or a reduced benefit from the offset mechanic described in the foregoing paragraphs.

In addition, the Adviser or its personnel, both current and former (to the extent serving on behalf of the Adviser or at its direction), may in the future receive cash or equity compensation from a portfolio investment, operating company or joint venture for serving as directors for such portfolio investment, operating company or joint venture. The investment management agreements and the partnership agreements require the Adviser to offset 100% of the amount of directors' fees received by the Adviser for serving as directors for portfolio investments of the Funds against the management fee payable by the Funds with respect to each limited partner. For the avoidance of doubt, any compensation received by members of the Adviser for serving as directors of, or in a similar capacity with respect to, the Service Companies, as described above, will not be offset against the management fee payable by the Funds.

From time to time, employees of the Adviser and/or its affiliates may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. To the extent that any such person ceases to be an employee of the Adviser or one of its affiliates prior to or in connection with serving in such a capacity, any compensation or fees received by such former employee is not subject to the management fee offset described above, or otherwise shared with a Fund and/or limited partners. As a general matter, a representative of the Adviser who serves as a director of a portfolio investment, operating company or joint venture owes duties to the portfolio investment, operating company or joint venture and its shareholders. In limited circumstances, the director may face a conflict of interest between the director's duties to the portfolio investment, operating company or joint venture and the Funds or another Related Fund. If a material conflict of interest should arise with respect to a board matter, the director, in such capacity, and, subject to any contractual rights it may have, may be required to act in the best interests of the portfolio investment, Service Company or joint venture and its shareholders, which interests may be different than those of the Funds or another Related Fund. Decisions made by a director may subject the Adviser, its affiliates or the Funds to claims it would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify the Adviser and any other indemnified persons from such claims.

Fees or other compensation paid to the Adviser, its affiliates or its professionals for services provided to portfolio investments (including Property Level Services) are in addition to the fees paid by the Funds to the Adviser for investment advisory services to the Funds. Under the investment management agreements, future fees payable to the Adviser by the Funds will in some circumstances be reduced in connection with the receipt of fees for such services from portfolio investments when the fee is actually received in cash and the amount of such fee reduction has been determined by the Adviser in good faith. Such reductions will generally be credited on a regular basis. To the extent that any such credit would reduce the management fee for a given quarter below zero, such credit will be carried forward for future application. Fee offset calculations are generally expected to be performed on a one quarter lag basis. These fees may be significant and may, in some instances, exceed the fees payable by a Fund to the Adviser for investment advisory services in one or more quarters. Any such reduction of the Funds' management fee will be limited to the extent of the Funds' proportionate interest in any such portfolio investment.

The Adviser will not be required by the investment management agreements (or limited partnership agreements or other analogous organizational documents) of the Funds to provide a Fund or its limited partners with information regarding the amounts of fees and reimbursements contemplated by this section, although sometimes portfolio investments disclose fees for Advisory Services and Transaction Services in materials such as debt or other securities filings and offering memoranda. It will be the practice of the Adviser to disclose the aggregate amount of fees received for each category of services provided (i.e., Advisory Services, Transaction Services and director services) during a given fiscal year, together with the corresponding offset amounts for each fee category, if any, in the audited financial statements for the applicable Related Funds. Although the Adviser and/or its affiliates receive these fees and reimbursements from actual or prospective portfolio investments or other investment vehicles of a Fund, the opportunity to earn these fees and receive these reimbursements will create a conflict of interest between the Adviser or its affiliates, on the one hand, and such Fund and its limited partners (or analogous equityholders), on the other hand, because the amounts of such fees and reimbursements may be substantial, a Fund and its limited partners (or analogous equityholders) do not have an interest in the Adviser or its affiliates and the rights of such Fund and its limited partners (or analogous equityholders) to these fees and reimbursements is limited to the sharing arrangements described in the investment management agreements or limited partnership agreements (or analogous organizational documents) for such Fund. Additionally, the opportunity to earn these fees and reimbursements, the formulation of the management fee at certain times during the life of the Fund, and the existence of each Fund's General Partner's or special limited partner's carried interest creates an incentive for the General Partner or investment manager of a Fund to cause such Fund to make more investments, and to make more speculative investments, than it would otherwise make in the absence of such fees, such formulation of the management fee and such performance-based compensation.

While unusual and infrequent based on the Adviser's business practice, the Funds may, and any portfolio investment may, pay fees or other compensation to members of the Adviser for providing any services directly to investment vehicles of the Funds that constitute Fund Expenses (including allocable portions of salaries, bonuses, payroll taxes, fringe benefits or other fees paid to any member of the Adviser or staff of or consultants engaged by the Adviser and, the fees and expenses associated with recruiting and training such staff and consultants and portions of rent, property taxes, utilities, information technology, other real-estate related expenses and other similar items and related overhead expenses associated with the provision of such services by such members of

the Adviser, staff or consultants) and any such fees or other compensation, other than as explicitly set forth above, will not be offset against the management fee and will not otherwise be shared with the limited partners.

The Adviser and the Affiliate Advisers have existing and potential advisory and other relationships with a significant number of companies and other clients, and have in the past and may in the future provide financing, services, advice or otherwise deal with third parties whose interests conflict with the interests of the Funds' portfolio investments, such as their competitors, suppliers or customers. On occasion, the Adviser or an Affiliate Adviser will recommend or cause such a third party to take actions that are adverse to the Funds or the Funds' portfolio investments.

Services required by a Fund (including some services historically provided by a Adviser or its affiliates) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Adviser or its affiliates. The Adviser and its affiliates have an incentive to outsource such services at the expense of the Fund to, among other things, leverage the use of Adviser personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that are not incurred for comparable services by other Funds. The decision by an Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and the Adviser has no obligation to inform the Funds or investors of such a change. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

#### *Expense Reimbursement*

Certain expenses are paid for by a Fund and/or its portfolio investments, operating companies or joint ventures or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio investments. The Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) such expenses, and instead considers a range of qualitative factors when making engagement decisions. Where such rates or terms include hourly components, the Adviser reserves the right to rely on its or third parties' approximations or estimates of time spent for purposes of allocating or charging for services. Although the Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. This could result in lower returns to investors.

Additionally, where a Fund owns an equity stake in a portfolio investment, the value of its equity investment will be affected by expenses incurred by such portfolio investment. Such expenses may include costs incurred by personnel of Bain Capital in connection with board positions and other activities with respect to such portfolio investment, including reimbursement for out-of-pocket expenses incurred in connection with such activities.

### *Placement Agents*

An affiliate of Bain Capital, Bain Capital Distributors, LLC, will act as a placement agent to the Funds. Representatives of Bain Capital Distributors, LLC are employees of the general partner of the Funds, the Advisers, or their affiliates. Bain Capital Distributors, LLC and its representatives do not provide services to investors or provide investment recommendations, nor do they make any determination regarding whether an investment in any Fund is in the best interests of, or suitable for, any investor. Investors should exercise their own judgment and/or consult with a financial professional prior to investing in any Fund. To the extent Bain Capital Distributors, LLC offers limited partnership interests in the Funds, Bain Capital Distributors, LLC's interests may conflict with the interests of investors inasmuch as Bain Capital Distributors, LLC has an incentive to sell these limited partnership interests, as investments in a Fund generate fees for Bain Capital. This incentive may conflict with the interests of investors. Additional placement agents may also be engaged with respect to the Funds.

### *Third-Party Fees and Services*

From time to time, the Adviser may (in its sole discretion) agree or be otherwise be obligated, directly or indirectly, to pay a portion of a transaction or other fee received from an actual or prospective portfolio investment to a Third Party ("Third-Party Fee"), including, for example, as a provider of Property Level Services or as a consultant, advisor, finder, broker, independent director and/or investment bank. In such event, the Third-Party Fee is not a fee that the Adviser is entitled to retain and therefore, the Adviser is not required under the terms of the applicable investment management agreements or limited partnership agreements (or analogous organizational documents) to share such Third-Party Fee with any Fund. Third Party Fees may be paid in the future to former personnel who provide similar services upon the Adviser's request and such fees may be subject to sharing or offsets as set forth in the terms of the applicable investment management agreements or limited partnership agreements (or analogous organizational documents).

The Adviser and its affiliates have in the past and are expected to in the future also engage and retain service providers, advisors, contractors, consultants, and other similar professionals who are not employees or affiliates of the Adviser (notwithstanding that such professionals may be exclusive to the Adviser) and who may, from time to time, receive payments from the Adviser, or receive payments from or allocations of investment opportunities with respect to, portfolio investments and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by the Adviser and its affiliates (even where such payments may have the effect of reducing amounts that the Adviser may otherwise be obligated to pay such professionals) and such amounts will not be subject to the sharing arrangements described above and are in addition to the management fee payable to the Adviser and other compensation (e.g., profits interest) received by any special limited partner.

In addition, from time to time, the Adviser may recruit a management team to pursue a new "platform" opportunity expected to lead to the formation of one or more future portfolio investments. In such a case, the Funds will bear the expenses of the management team or portfolio investment, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the applicable



Related Fund as partnership expenses or indirectly as such Related Fund bears the start-up and ongoing expenses of the newly-formed platform portfolio investment. Such costs and expenses will not offset the management fee and are in addition to the management fees payable to the Adviser and other compensation (e.g., profits interest) received by any special limited partner.

#### *Other Professional Services to the Fund and Portfolio Investments*

The Funds are expected to pay and/or reimburse the Adviser for an allocable portion of the compensation (including, salary, bonus, payroll taxes and benefits), and expenses attributable to certain in-house legal and tax professionals employed by the Adviser, the General Partners, or any Affiliate Adviser for services performed on behalf of the Funds, their investments, and portfolio investments (including any upfront tax structuring put in place in connection with the admission of limited partners). Costs of other internal professionals, including for auditing, accounting, domiciliation, consulting, ESG, procurement, technology, cybersecurity, bookkeeping, record keeping, clerical and other services may also be borne by the Fund in the future, consistent with the methodologies described herein. Occasionally, whether a service meets the criteria for reimbursement from the Fund is not clear. In such circumstances, the Adviser will determine in its sole discretion whether reimbursement is appropriate. The Adviser will determine the cost of services performed by such in-house professionals by reference to the pro rata portion of the aggregate annual cash compensation paid to the employee (including salary, bonus, benefits, profits interests, payroll taxes, equity interests or other incentive-based compensation), in its good faith but sole discretion. These allocation methodologies generally will include: requiring personnel, in a reasonable manner, to record and allocate their time on a routine basis to the Funds and/or the portfolio investments; and the Adviser may utilize any other methodologies it determines to be fair and reasonable under the circumstances. The allocation of such compensation and expenses between the Adviser and the Funds requires judgments as to methodology that the Adviser makes in its good faith but in its sole discretion. Because an Adviser's in-house expense calculation and allocation processes rely on certain judgments and assessments that in turn are based on information and estimates from various inputs, the calculations and allocations that result may not be exact. In the future, an Adviser may use additional or different methods to allocate in-house expenses in a manner that it determines to be fair and reasonable.

#### *Positions with Portfolio Investments*

The Adviser's personnel, including former personnel serving on its behalf and at its request, may serve as directors for portfolio investments, operating companies or joint ventures. Any fees paid to such personnel are offset against the management fee as discussed in "*Other Services to Portfolio Investments*" above. The Adviser's personnel may also serve in interim, long-term, full-time and/or part-time operating and/or management roles, or may provide additional services as a secondee or in a similar capacity, including in certain cases, serving as the CEO or in other executive positions at portfolio investments, operating companies, or joint ventures during their employment at the Adviser or its affiliates. Any Adviser personnel serving as an interim CEO or other executive may be rehired by the Adviser upon completion of their service with respect to a portfolio investment, operating company or joint venture.

Under such an arrangement, the Adviser and/or the portfolio investment, operating company, or joint venture may pay all or a portion of the salary or supervise or otherwise oversee the

employment of such employees, which may create conflicts of interest when the employees are considering the interests of the Funds and the interests of the portfolio investment, operating company, or joint venture and may cause the Funds to indirectly bear expenses. The salary and any other expenses related to the employment of such employees with such portfolio investments or platform organizations will be allocated on a basis that the Adviser determines in good faith is fair and equitable. Furthermore, the particular arrangement between such employees and such portfolio investments, operating companies or joint ventures may change over time, particularly when an investment is realized. There is no guarantee that an employee will return to the Adviser after the disposition of such portfolio investment, operating company, or joint venture. Any additional fees paid to or received by Adviser or its personnel are subject to the offset arrangements discussed under “—*Other Services to Portfolio Investments*” above. In addition, the Adviser’s personnel may leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio investment and, conversely, officers or employees of a portfolio investment may become employees of the Adviser. Similarly, senior advisors may become employees, officers or board members of a portfolio investment, operating company or joint venture.

The Adviser may, in its discretion, cause the Funds and/or their portfolio investments, operating companies or joint ventures to have, ongoing business dealings, arrangements or agreements with persons who are former personnel of the Adviser or its affiliates. The Funds and/or their portfolio investments, operating companies or joint ventures would expect to bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio investments) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person. For the avoidance of doubt, the engagement or continued engagement of such persons will not cause such persons to be treated as affiliates of the Funds and/or their portfolio investments.

In addition, personnel of portfolio investments, vendors, Service Providers (including law firms and accounting firms) and limited partners (or analogous equityholders) of the Funds and the other Related Funds may be seconded to, or serve internships at, Bain Capital and portfolio investments, operating companies or joint ventures of the Funds and the Related Funds. While the Funds, the Related Funds and their portfolio investments are often the beneficiaries of these types of arrangements, Bain Capital is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or Service Provider also provides services to the Funds and other Related Funds in the ordinary course. Bain Capital or the portfolio investment may or may not pay salary or cover expenses associated with such secondees and interns, and if a portfolio entity pays the cost it will be borne directly or indirectly by the Funds and other Related Funds. The management fee will not be offset or reduced as a result of these secondments or internships or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Bain Capital, its affiliates and related parties, and any costs of such personnel may be allocated accordingly.

### *Valuations*

Funds’ investments are valued at estimated fair value as determined in good faith by the Adviser or the applicable General Partner. It is also possible that in certain circumstances, such as the

liquidation of a Fund or with the consent of the applicable advisory board, or as necessary due to legal or regulatory considerations in the General Partner's discretion, a Fund may make a distribution in kind. When estimating fair market value, the Adviser typically applies a methodology based on its judgment, in light of the nature, facts and circumstance of the investments. Such estimates are inherently subjective in certain respects and rely on a variety of assumptions, including assumptions about projected holding periods for the Funds' remaining investments, projected cash flows for the remaining holding periods and estimated capitalization rates at the projected disposition dates. In addition, such estimates are largely based on information at the time the estimate is made, and market, property and other conditions may change materially after that date. Furthermore, real estate and certain real estate-related assets generally cannot be marked to an established market or readily tradable assets. The exercise of discretion in valuation by the Adviser and the General Partners may give rise to conflicts of interest, as management fees (in the case of a permanent write-off or permanent write down below cost) and profits interests (in the case of a permanent write-off or permanent write-down below cost or in-kind distribution) are calculated based, in part, on these valuations.

For example, a General Partner will not receive a profits interest distribution until the limited partners receive distributions equal to their share of permanent write-downs below cost and permanent write-offs not taken into account in prior distributions. This creates an incentive for the General Partners and the Adviser to avoid writing down the value of assets that are not readily marketable or difficult to value, because the General Partners will be in a position to receive a higher profits interest distribution.

In addition, the General Partners may or may not value the investments differently than how the same or similar investments are valued by the general partners of the other Related Funds. Furthermore, the Adviser may be paid certain additional fees in consideration other than cash, which such fees, if they are of the type as described above, will be offset against the management fee. As described in the Advisory Agreements, such non-cash fees may be valued at such time as is reasonably determined by the Adviser, which may result in offsets to the management fee at a value that is less than the value ultimately realized by the Adviser. In addition, the exercise of discretion in valuation by the General Partner of unrealized investments may give rise to conflicts of interest as such valuations affect the calculation of the Funds' performance track record, which, in turn, may affect the ability of the Adviser to raise successor funds, creating an incentive to determine valuations that are higher than the actual fair value of the investments.

#### *Profits Interest and Management Fee*

A General Partner or Special Limited Partner, in respect of its profits interest, is entitled to a percentage of the net profits generated by a Fund subject to certain thresholds being met, but does not have to bear a corresponding percentage of the net losses, if any, suffered by such Fund. This feature may cause the General Partner and the Adviser to make investments that have a greater risk/reward profile than would be the case in the absence of such a feature. In addition, if distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair value of such property, as determined in accordance with procedures specified in the applicable partnership agreement. An independent appraisal generally will not be required and is not expected to be obtained.

As a result of certain taxes paid on behalf of, or with respect to, a limited partner, or withheld by a Fund on distributions to a limited partner, that may be deemed distributed to such limited partner, the applicable Special Limited Partner may receive its profits interest, including from a subsidiary of a Fund, calculated without taking into account taxes attributable to limited partners.

Furthermore, the management fee is required to be paid to the Adviser by the Funds even if a Fund experiences net losses in a particular year or over the term of such Fund. Because there is a fixed investment period after which capital commitments from limited partners can only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the Adviser would not otherwise have done so. The fee structure also treats certain amounts as “capital invested by a Fund” before such amounts have actually been invested. In particular, for purposes of calculating the management fee following the step-down date, a limited partner’s capital contributions with respect to any actual or potential investment is deemed to include, among other things, (i) amounts called but not yet contributed in respect of such investment, (ii) any indebtedness incurred by a Fund in respect of such investment in lieu of capital contributions from such limited partner and (iii) amounts currently payable (or payable at a future date), but not yet called, for outstanding commitments or obligations in respect of such investment (including to fund renovations and development with respect to ongoing projects), as well as amounts attributable to any binding commitment to make or otherwise fund any investment contemplated by this clause (iii); provided that, if committed amounts specified in this clause (iii) and included in the management fee base are greater or less than the amounts actually called in respect of such investment, subsequent management fees with respect to such investment shall be reduced or increased as necessary to reflect such amounts. Such amounts include not only amounts reserved for future funding obligations but also amounts reserved for investments that are in process but have not yet closed. As a result, a Fund could be charged management fees for a period of time before any capital is actually invested.

#### *Carry Law Change*

U.S. and non-U.S. laws have been changing, and there are currently administrative and legislative proposals to further change, the tax treatment of “profits interests” or “carried interest,” in ways that may be adverse to partners in the General Partner or similar entity. Under the partnership agreements, the General Partner has certain rights to amend the partnership agreements and/or the investment management agreements to restructure the way in which carried interest or other comparable economics are allocated, distributed, structured or otherwise paid to mitigate adverse changes in law relating to the tax treatment of carried interest. Furthermore, the General Partner and the Adviser may take these potential adverse changes in law into account in their management and operation of the Funds. In addressing these adverse changes, the interests of the General Partner and the Adviser, on the one hand, may diverge from the interests of the limited partners, on the other hand.

#### *General Partner Clawback*

Pursuant to the limited partnership agreement (or analogous organizational documents) of the Funds, the General Partner of a Fund may be required to return excess amounts of profit interest as a “clawback.” This clawback obligation may create an incentive for such General Partner or the

Adviser to defer disposition of one or more investments or delay the liquidation of such Fund if the dissolution, disposition or liquidation would result in a realized loss to such Fund or would otherwise result in a clawback situation for such General Partner.

### ***Conflicts Relating to the Purchase and Sale of Investments***

#### *Allocation of Investment Opportunities*

Through its Related Funds (including other Related Funds in existence as of the date hereof and those that may be formed in the future, including, for the avoidance of doubt, internal vehicles of Bain Capital), Bain Capital currently invests and plans to continue to invest third-party capital in a wide variety of investment opportunities in the United States, Europe, Asia, Latin America and elsewhere. This may include one or more Related Funds that have an investment strategy or objective that overlaps with the investment strategy or objectives of the Funds. The Funds and the other Related Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements may be set forth in the instrument under which the Funds or other Related Fund were established (such as a Fund’s or other Related Fund’s limited partnership agreement (or analogous organizational document) or private placement memorandum), or in side letters. Other Related Funds and their respective parallel funds, successor funds and other related vehicles, as well as other investment vehicles formed in the future, will make certain investments that are appropriate for a Fund, and a Fund may receive a smaller allocation of any such investment or no allocation at all as a result.

These relationships are likely to present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund. Subject to any Investment Allocation Requirements, opportunities for investments are allocated among the Funds and the other Related Funds in a manner that the Adviser, Bain Capital, and the applicable Affiliate Advisers, as well as the applicable General Partners of the Funds and other Related Funds, believe in their sole discretion to be appropriate given factors they believe to be relevant, which may include, but are not necessarily limited to, the following:

- Each Fund’s and other Related Fund’s investment objectives and investment focus;
- Each Related Fund’s expected life cycle;
- The prospective portfolio investment’s geography, nature of its business and scale;
- Transaction sourcing (and with respect to an investment opportunity originated by a third party, the relationship of a Related Fund to such third party);
- Each Fund’s and other Related Fund’s liquidity and reserves (including whether a Related Fund is able to commit to invest all capital required to consummate a particular investment opportunity);
- Each Fund’s and other Related Fund’s diversification (including the actual, relative or potential exposure of a Related Fund to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;

- Amount of capital available for investment by the applicable Fund and other Related Fund as well as each Fund's and other Related Fund's projected future capacity for investment;
- Each Fund's targeted rate of return and hold period;
- Any "ramp-up" period of a newly established Related Fund;
- The size, liquidity and anticipated duration of the prospective portfolio investment;
- Stage of the term and/or investment period of each Related Fund;
- Stage of development of the prospective portfolio investment or other investment and anticipated holding period of the prospective portfolio investment;
- Appropriate leverage levels for the prospective portfolio investment;
- Composition of each Fund's and other Related Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio investment of a Related Fund;
- The potential availability of future follow-on investments in such prospective portfolio investments;
- The availability of other suitable investments for each Related Fund;
- Timing necessary to execute an investment;
- Risk considerations;
- The centrality of an investment to a Related Fund's strategy;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from a Related Fund, investors or third parties;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering documents and limited partnership agreements (or analogous organizational documents) of each Fund and other Related Fund.

The factors above are not listed in order of importance or priority and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. In general, investments sourced by the Adviser that are appropriate for one or more Funds will first be made available to the applicable Fund for which the investment was sourced. Similarly,

investments sourced by another Affiliate Adviser that are appropriate for one or more other Related Funds advised by such Affiliate Adviser will first be made available to the applicable Related Fund for which the investment was sourced. Bain Capital, the Adviser and the other Affiliate Advisers have substantial discretion in allocating investment opportunities. The foregoing methodology for allocation of investment opportunities will likely vary over time and will be on a case-by-case basis. Where these situations arise, the application of the factors set forth above will often result in allocation on a non-pro rata basis (based on Fund size and Related Fund size) and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. Allocation determinations are based solely on the Adviser and other Affiliate Adviser's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for a Fund in hindsight.

The allocation of investments between the Funds and Related Funds will likely be affected by a fund's stage in its lifecycle. For example, the Adviser or an Affiliate Adviser may be incentivized to allocate investment opportunities (including investment opportunities in existing portfolio investments or one or more Related Funds) to a newly-organized Related Fund in priority to another Related Fund that is nearing, or has reached, the end of its investment period.

In connection with its investment activities, the Adviser and other Affiliate Advisers have in the past and are expected in the future to encounter situations in which they must determine how to allocate investment opportunities among various Related Funds, including between different Funds, and other persons, which may include, but are not limited to, the following:

- 1) The Funds and the other Related Funds for which this is a suitable investment;
- 2) Any co-investment vehicles (including co-investment vehicles that may participate in investments after the investment by the Funds), as well as co-investment vehicles that have been formed to invest side-by-side with one or more Funds or other Related Funds in all or particular transactions entered into by the Fund or such Related Funds (the investors in such co-investment vehicles will often include employees, business associates and other "friends and family" of the Adviser or its personnel; individuals and entities that are also investors in one or more Related Funds ("Bain Capital Investors"); and/or individuals and entities that are not investors in any Funds or other Related Funds, including investors in an investment vehicle managed and/or advised by a Service Company (each, a "Third Party" and collectively, the "Third Parties"));
- 3) Bain Capital Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds or Related Funds in particular (specified and/or future) transactions (including on an overflow basis) entered into by such Fund(s) or other Related Fund(s) (including investments in portfolio investments after the investment by such Fund(s) or other Related Fund(s); and
- 4) Bain Capital Investors and/or Third Parties acting as "co-sponsors" with the Funds with respect to a particular transaction.

The Adviser and the other Affiliate Advisers have adopted written policies and procedures relating

to the allocation of investment opportunities among the applicable Funds and Bain Capital investors, Related Funds (including Funds) and/or Third Parties co-investing with such Fund, and will make allocation determinations consistently therewith to the extent such policies and procedures apply to a particular investment opportunity. From time to time, the Adviser and other Affiliate Advisers will determine to refer certain investment opportunities to the Allocation Committee for review and resolution, particularly in situations where the Adviser and other Affiliate Advisers are unable to resolve conflicts in the allocation of investment opportunities among a Fund, other Funds, other Related Funds and/or Third Parties co-investing with a Fund.

The other Related Funds, parallel funds, any co-investment vehicles, the General Partners of the Funds and personnel of the Adviser and its affiliates and certain related persons will invest in other transactions in which a Fund participates on the basis described in such Fund's limited partnership agreements (or analogous organizational documents). In addition, personnel of the Adviser and its affiliates and/or certain related persons may invest (directly or through one or more Related Funds organized for such personnel or related persons) in transactions which were made available to a Fund, but ultimately not consummated by such Fund.

Other Related Funds (including, for the avoidance of doubt, a Fund and internal vehicles of Bain Capital) may invest in assets eligible for purchase by a Fund. Members of the Adviser's advisory board or investment committee who have obligations to another Affiliate Adviser and other Related Funds (including other Funds) will have a conflict of interest where an investment opportunity may be appropriate for more than one Fund and/or for both a Fund and such other Related Fund, and such persons are under no obligation to make any such investment opportunity available to such Fund or to make available to such Fund any other investment opportunity that may arise in connection with the obligations to another Affiliate Adviser or other Related Funds (including other Funds). The investment policies, fee arrangements, profits interest, investments owned by personnel of the Adviser or the other Affiliate Advisers with respect to a Fund, and other circumstances of such Fund, may vary from those with respect to other Related Funds. The potential for higher profits interest rates (including varying effective rates based on the past performance of a Related Fund) and management fee rates creates an incentive for Bain Capital to disproportionately allocate time, services or functions to Related Funds paying profits interest and management fee at a higher rate, or allocate investment opportunities to such Related Funds or to any Related Fund that presents conflicts of interest for other reasons. To the extent the Adviser or a General Partner of a Fund determines that it is desirable for all or any such portion of an investment opportunity to be purchased (whether before or after the time of investment by such Fund) by Third Parties, including without limitation, Funds, investors in a Fund, strategic partners, other investors or such persons acting as finders or brokers of transactions, all or any portion of such opportunity need not be made available to such Fund. These relationships may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

The Adviser also reserves the right to make independent decisions regarding recommendations of when an applicable Fund should purchase and sell investments, and the other Affiliate Advisers reserve similar rights with respect to the Related Funds that they advise. As a result, a Fund may be purchasing an investment at a time when another Related Fund is selling the same or a similar investment, or vice versa. A Fund may invest in opportunities that another Related Fund has declined, and likewise, such Fund may decline to invest in opportunities in which another Related Fund has invested. These positions and actions may adversely impact, or in some instances may



benefit, certain of the Related Funds. In particular, a Related Fund that co-invests with a Fund may have different investment objectives or a different structure than a Fund, including providing its limited partners with liquidity. Such Related Funds may need to exit their investments before such Fund in connection with limited partner redemptions or otherwise, which may have an adverse effect on such Fund's continuing investment in such portfolio investment by putting downward pressure on the value of such Fund's interest, which such Fund has opted to hold longer term. The other Related Funds are under no obligation to act in a way that furthers or protects the interests of a Fund. The other Related Funds could earn a return on its investment that exceeds a Fund's return. Investments disposed of at different times may realize different returns.

While expected to be uncommon, from time to time the Adviser and the other Affiliate Advisers may, in their discretion, enter into transactions with one or more Related Funds (including one or more Funds) to dispose of all or a portion of certain investments held by one or more Related Funds (including one or more Funds). In exercising its discretion to select the purchaser(s) of such investments, the Adviser or its Affiliate Advisers may consider some or all of the factors listed above. The sales price for such transactions will be mutually agreed to by the Adviser or its Affiliate Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser or an Affiliate Adviser. Although neither the Adviser nor the Affiliate Adviser is obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Related Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment(s) following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Funds or other Related Fund(s). Any such transactions will comply with the limited partnership agreements (or analogous organizational documents) of the applicable Fund(s) or other Related Fund(s).

### *Warehousing Investments*

One or more Funds or Related Funds may acquire an investment on an interim basis and sell all or a portion of such investment to a Fund shortly thereafter. Bain Capital and/or Related Funds may acquire one or more investments on an interim basis on behalf of the Funds and thereafter transfer such investments to a Fund. Any such warehoused investments are expected to be acquired from the other Funds, Related Funds or Bain Capital for the cost to the warehousing party, as applicable of such warehoused investment, including any fees and expenses related thereto (including any costs of borrowing or interest attributable thereto) as determined by the warehousing party, and taking into account the impact of any currency fluctuations as determined by the warehousing party, plus in the case of a warehoused investment purchased from a Related Fund, an interest charge thereon calculated at a rate as set forth in the organizational documents of the respective fund. However, there is no guarantee that the value of the investment will not have fluctuated, including declining significantly, between the time of acquisition and the date the investment is transferred to a Fund, but such Fund will remain obligated to acquire such investment for the pre-agreed amount.

Similarly, a Fund may acquire one or more investments on an interim basis and sell all or a portion of such investment to a Related Fund. Generally, in these situations, any such investment is expected to be sold for the cost to the warehousing party, as applicable, of such warehoused investment including any fees and expenses (including any costs of borrowing or interest

attributable thereto) as determined by the warehousing party, and taking into account the impact of any currency fluctuations as determined by the warehousing party, plus in the case of a warehoused investment sold to a Related Fund, an interest charge thereon calculated at a rate as set forth in the organizational documents of the respective fund. However, there is no guarantee that the value of the investment will not have fluctuated, including increasing significantly, between the time of acquisition and the date the investment is sold by a Fund, but the Fund will remain obligated to sell such investment for the pre-agreed amount.

#### *Investments Alongside Other Funds or Other Related Funds*

Conflicts also arise when a Fund makes investments in conjunction with an investment being made by another Related Fund (including, for the avoidance of doubt, any internal vehicles of Bain Capital), or in a transaction in which another Related Fund has already made an investment (including the investment by the Funds in a real estate asset that is also the subject of a Bain Capital Credit investment). Investment opportunities have in the past and are expected to in the future be appropriate for a Fund and another Related Fund at the same, in different or overlapping levels of a portfolio investment's capital structure. Conflicts may also arise in determining the terms of investments, especially where the Affiliate Advisers control the structure of a transaction and its capitalization. For example, investments by a Fund in transactions controlled by another Related Fund may be subject to investment terms, including with respect to liquidity or governance, that may be more restrictive than those preferable for such Fund if it were investing without a Related Fund. As another example, if a Related Fund is investing in debt securities, it will have an interest in structuring debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than another Fund or another Related Fund, as an equity owner, may desire and conflicts will arise if the debt securities become distressed. A Fund or another Related Fund that holds an equity interest in a portfolio investment may have a conflict of interest in recommending that such portfolio investment take, or refrain from taking, certain actions with respect to debt securities held by another Related Fund. Further, if multiple Funds or Related Funds invest in the same portfolio investment at different times, the first fund to invest could bear a higher level of diligence and transaction fees, costs and expenses than later funds; similarly, to the extent a transaction does not proceed, the first fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other funds could or would have invested in the company in potential future transactions.

There can be no assurance that the return on a Fund's investments will not be less than the returns obtained by other Funds or other Related Funds participating in the transaction. Certain employees and related persons of the Adviser and the other Affiliate Advisers have made and are expected to make large capital investments in or alongside certain Funds and other Related Funds, and therefore will have additional conflicting interests in connection with joint investments. In addition, a conflict will arise in allocating an investment opportunity if the potential investment target could be acquired by another Fund or another Related Fund or a portfolio investment of another Fund or a Related Fund. The Adviser and Affiliate Adviser will determine all matters relating to structuring transactions and capitalizing portfolio investments, including the amount and terms of investments in properties and allocation of investments in properties among a Fund and the involved Funds and/or other Related Funds, using its best judgment considering all factors it deems relevant, but in its sole discretion.

### *Allocation Timing*

From time to time, the Adviser expects to determine final allocations with respect to a prospective portfolio investment among the Related Funds only after certain expenses or other amounts have already become due and payable. In these circumstances, a Fund would be expected initially to bear the full amount of an upfront payment or expense, even if another Related Fund ultimately participates in the investment. In such a circumstances, the other Related Funds would reimburse such Fund for its proportionate share of such payment or expense when the Adviser determines the final allocation of the investment opportunity among the Fund and the other Related Funds, although such reimbursement will not, in certain circumstances, include an interest component. In such instances, the purchasing Related Fund may benefit from any increase in value in such investment without compensating the Fund. Prior to a final allocation decision, the Adviser or an affiliate thereof may enter into a purchase and sale agreement in connection with the acquisition of an investment. After a final allocation decision, the Adviser or its affiliates may allocate all or any portion of such purchase and sale agreement to the Fund and one or more other Related Funds.

From time to time, a portfolio of assets will become available, certain investments of which may be suitable for one Related Fund while other investments of such portfolio may be suitable for another Related Fund. Where a Fund and another Related Fund acquire different assets from the same portfolio, the combined purchase price paid to a seller would be allocated among the multiple assets in the portfolio and therefore among such Fund and the other Related Funds acquiring any of the assets. Regardless of the methodology for allocating value, the Adviser will have conflicting duties to a Fund and the other Related Fund when assets are bought together in a portfolio, including as a result of different financial incentives the Adviser has with respect to a Fund and the other Related Fund, most clearly when the fees and compensation, including performance-based compensation, earned from a Fund and the other Related Fund differ. There can be no assurance that a portfolio investment of the Fund will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such portfolio investment were acquired or sold independently rather than as a component of a portfolio shared with other Related Funds. Similar considerations could apply where multiple Related Funds are selling assets to a single purchaser as a portfolio.

### *Cross-Collateralization*

In connection with seeking financing or refinancing of a portfolio investment, there may be situations where the Adviser can obtain advantageous financing terms when more than one portfolio investment provides collateral, particularly in circumstances where the assets of each portfolio investment are similar in nature. As such, a portfolio investment of one Fund may enter into cross-collateralization arrangements with another portfolio investment or a portfolio investment of another Fund or Related Fund. While the Adviser anticipates any such financing arrangements to generally be non-recourse (subject to certain carve outs, such as for bad acts, completion or environmental or similar guarantees) to the Funds and Related Funds, as a result of any cross-collateralization, such Fund could also lose its interests in otherwise performing investments due to poorly performing or non-performing investments of a Related Fund.

### *Formation of Parallel Vehicles*

An applicable General Partner may designate in its discretion one or more additional investment

vehicles established by the applicable General Partner, the Adviser or their respective affiliates as a parallel vehicle, including an investment vehicle formed to make all or a category of investments on a side-by-side basis with the Funds (including based on geography, property type and nature of the investment). To the extent additional parallel vehicles are formed, the Funds will have reduced exposure to investments that are allocated among such Funds and such parallel vehicles. Similarly, to the extent a parallel vehicle participates in a subset of the Funds' investments, such Funds will consequently hold a greater concentration and have exposure to the investments in which such parallel vehicle does not invest, which could make the Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

#### *Investment in a Fund by Related Funds and Personnel of Affiliate Advisers*

One or more internal investment vehicles of Bain Capital, any related vehicles, certain Related Funds and personnel of Affiliate Advisers (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) are expected to invest in a Fund as limited partners. The Adviser may from time to time in its sole discretion provide another Affiliate Adviser and its personnel of any such Related Funds certain information about a Fund's investment portfolio, although it is under no obligation to do so and has the discretion to decide not to provide any such information at any time. As a condition of receiving such information, the Affiliate Adviser must agree that it will use such information solely for the purpose of making investment recommendations to such Related Fund with respect to its exposure to certain investment sectors and geographies, and not for the purpose of making any other investment recommendations to such Related Fund or for any other purpose and it must agree not to disclose such information to any other person except to the extent required by applicable law. Conflicts will arise to the extent the interests of such Related Funds conflict with those of a Fund.

#### *Retained Interests*

In connection with the sale of one or more portfolio investments, the Adviser is authorized, in its sole discretion, to offer one or more partners (and/or one or more co-investors or other direct or indirect investors in such investment) the ability to continue holding a direct or indirect interest in such investment (a "Retained Interest"). Given that the Adviser may charge management fees, carried interest, or other compensation to the buyer of such investment in return for providing post-sale advisory or similar services (including reimbursements for costs and expenses) in connection with any Retained Interest, the Adviser can potentially benefit to a greater extent in pursuing a Retained Interest over other types of transactions when pursuing a Fund's exit from any investment. This creates the potential for conflicts of interest, and such conflicts will not restrict the Adviser from utilizing a Retained Interest if it determined to do so in its sole discretion and such utilization is permitted by the partnership agreements. The terms applicable to any limited partner's Retained Interest may be less favorable than the terms applicable to other interests in the relevant underlying investment that are sold by a Fund.

#### *Conflicts Relating to Third-Party Co-Investment Opportunities*

The Adviser anticipates that co-investment opportunities will arise with respect to future Funds' investments, including with respect to investments that have been acquired by the Funds as well as

future investments. The availability and amount of co-investment opportunities with respect to any particular Fund investment is initially dependent on the determination of the appropriate amount of the investment that should be allocated to the applicable Fund taking into account a variety of factors, including sector and industry diversification considerations, the term of the investment and investment period of the applicable Fund as well as the other factors listed under “—Allocation of Investment Opportunities”. The amount that may be offered as a co-investment opportunity may be limited by, among other things, the amount allocated to co-sponsors, strategic investors or other persons whose involvement was influential in obtaining or closing the investment, or who provide a benefit or potential benefit to the potential portfolio investment, which may include certain limited partners (collectively, “Co-Sponsors”). Co-Sponsors are generally expected to (i) be involved in the investment process at the applicable stage, (ii) potentially share in due diligence costs and (iii) invest alongside the applicable Fund. To the extent that, taking into account the foregoing and other considerations, the Adviser has a co-investment opportunity to offer, the Adviser, in its sole discretion, may offer such opportunity to Third Parties and/or limited partners or other investors who have indicated to the Adviser and/or an affiliate an interest in participating in co-investment opportunities (each, a “Co-Investor” and collectively, the “Co-Investors”). In the case of a co-investment opportunity involving a Related Fund, such Related Fund may constitute a Co-Sponsor or a Co-Investor depending on such Related Fund’s involvement in the investment and similar related facts and circumstances.

To the extent any such third parties participate in an investment opportunity pursuant to the foregoing, Bain Capital may, in its sole discretion, participate in such third-party investment opportunity as a co-investor (including through any internal vehicles) in an amount up to the same proportion as its co-investment commitment bears to the aggregate capital commitments of the applicable Fund(s). For the avoidance of doubt, any participation by Bain Capital in such third-party investment opportunity shall be in addition to its co-investment commitment to the Funds. In situations where multiple Related Funds are investing alongside each other, the governing documents of each such Related Fund will govern with respect to Bain Capital’s participation in or alongside such Related Fund in the relevant portion of the underlying investment opportunity (determined with respect to any incremental co-investment in respect thereof based on the proportion of each Related Fund’s participation in such investment).

When allocating such co-investment opportunities among Co-Investors (including any Third Parties), the Adviser intends to give priority to limited partners who make a substantial commitment to a Fund at one or more early closings and who have indicated an interest in participating in co-investment opportunities and would be able to transact efficiently alongside a Fund. Subject to any investment allocation requirements, no limited partner has a right to participate in or to receive notice of any such co-investment opportunity, and the Adviser cannot guarantee co-investment opportunities either in particular investments or of a particular scale. Decisions regarding whether and to whom to offer such co-investment opportunities are made in the sole discretion of the Adviser. Such co-investment opportunities, if offered to limited partners of Funds, will be typically offered to some and not other limited partners of Funds, in the sole discretion of the Adviser, and limited partners may be offered a smaller amount of co-investment opportunities than originally requested. Co-Investors have in the past, and are expected to in the future, purchase their interests in a portfolio investment at the same time as the Funds, or purchase such interests from the Funds or applicable Related Funds after such Funds or Related Funds have consummated their investment in the portfolio investment (also known as a post-closing sell-down or transfer). In that regard, a

Fund may use its credit facility to acquire a portion of an investment that it intends to sell down to a Co-Investor, thereby using the Fund's credit facility to bridge the Co-Investor's participation in the co-investment. In such instances, a Fund will bear the entire cost of the interest from the credit facility, even though the investment may ultimately be made by other Co-Investors. Furthermore, while highly unlikely, it is possible that one of the Co-Investors could default on its obligation to reimburse such Fund and as a result, the Fund will bear a disproportionate amount of the credit risk. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Conflicts of interest also have the potential to arise to the extent that a credit facility is used to make an investment that is later sold in part to Co-Investors (including one or more co-investing Funds), as to the extent Co-Investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, Co-Investors nevertheless stand to receive the benefit of the use of the credit facility and neither a Fund nor limited partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities; however, such Co-Investors will typically reimburse a Fund for their respective shares of any interest paid by a Fund under such credit facility prior to such sale to such Co-Investors.

Subject to the foregoing considerations, in exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, the Adviser considers some or all of a wide range of factors, which may include its own interests and/or one or more of the following:

- The Adviser's evaluation of the potential Co-Investor's level of interest in investment opportunities (including level of interest in a particular real estate sector or sub sector, industry or type of business), and size and financial resources of the potential Co-Investor;
- The Adviser's perception of the ability of that potential Co-investor (in terms of, for example, staffing, expertise and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Funds without harming or otherwise prejudicing such Funds, in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential Co-Investor has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Whether the Adviser determines that allocating investment opportunities to a potential co—investor will help establish, recognize, strengthen and/or cultivate relationships that may provide longer-term benefits to the Funds or future Funds, the Adviser, the Affiliate Advisers or the applicable portfolio investment;
- The Adviser's evaluation of its past experiences and relationships with the potential Co-Investor, such as the willingness or ability of such person to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and demonstrated "certainty of execution";
- The Adviser's evaluation of whether the profile or characteristics of the potential Co-

Investor may have a positive or negative impact on the viability, prospects or terms of the proposed investment opportunity and the ability of the applicable Fund to take advantage of such opportunity (for example, if the potential Co-Investor is involved in the same industry as a prospective portfolio investment in which a Fund wishes to invest, or if the identity of the potential Co-Investor, or the jurisdiction in which the potential co-investor is based, may affect the terms, structure, or cause other issues with respect to a Fund's participation in such investment opportunity);

- Whether the potential Co-Investor would require any governance rights that would complicate the transactions (or, alternatively, whether the potential Co-Investor would be willing to defer to the Adviser and assume a passive role in governing a portfolio investment);
- Any interests a potential Co-Investor has in any competitors of the portfolio investment;
- The Adviser's evaluation of whether a particular potential Co-Investor has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio investment post-closing;
- The Adviser's evaluation of whether the investment opportunity may subject the prospective portfolio investment, the Funds, or the potential Co-Investor to legal, tax, regulatory, contractual, reporting, public relations, media or other burdens that make it less desirable for such Co-Investor to participate in a potential investment opportunity; and
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the potential Co-Investor with specific information relating to the investment opportunity in order to permit such person or entity to evaluate the investment opportunity.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Adviser's exercise of its discretion in allocating investment opportunities among the applicable Funds and the Co-Investors may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether the Adviser and/or the General Partners are entitled, under arrangements made with certain potential co-investment parties, to additional management fees and/or profits interest based on the availability of co-investment opportunities offered to such parties).

Co-investment opportunities will generally be made available through limited partnerships or other

entities formed and controlled by the Adviser or its affiliates. The terms of any such co-investment will be set by the Adviser in its discretion, subject to acceptance by each potential Co-Investor, and may include preferable terms and conditions offered only to one or more Co-Investors (including terms and conditions offered only to Co-Sponsors). The Adviser or its affiliates may charge Co-Investors (and/or the limited partnerships or other entities through which they invest) a carried interest, management fee, placement fee, brokerage fee, finder's fee and/or other co-investment fee with respect to any co-investment, and no such fees shall be for the benefit of a Fund or reduce any management fee, profits interest or other obligation of such Fund. If such fees are charged, the amount of such fees, taken as a whole, will generally be less than the amount of management fees and profits interest borne by limited partners with respect to an investment by a Fund. Such fees are expected to be charged to some but not all Co-Investors in a particular co-investment and/or on some but not all co-investments made alongside the Funds. However, the opportunity for the Adviser or its affiliates to earn various fees and other compensation from Co-Investors nevertheless creates a conflict of interest between such entities, on the one hand, and the Funds and the Fund limited partners, on the other hand, when it comes to investment allocation decisions, among other things, because such fees and other compensation are often substantial and neither the Funds nor the Fund limited partners will share in such fees and other compensation. Further, the Funds generally are expected to have a higher expense ratio than the expense ratio associated with any particular co-investment. In particular, if a prospective Fund investment fails to complete, the costs associated with investigating and pursuing such Fund investment will be borne by such Fund, notwithstanding that if such Fund investment were completed, a portion of such investment would be taken up by Co-Investors. Accordingly, limited partners that participate in co-investments may have significantly higher net returns from their investments than limited partners that do not, or cannot, so participate.

A Fund may sell down an interest in its portfolio investments to Co-Investors at fair value or at cost plus an interest charge, (which, in the case of any investment that is on a Fund's credit facility, would include the Co-Investors' share of interest with respect to such credit facility). Depending on the change in value of the portfolio investment during the period between a Fund's purchase date of such investment and the sell down date of such investment to the applicable Co-Investor(s), a Fund may not receive the full benefit of any increase in value (if any). Subject to the applicable limited partnership agreements (or analogous organizational documents), the Adviser may charge a Co-Investor (such as an investor or a third party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio investment to the date of the transfer of interests in such portfolio investment to the applicable Co-Investor, including in respect of any follow-on investments. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by a Fund. In addition, in the event the Adviser determines to offer an investment opportunity to Co-Investors, there can be no assurance that the Adviser will be successful in offering such co-investment opportunity to any potential Co-Investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on terms and conditions that will be preferable for a Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that the Adviser is not successful in offering a co-investment opportunity to potential Co-Investors, in whole or in part, such Fund will consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make a Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Fund which is not



shared with one or more Co-Sponsors or syndicated to Co-Investors as originally anticipated could significantly reduce such Fund's overall investment returns.

In addition, a Related Fund may need to exit its investments before a Fund, which may have an adverse effect on the Fund's continuing investment in such portfolio investment.

### *Third-Party Involvement*

The Funds may, from time to time, acquire interests in certain portfolio investments in cooperation with others through co-investment arrangements, including with the seller (or an affiliate thereof) of the applicable property, a person involved in the selling, acquisition or development of the applicable property, an investor in a Fund (or other vehicle or Related Fund (including a Fund) or other third parties). The Funds' ability to exercise influence over management in these cooperative efforts will depend upon the nature of the co-investment arrangement. Such investments may, under certain circumstances, involve risks not otherwise present, including (i) the possibility that the Co-Investor may not be able to satisfy its financial obligations, encounter liquidity or insolvency issues or become bankrupt; (ii) that such Co-Investor might at any time have economic or business interests or goals that are different from those of the Funds, (iii) that such Co-Investor may be in a position to take action contrary to the instructions or requests of the Funds or contrary to the Funds' policies or objectives; (iv) that the Funds and such Co-Investor could reach an impasse on a major decision that requires the approval of both parties; (v) that the Co-Investor could take actions that subject the property to liabilities in excess of, or other than, those contemplated; and (vi) that the Co-Investor could have rights with respect to the disposition or liquidation of certain investments. In addition, such arrangements are likely to involve additional restrictions on the resale of the Funds' interest in the portfolio investment.

Furthermore, in certain circumstances, the Funds will be liable for actions of its third-party co-venturer or partner. The co-venturer or partner could from time to time be a joint venture partner or interest holder in another joint venture or other vehicle in which the Adviser or its affiliates has an interest or otherwise controls. The co-venturer or partner could also be entitled to receive payments from or allocations or performance-based compensation (e.g., profits interest) in respect of, a Fund as well as such investments, and in such circumstances, any such amounts could be treated as a partnership expense and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be deemed paid to or received by the Adviser or offset the management fee. Moreover, the Adviser and/or its affiliates may receive fees associated with capital invested by a co-venturer or partner relating to investments in which a Fund participates. This could be in connection with a joint venture in which a Fund participates or other similar arrangements with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Adviser and/or its affiliates performs services.

Further, the Funds expect to rely to a significant extent on third parties (some of which could also become co-venturers with the Funds) to act as developers or Joint Venture Partners (as defined and described in "—Joint Venture Partners" below) in connection with the acquisition, development, construction, renovation, management or operation of its properties. This reliance on third-party developers or Joint Venture Partners will increase the costs to the Funds through the payment of development fees, incentive fees, management fees, disposition fees and other amounts and would likely increase the risks to the Funds if, and to the extent, such a developer or operator fails or is

unable to comply with agreed-upon plans, budgets or timetables. Although the General Partners intend to monitor the performance of each portfolio investment, it will primarily be the responsibility of third-party property managers or Joint Venture Partners to manage the Funds' properties on a day-to-day basis. There can be no assurance that such third-party management firms or Joint Venture Partners will be able to operate each investment successfully. Moreover, the risks of dependence on third-party management firms or Joint Venture Partners are different by property type and by investment stage (for example, properties in development or redevelopment will have a greater dependence on the leasing abilities of a third-party manager or leasing agent). Property managers or Joint Venture Partners could provide management and leasing services to properties owned by others that compete with one or more investments. As a result, these property managers or Joint Venture Partners could at times face conflicts of interests in the management and leasing of investments and properties owned by third-parties. Property managers could receive a base management fee based upon gross revenues or a disposition fee in connection with the disposition of an investment. Such fee arrangements with a property manager or Joint Venture Partners could create an incentive for the relevant investment to be managed in a manner that is not consistent with the Funds' objectives.

There can be no assurance that the return of the Funds participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

#### *Conflicts Relating to Pooled Investment Vehicle Investments*

A Fund may invest in a Related Fund or other pooled investment vehicle that is advised by, or that has another business or other relationship with, the Adviser or its related persons. In such a case, investors in such Fund will, unless otherwise waived or offset in whole or in part by the Adviser, bear not only the direct management fees and other expenses associated with their investment in the Fund, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses may be paid to the Adviser or its related persons.

Furthermore, as any investment by a Fund into a Related Fund or another affiliated pooled investment vehicle will bolster aggregate investments into such Related Fund or other vehicle, the Adviser may be incentivized to have the Fund invest in such vehicle, thereby attracting additional investors to such vehicle.

Additionally, the interests of the Fund, as an investor, may conflict with the interests of the underlying pooled investment vehicle or the Adviser or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for then Adviser. As such, the Adviser (in its capacity as the management company of the Funds) will have an economic incentive to have the Funds invest in Related Funds or other affiliated pooled investment vehicles.

#### *Joint Venture Partners*

The General Partners expect to cause the Funds to enter into one or more joint ventures with third parties (including property owners, developers, joint venture partners, managers and other

investors) for competitive or strategic reasons or for other reasons that the General Partners determine will be to the benefit of the Funds (“Joint Venture Partners”), including joint venture arrangements in which other Funds have an ownership interest. In certain instances, more than one Fund or Related Fund may enter into a joint venture arrangement and/or utilize the services of a single Joint Venture Partner or its affiliates. Portfolio investments made with Joint Venture Partners will involve management, incentive and/or other fees payable (including reimbursement of expenses and cost of salaries and certain Property Level Service fees) to such Joint Venture Partners payable by the applicable Fund, joint venture vehicle or portfolio investment, which will reduce the actual returns realized by Funds and limited partners on their investments in the Funds, and which will not reduce the management fee with respect to the applicable Fund. The Adviser or general partner or portfolio manager of the applicable Fund will determine, in its sole discretion, the amount of such fees payable to such Joint Venture Partners and the allocation of such fees (as well as expenses incurred in connection with the establishment of such joint venture arrangements) among a Fund and the other Funds. It is expected that investment vehicles of a Fund and/or other Funds will enter into programmatic investments with Joint Venture Partners to gain access to investment opportunities. As part of these programmatic investments, from time to time, the Adviser may enter into an agreement with a Joint Venture Partner which provides that (i) the Adviser could acquire all or any portion of the Joint Venture Partner or an affiliate thereof and/or (ii) the Joint Venture Partner or an affiliate thereof will grant to the Adviser certain ancillary rights (“Ancillary Rights”) pertaining to certain of the Joint Venture Partner’s possible future business endeavors outside of the Joint Venture, which endeavors may or may not come to fruition. In the event that the Adviser acquires all or a portion of the interests in a Joint Venture Partner, either prior to, in connection with, or subsequent to, a Fund’s entering into a joint venture arrangement with such Joint Venture Partner, any fees received by any such Joint Venture Partner in which the Adviser holds an interest will not offset the management fee. To the extent that the Adviser is granted Ancillary Rights, such rights may include, among others, the right to receive incentive and other fees from other joint ventures or investment vehicles formed by the Joint Venture Partner with other third parties during a certain time period, rights to intellectual property owned by the Joint Venture Partner or developed by the Joint Venture Partner or its affiliates. These Ancillary Rights may be contingent on certain conditions being satisfied (e.g., certain benchmarks being satisfied in the Joint Venture, the new business endeavor being consummated within a certain period of time after the investment period of the Joint Venture etc.). Ancillary Rights may or may not vest depending on the satisfaction of the applicable conditions and may or may not generate any revenue depending on the future endeavors of the Joint Venture Partner. Even if Ancillary Rights do vest during the term of a Fund, they are inherently difficult to value and are likely to be illiquid, may never generate any revenue or, if they do generate revenue, the revenue may not be realized until after the term of such Fund. As a general matter, the right to acquire an interest in a Joint Venture Partner and any Ancillary Rights, if granted, will inure to the Adviser, in part as a recognition of the consultative support and knowledge the Adviser may impart to the Joint Venture Partner during the investment period of the Joint Venture. However, the Adviser may determine in its sole discretion to assign such rights to a Fund or a Related Fund. No amounts received by the Adviser in respect of Ancillary Rights or the value of such rights will offset the management fee. The Adviser does not anticipate that the existence or nonexistence of such Ancillary Rights will affect the Adviser’s evaluation of opportunities for the Funds or the terms of potential joint venture arrangements. The Adviser expects to disclose the receipt of any such Ancillary Rights to the advisory boards on an annual basis.

### *Targeted Investment Platforms*

A Fund, alone or co-investing alongside other Funds or third parties, reserves the right to create or acquire in the future, investments that serve as a platform for investment in a particular real estate sector or sub sector, geographic area or other niche (such arrangements, “Targeted Investment Platforms”). In the case where a Fund co-invests alongside another BCRE Fund, the potential for conflicts exists. While expected to be rare, in the case of acquired Targeted Investment Platforms, a Fund is permitted to rely on the existing management, board of directors and other shareholders of such investments, which may include representation of other financial investors with whom a Fund is not affiliated and whose interests may conflict with the interests of the Fund. In other cases, a Fund may recruit a management team or Joint Venture Partner to pursue a new Targeted Investment Platform or, if applicable, establish a Targeted Investment Platform, through the exercise of any rights granted or assigned to it to acquire an interest in, or exercise Ancillary Rights with respect to, an existing or former Joint Venture Partner (see “Joint Venture Partners” above). The Funds will bear the expenses of any such Targeted Investment Platform, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the Targeted Investment Platform. Such expenses are generally borne directly by a Fund as partnership expenses (or broken-deal expenses, if applicable) or indirectly as a Fund bears the start-up and ongoing expenses of the newly formed Targeted Investment Platform. In certain cases, the services provided by such management team may overlap with the services provided by the Adviser and its affiliates to a Fund. The compensation of management of a Targeted Investment Platform could include interests in the profits of the Targeted Investment Platform, including profits realized in connection with the disposition of an asset, salary, bonus, expense reimbursement, co-investments alongside a Fund and/or other compensation. Where a Targeted Investment Platform of a Fund provides services to other Funds and/or investments owned by such other Funds, those other Funds and investments will not necessarily bear their allocable share of overhead expenses, employee compensation, diligence expenses or other related expenses incurred in connection with backing the management team or building out such Targeted Investment Platform, and it is possible that any services provided are not necessarily the best available or the most favorably priced. There can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm’s length transaction between unaffiliated third parties. Although a Targeted Investment Platform may be controlled by a Fund, members of the management team and/or Joint Venture Partners will not be treated as affiliates of the General Partners, the Adviser or their respective affiliates for purposes of the partnership agreements. Accordingly, none of the expenses, profit interests or other arrangements described above will offset the management fee. Similarly, none of the expenses, profit interests or other arrangements described above will trigger the advisory board disclosure, review or consent provisions of the partnership agreements applicable to transactions with affiliates.

A Targeted Investment Platform’s structure and relationship to the Adviser and its affiliates has the potential to create conflicts of interest. For example, although the Adviser expects to determine or significantly influence the form and amount of compensation paid to a Targeted Investment Platform’s management team, the Targeted Investment Platform (and ultimately the Funds) bears the attendant expense. The close business or personal relationships that the Adviser and its affiliates have with certain members of management gives the Adviser less incentive to limit their compensation. In addition, given that the Adviser (and not the Funds) otherwise pays the salaries of its employees, the Adviser has the incentive to cause a Targeted Investment Platform to retain its own management team instead of relying on employees of the Adviser to provide managerial services, or to convert existing employees of the Adviser into members of a Targeted Investment Platform’s management team.

### *Allocation of Fees and Expenses*

The appropriate allocation among Funds (including among the Funds and any parallel vehicles), other Related Funds, the Limited partners and Third Parties of expenses and fees generated in the course of evaluating potential investments (including co-investments and syndications thereof) which are not consummated (including investments through joint venture arrangements with Joint Venture Partners), such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals as well as expenses and fees related to the organization of any co-invest entities, will be determined by the Adviser and the Affiliate Advisers and their respective affiliates in good faith, consistent with the limited partnership agreements (or analogous organizational documents) of the Funds and Related Funds, as applicable (which such methodologies may include pro rata allocation based on respective capital commitments, pro rata allocation based on the respective investment (or anticipated investment), or such other equitable method as determined by the Adviser and the Affiliate Advisers in their sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if they determine in their sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of a fee or expense allocated to a Fund for a particular service is not required to reflect the relative benefit derived by the Fund from that service in any particular instance. It, and, to the extent permitted by applicable law, such Fund may be required to bear more than its proportional share of such fees or expenses relative to other Funds and Related Funds receiving the same service or participating in the same transaction alongside the Fund. For example, it is possible that there may be no third party that has agreed to share expenses with a Fund if the co-investment is not consummated, with the result that such Fund may bear all of the expenses relating to that potential investment notwithstanding that third parties may have benefitted from the opportunity to review, investigate and otherwise assess that potential investment, or that such third parties may be entitled to receive all or a portion of any termination fees paid in respect of such unconsummated co-investment, and as a result, the Funds would bear the full amount of such fees. The Funds will bear more or less of a particular expense based on the methodology used.

The Funds may, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, agrees that upon the closing of a transaction with respect to a potential portfolio investment, they will purchase assets in a transaction. Furthermore, in certain instances the Funds may also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, it agrees that if a transaction with respect to a potential portfolio investment is not consummated, they will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity or otherwise be liable for damages and other amounts to the seller entity and (b) full guarantee arrangements where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While any Co-Investor will generally be obligated to pay its proportionate share of the purchase price or damages or other amounts, such co-investment vehicle is generally not a direct party to the commitment arrangements or limited guarantees, though it may be a direct party in certain circumstances. Where such Co-Investor is not a direct party to such arrangements, the Funds will typically obtain a back-to-back contractual arrangement from such Co-Investor obligating such party to pay its proportionate share of any such amounts. In either case, in the unlikely event that a Co-Investor defaults on any such arrangement, the Funds would be held responsible for the entire purchase price or damages or other amounts, as applicable. If potential Co-Investors are not

contractually bound to the transaction then they will generally not bear any portion of the reverse termination fee or any other fees relating to the non-consummation of the transaction.

The appropriate allocation among the Funds, the parallel vehicles, and the Related Funds of expenses and fees generated in the course of evaluating and making investments often will not be clear, especially where more than one Related Fund participates. For instance, if a Fund and another Related Fund are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Related Funds (such as expenses of common counsel and other professionals) will be made in good faith and, to the extent permitted by applicable law, may result in the Fund bearing more than its proportional share of such expenses. Generally, when the Affiliate Advisers incur expenses that are related to more than one Related Fund, they will typically allocate such expense among all Related Funds eligible to reimburse expenses of the applicable nature, although there is no guarantee that such expenses will be allocated on a proportional basis across all Related Funds except to the extent that such proportional allocation may be required by applicable law. In general, each relevant Affiliate Adviser will participate in the resolution of all such matters using its best judgment, considering all factors it deems relevant, but in its sole discretion (which may include pro rata allocation based on respective capital commitments, pro rata allocation based on the respective investment (or anticipated investment) or such other equitable method as determined by the Adviser and the Affiliate Advisers in their sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that 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 a Fund from that service in any particular instance and a Fund will bear more or less of a particular expense based on the methodology used. The Adviser and other Affiliate Advisers may have conflicts of interest in determining the appropriate allocation of expenses among the Funds and Related Funds.

Investments sourced and evaluated by an Affiliate Adviser that are deemed inappropriate and rejected for investment by the applicable Funds have in the past and are expected to in the future be offered to the Affiliate Advisers for investment by the other Related Funds or for Bain Capital personnel. The other Related Funds or Bain Capital personnel will, for some investments, benefit from the evaluation and due diligence undertaken by the Adviser on behalf of, and/or valuation or pricing materials or services relating to the assets held by, the applicable Funds. In such circumstances, the Related Funds and/or Bain Capital personnel that have invested will be allocated the expenses, as determined in good faith by the applicable general partner of the applicable Fund, incurred by the Adviser and/or incurred by the applicable Funds as they relate to such investment. In the event that none, or only a portion, of such expenses are allocated to the purchasing Related Funds and/or Bain Capital personnel, a conflict of interest arises because such purchasing Related Funds and/or Bain Capital personnel will, with respect to certain investments, receive some benefit from the evaluation, investigation and due diligence undertaken by Bain Capital on behalf of the Funds without having borne any or a proportional amount of related expenses.

It is possible that Related Funds and/or Affiliate Advisers may benefit, to the extent permitted by applicable law, from research materials initially procured in the course of evaluating potential investments on behalf of the Funds without agreeing to share expenses with the Funds for such research materials or services.

### *Insurance Expenses*

The General Partners expect to cause the Funds to purchase, or share in the expenses incurred by the Adviser or its affiliates in connection with the obtaining and maintaining of, insurance policies (including, for example, cyber liability, environmental liability insurance policies, directors and officers insurance and crime/fidelity insurance), including insurance policies covering more than one Fund and/or other Related Fund, portfolio investments and/or investment vehicles of more than one Fund and/or other Related Fund, Joint Venture Partners and the activities of Bain Capital generally, that the General Partners consider necessary or appropriate for the conduct of the business of the Funds or their investments and/or investment vehicles, including key personnel insurance policies naming the Funds or any investment vehicles of the Funds as beneficiaries and insurance policies covering any person individually against all claims and liabilities of every nature arising by reason of being, or holding, having held, or having agreed to hold office as, a partner, officer, member of the advisory board, employee, agent, investment adviser or manager, or independent contractor of the Funds or any investment vehicles of the Funds, or being, serving, having served, or having agreed to serve at the request of the Funds as a partner, director, trustee, officer, member, employee, agent or independent contractor of another partnership, limited liability company, corporation, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted by any such person in any of the foregoing capacities, including any action taken or omitted that may be determined to constitute gross negligence, whether or not in the case of insurance the Funds would have the power to indemnify such person against such liability. The Funds' share (as determined by the General Partners) of fees and expenses incurred in connection with obtaining and maintaining any such insurance policy or policies, including any commissions and premiums and any expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation related to such insurance policies, will be Fund Expenses. Such shared insurance policies have an overall cap on coverage for all the insured parties thereunder for each policy period. To the extent insurable claims exceed such cap, the Fund may not receive as much in insurance proceeds as it would have received if separate insurance policies had been purchased for each insured party for that policy period. Similarly, multiple insured claims may be made during a single policy period and subject to a single overall cap. To the extent insurance proceeds for one such claim are applied towards a cap and the Fund later experiences an insurable claim within the same policy period, the Fund's receipts from such insurance policy may also be diminished.

### *Cross Transactions*

In certain cases, the Adviser may cause a Fund to purchase investments from another Related Fund, including another Fund, or it may cause a Fund to sell investments to another Related Fund including another Fund (including to a Fund or another Related Fund organized by the Adviser or another Affiliate Adviser solely for this purpose and/or as a means for one or more Funds or other Related Funds to dispose of all or a subset of its investments). Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Related Fund (including a Fund) in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, the other Affiliate Advisers, their affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund or other Related Fund (including where

such Fund or other Related Fund was formed for such persons) that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser, the other Affiliate Advisers and their affiliates may receive management or other fees in connection with their management of the relevant Funds or other Related Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds or other Related Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser may consult with its limited partner advisory board and will follow the Investment Allocation Requirements of the relevant Funds (e.g., the limited partnership agreements (or analogous organizational documents) of certain Funds which may provide for the rebalancing of investments at certain times and at a cost set forth in those documents so that such Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of such Fund). The Adviser will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Adviser will not effect any such transaction for any Fund where the Adviser may be deemed to own more than 25% of such Fund, unless such transaction complies with the requirements of the Adviser's principal transactions policy, as described below.

#### *Continuation Funds*

Subject to the appropriate consent, the Funds could seek to sell one or more investments to an investment vehicle established to purchase such investments, in which the limited partners may be given the opportunity to continue their investment in the relevant assets, in whole or in part. A continuation fund could also involve participation by Related Funds and/or third parties, which may indirectly acquire the portion of the relevant assets relating to the interests of the limited partners that do not elect to continue their participation, in whole or in part. Depending on the elections made by the limited partners, the sale of an investment to a continuation fund will result in certain limited partners disposing of their investments in the underlying assets at a different time than the non-participating limited partners, and otherwise taking actions with respect to such investment that are different than the actions taken by the limited partners that do not make the same elections. As such, certain limited partners could ultimately receive a return on their share of the relevant investment that is higher or lower than the return achieved by other investors in the Funds. In addition, unless otherwise agreed at the relevant time, in connection with any such transaction, the General Partner, Special Limited Partner, or similar entity will be entitled to its profits interest with respect to such investments as if the relevant investments had been sold for cash. Finally, the Adviser or its affiliate may be entitled to a management fee or other compensation in connection with the management of a continuation fund. Neither the Funds nor the limited partners will be entitled to any income or offset for fees or profits interests payable to the General Partners, the Special Limited Partner, the Adviser, Bain Capital or any of their affiliates by any continuation fund.

#### *Principal Transactions*

Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the Funds thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a Fund (what is commonly referred to as a "principal transaction"), the Adviser must make certain disclosures to the Fund of the terms of the proposed transaction and obtain the Fund's consent to the transaction. In connection with the Adviser's management of the applicable Funds, the Adviser and its affiliates may engage in



principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206(3) of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. The Advisory Board may review and approve principal transactions requiring consent under Section 206(3) of the Advisers Act.

### ***Conflicts Relating to Existing Investments***

#### *Affiliated Investments*

Further conflicts will arise once a Fund has made an investment with respect to a property which another Fund or a Related Fund has also invested, particularly where such Fund and such other Fund or Related Fund invest in different types of securities. For instance, a Fund may make investments in (i) properties with respect to which a Related Fund has made a loan, (ii) properties leased to tenants with respect to which Related Funds have relationships with, and/or (iii) properties in which Related Funds have made, are concurrently making or intend to make an investment. Such investments may in the ordinary course be in different interests of such tenants and/or occur at different levels of the capital structure, so that a Fund's investments may be senior or junior to, and have rights and interests different from or adverse to, the investment made by, and the rights and interests of, Related Funds. Conflicts of interest may arise in connection with such transactions, and such conflicts of interest may have adverse consequences for a Fund.

In addition, decisions about what action should be taken by the Related Fund in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation or foreclosure inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. In connection with a restructuring of a financially distressed property, the equity interests and/or subordinated debt with respect to the property may be extinguished or substantially diluted while certain creditors may receive a recovery of some or all of the amounts due to them and/or may receive equity with respect to the property. In this regard, as a debt holder with respect to a property subject to a restructuring, another Related Fund may receive a recovery of amounts owed to it as a lender while a Fund's interest may be extinguished or substantially diluted. The involvement of Affiliate Advisers at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, the Funds or other Related Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds or other Related Funds may or may not provide such additional capital, and if provided the Funds and other Related Funds will supply such additional capital in such amounts, if any, as determined by the Adviser and the other relevant Affiliate Advisers in their sole discretion. Each Affiliate Adviser will resolve all such conflicts using its best judgment but in its sole discretion, subject in certain cases to the consent of the limited partner advisory boards or similar committees of the participating investment funds, managed accounts or similar investment vehicles.

#### *Follow-On Investments*

Investments to finance follow-on acquisitions are a regular part of the business of the Related Funds.

Follow-on investments present conflicts of interest, including determination of the equity component and other terms of the new financing, and, if the Related Fund making the follow-on investment has not previously invested in the relevant portfolio investment, raise the risk of using such Related Fund's assets to support positions taken by other Related Funds. Additionally, unless a Fund is subject to a contractual arrangement with respect to a follow-on investment opportunity in an existing portfolio investment, a Related Fund may participate in such follow-on investment opportunity while such Fund does not for a variety of considerations (e.g., the availability of capital, differing security types or investment profiles, the Fund's portfolio construction or diversification or concentration limitations, and other factors).

In addition, from time to time, a Related Fund will participate in re-leveraging and re-capitalization transactions involving portfolio investments in which other Related Funds have invested or will invest. Recapitalization transactions will present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than fair value, whether new investors are paying too high or too low a price for the investment or purchasing securities with terms that are more or less favorable than the prevailing market terms and conflicts of interest relating to the dilution of economic and/or voting interests.

To the extent that a Fund and another Related Fund have invested in the same portfolio investment, they may have different investment considerations, such as investment restrictions, portfolio diversification requirements, capital availability and time until liquidation. Even if a Fund and such other Related Fund invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items. As a result, a Fund and such other Related Fund may have conflicting interests in respect of such portfolio investment and may make different decisions in respect of any follow-on investment opportunity that may adversely affect such Fund or such Related Fund, including dilution of the interests held in the portfolio investment or a negative financial impact on the portfolio investment. There is no guarantee that a Fund or any Related Fund will have sufficient resources or be permitted to make follow-on investments. Each Affiliate Adviser will resolve all such conflicts using its best judgment, but in its sole discretion, subject in certain cases to the consent of the respective limited partner advisory board or similar committee of the participating investment funds, managed accounts or similar investment vehicles.

### *Equity Investments*

A Fund and/or other Related Funds, including other Funds, as well as joint venture arrangements with Joint Venture Partners, in many cases will own a significant or controlling percentage of the common equity of portfolio investments which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such portfolio investment and the participating Funds and accounts and other relevant factual circumstances, could result in an extension of bankruptcy preference periods with respect to payments made to such Funds, Related Funds or joint venture and/or subordination of its claims to other creditors and/or re-characterization of debt claims into equity claims. In addition, because of their equity ownership, representation on the boards of directors, and/or contractual rights, a Fund and other Related Funds will be thought to control, participate in the management of or influence the conduct of portfolio investments. The effect of these relationships will vary in non-U.S. jurisdictions. These factors could expose the assets of a Fund or other Related Fund to claims by a portfolio investment, its security holders, its

creditors or governmental agencies.

### *Private Placements*

A portion of a Fund or Related Fund's investments may consist of securities that are subject to restrictions on resale by such Fund or Related Fund because they were acquired in a "private placement" transaction or because such Fund or Related Fund is deemed to be an affiliate of the issuer of such securities. Generally, a Fund or Related Fund will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act. When restricted securities are sold to the public, the Fund or Related Fund may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under that Securities Act.

### *Business with Portfolio Investments and Limited Partners and Third Parties*

As described above under "Conflicts Relating to the Adviser, the General Partners of the Funds and certain Affiliate Advisers," the Adviser may recommend to the applicable Funds that they contract for management services and other services, including Property Level Services, with the Adviser, another Affiliate Adviser or a Service Company, providing the Adviser and its affiliates with a financial or other benefit. When making such a recommendation, the Adviser may, because of a financial or other business interest, has an incentive to recommend its own services and those of its affiliates (including a Service Company) even if another person is more qualified to provide the applicable services or can provide such services at a lesser cost.

When contracting to provide such services to portfolio investments of the Funds, the Adviser and its affiliates may, and regularly do, receive periodic fees or other compensation for such services as well as fees or other compensation in connection with subsequent transactions. The Adviser and its affiliates may also receive expense reimbursement and certain indemnification rights from the portfolio investments of the applicable Funds in connection with such agreements.

Current and former officers and executives of portfolio investment may also invest in a Fund. While the Adviser believes this aligns portfolio investment management teams with the best interests of the Funds, the Adviser may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio investment in order to maintain the goodwill with such portfolio investment management team investor.

In certain instances, a portfolio investment of a Fund may compete with another Related Fund's portfolio investment, including investments of a Fund and one or more additional Funds that are held through joint venture arrangements. A conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio investment may have adverse consequences to a competitor portfolio investment owned by another Related Fund (including a Fund).

The General Partner of a Fund and the General Partners of the other Related Funds may from time to time utilize the services of limited partners and their affiliates on an arm's length basis, as they deem appropriate.

Certain members of a Fund's advisory board in the future may be, officers or directors of, or otherwise affiliated with, investors in another Related Fund.

### *Fund Leverage*

To the extent the Funds or their subsidiaries incur any indebtedness secured by the capital commitments of the limited partners (or analogous equityholders) that participate in and benefit from the leverage, (i) capital commitments of limited partners (or analogous equityholders) which elect to fund capital contributions on a shorter time frame and not to participate in such borrowings may not be pledged as collateral to secure indebtedness, (ii) capital commitments of Bain Capital and its employees may not be pledged as collateral to secure indebtedness and (iii) capital commitments of any limited partner (or analogous equityholder) which is subject to Title I of ERISA or Section 4975 of the Code will not be pledged if the pledge would be a non-exempt prohibited transaction for purposes of Section 406 of ERISA or Section 4975 of the Code. Loans to the Funds may be made by any Third Party and any such loans will be made on such terms, taken as a whole, as the general partner determines to be fair and reasonable to such Funds. This may result in conflicts of interest between, on the one hand, Bain Capital and its employees, executive officers and directors and limited partners (or analogous equityholders) whose capital commitments are not pledged as collateral and, on the other hand, limited partners (or analogous equityholders) whose capital commitments are pledged as collateral.

In an effort to, among other reasons, reduce transaction costs, increase execution efficiency, capitalize on timing opportunities (including if a Fund has not yet established its credit facility or if such credit facility is insufficient at such time), backstop obligations or avoid harm to the Funds, Related Funds and/or their respective portfolio investments, Bain Capital or any of its affiliates may advance its own funds and act as a lender to a fund entity ("Affiliate Lending"). Affiliate Lending presents an inherent conflict of interest because Bain Capital or its affiliates are involved as both the lending party and as general partner and/or management company to the borrowing party in the same transaction.

These conflicts are exacerbated when a fund entity defaults on an Affiliate Lending loan or when such default occurs at the same time Bain Capital and its affiliates are required to satisfy a third-party obligation. In the case of default to Bain Capital or its affiliates, Bain Capital or such affiliate may be conflicted as to whether to act in their interest as the lending party and pursue default remedies. Similarly, in the event the fund entity has insufficient funds to satisfy any loan obligations to Bain Capital or its affiliates, on the one hand, and to a third-party lender on the other, the General Partners and/or Adviser will be conflicted when making a determination as to the order in which it satisfies such fund entity obligations. Furthermore, Bain Capital will be conflicted in relying on its own internal analysis in determining the terms of any Affiliate Lending in lieu of relying on a third party to confirm the terms offered by the affiliate counterparty are comparable to the terms applicable to third party lenders.

Notwithstanding these conflicts, the General Partners may, in their sole discretion, cause a fund entity to engage in such borrowing (i) if as determined by the General Partners in good faith, (a) the terms are no more favorable than the terms applicable to lenders as provided in the applicable partnership agreement and (b) the interest borne by the fund entity is no less favorable than the rate that could be obtained by such fund entity in arm's length transactions with an unaffiliated third

party credit provider or (ii) with advisory board consent. Bain Capital will determine its cost of capital in good faith on the basis of the greatest interest rate owed by Bain Capital or any affiliate on any credit facility or other borrowing currently outstanding and, if higher, any interest rate required by the applicable governing documents of an applicable affiliate of Bain Capital making such loan, irrespective of whether such loan is funded from any drawn down on any such credit facility, the proceeds of any other such borrowings or from any other assets of the applicable lending entity.

The use of borrowed funds at the Fund level can impact calculations of returns (e.g., IRR and MoM) and can impact the carried interest the Adviser or a Fund's General Partner receives, as these calculations generally depend on the amount and timing of capital contributions, as well as the level of the organizational structure at which such funds are borrowed or deployed.

### ***Other Conflicts of Interest***

#### *Legal Counsel*

A Fund and the other Related Funds will generally engage common legal counsel and other advisers to represent all of the Related Funds in a particular transaction, including a transaction in which the Related Funds have conflicting interests because they are investing in different levels of the capital structure with respect to a property. In the event of a significant dispute or divergence of interest between one or more Related Funds separate representation may become desirable, in which case the Adviser and the other Affiliate Advisers may hire separate counsel in their sole discretion, and in litigation and other circumstances, separate representation may be required. Partners of the law firms engaged to represent the a Fund and/or other Related Funds often are investors in such Fund and/or certain other Related Funds, and may also represent one or more portfolio investments or limited partners of such Fund and/or other Related Funds. Additionally, the Adviser and the other Related Funds and the portfolio investments of the Related Funds may engage other common service providers, including legal counsel and accountants. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Related Funds and portfolio investments, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees or other beneficial arrangements, that it would not receive absent the engagement of such service provider by the Related Funds and/or the portfolio investments.

#### *Debt Financing Opportunities*

One or more other Related Funds may be offered the opportunity to provide debt financing in any transaction in which a Fund invests, and the economic terms and conditions in such transaction may be determined in a manner deemed appropriate by (i) the Adviser and approved by the relevant advisory board, (ii) an investment banker, promoter or other third party (other than the Adviser) if such party controls the structure or financing of such transaction or (iii) by the Adviser in any such transaction in which a third party provides debt financing on substantially the same terms as the debt financing provided by the other Related Funds participating in such transaction. While the Adviser will seek to mitigate conflicts associated with any such debt financing transaction, it may ultimately be incentivized to recommend the services of Related Funds over third parties, given the payment of fees to such Related Funds may benefit its affiliates and Affiliate Advisers.

### *Procurement*

There may be situations in which the Adviser is in a position of facilitating or otherwise making available portfolio investment services or other third party group purchase arrangements (each such service or arrangement, a “Transaction Opportunity”) and, as a result, certain portfolio investments of a Fund may be counterparties or participants in agreements, transactions or other arrangements with third parties or the portfolio investments of other Related Funds or such funds themselves. Such Transaction Opportunities may involve favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Adviser could be eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio investments or such third parties in such Transaction Opportunities, and any discounted amounts will not be subject to offsets against the management fee or otherwise shared with the relevant Fund. In recommending a Transaction Opportunity, the Adviser has a conflict of interest in maintaining the goodwill between it and the relevant portfolio investment or third party and facilitating or otherwise making available Transaction Opportunities of one portfolio investment or third party, even though such Transaction Opportunities may not necessarily be the best available for other portfolio investments or third parties. The benefits received by a portfolio investment of a Fund or third party providing a Transaction Opportunity may be greater than those received by another portfolio investment of a Fund or Related Fund or such funds themselves or third parties receiving such Transaction Opportunity.

### *Diverse Investor Base of the Funds and Other Related Funds*

A Fund and the other Related Funds have tax-exempt, taxable, non-U.S. and other investors, whereas most members of the General Partners of the Funds and of the general partners of the other Related Funds are taxable at individual U.S. rates, which may give rise to various conflicts of interest. In particular, potential conflicts with respect to the nature or structuring of investments (including as to the use of alternative investment vehicles, REITs and other intermediate corporate entities) and dispositions thereof may exist among the interests of taxable and tax-exempt investors, and/or among the interests of U.S. and non-U.S. investors including, in each case, investors in one or more of the Funds, any parallel vehicle, and/or any feeder or who are investing alongside the Funds (including through Related Funds). For these reasons, among others, decisions may be made that are more beneficial for one investor than for another investor, particularly with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for one or more of the Funds and dispositions thereof, the Adviser and the Affiliate Advisers will consider the investment and tax objectives of the Funds, not the investment, tax or other objectives of any investor individually. Conflicts of interest between the investors and the Adviser may also arise in connection with decisions made by the Adviser, including with respect to the structuring or disposition of investments and the reporting thereof or withholding with respect thereto. In addition, as a result of these and other differences, the returns to the investors in a Fund may differ, and may differ adversely, from the returns to other investors in such Funds or investors in any other Funds.

### *Successor Funds*

Although the General Partner and the Adviser are restricted from holding an initial closing of a successor fund until the earlier of the end of the investment period or the expiration date of such Fund, Bain Capital may organize (i) funds, managed accounts or other similar investment vehicles

sponsored or managed by the Adviser or its affiliates that are not competitive with a Fund, including, without limitation, any fund, managed account or similar investment vehicle that is organized to invest primarily in companies which are not target investments or that target a specific segment of the real estate industry; (ii) funds, managed accounts or similar investment vehicles organized to provide equity financing for leveraged acquisitions, to invest in venture or growth stage capital or companies, or to invest in energy, infrastructure and any other alternative asset class; (iii) funds, managed accounts or similar investment vehicles focused on making debt investments or organized to invest in “special situation” investments (e.g., investments intended to capture value in mispriced assets and provide creative solutions to address capital shortfalls), and any other funds, managed accounts or similar investment vehicles sponsored or managed by Bain Capital Real Estate and each of their parallel funds, successor funds and other related vehicles; (iv) funds, managed accounts or similar investment vehicles organized to invest in publicly traded securities and/or multiple asset classes; (v) funds, managed accounts or similar investment vehicles organized to invest in investments that the General Partner determines are (a) more suitable to be held for a period of time longer than the Fund’s anticipated investment horizon and/or (b) not expected to generate investment returns commensurate with the General Partner’s expectations as to investment returns of the target investments; or (vi) funds, managed accounts or similar investment vehicles organized to invest in unaffiliated managers or in the collective investment vehicles sponsored thereby which in turn invest in investments (including target investments), including any parallel funds, successor funds and other related vehicles, and each of the funds, managed accounts or similar investment vehicles described in the foregoing clauses (i) – (xv) shall not be considered a successor fund. These funds may nonetheless compete for investment opportunities with the Funds and divert time and attention from the personnel of the Adviser.

#### *Access to Information*

The Adviser and/or the applicable General Partner often enter into certain side letter arrangements with certain investors providing such investors with different or preferential rights or terms, including side letter rights. Except as otherwise agreed with an investor, none of the Adviser, the Funds or the General Partners are required to disclose the terms of side letter arrangements with other Limited partners.

The limited partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund’s General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, certain information may be withheld from limited partners that are subject to FOIA or similar requirements. The General Partners will at times elect to withhold certain information from such limited partners for reasons relating to a General Partner’s public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity may ask different questions and request different information, the Adviser will provide certain information upon request to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Additionally, the Adviser may establish separate accounts with portfolios significantly similar to

those of the Funds. Consequently, the relevant separate account clients will have access to information about such portfolio holdings before limited partners of the Funds.

### *Advisory Board*

The Funds will establish advisory boards consisting of representatives of investors, which may have certain consultation and/or consent rights with respect to certain matters, including certain conflicts of interest. Members of the Funds' advisory board will generally act in their own interest, and will not necessarily act consistently in the best interest of the investors as a whole. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the appropriate Advisory Board because those designating limited partners will, for instance, have greater information rights. For example, members of the advisory boards of the Funds are likely to receive information regarding the proposed investment activities of the Funds that would not generally be available to the public or other investors of the Funds. Certain members of a Fund's advisory boards may be officers or directors of, or otherwise affiliated with, investors in another Related Fund. Advisory board members will not owe any fiduciary or other duties to the Funds or the investors, and will be entitled to indemnification and exculpation to the fullest extent permitted by applicable law. Consent by the advisory boards to any matter determined by the Adviser to require the consent of a Fund under the Advisers Act, or to any other matter presented to an advisory board by the Adviser for consent, shall be deemed to constitute the consent of the Funds. Each investor is deemed to have consented to the delegation to the advisory boards of any such consent otherwise required of the Funds. Consent of members of the advisory boards may be deemed to be given in a particular case if the members do not expressly object to or disapprove a transaction for which advisory board consent is being sought (for the avoidance of doubt, abstaining members of the Advisory Board will not be counted for purposes of determining the outcome of any vote of the Advisory Board). Although limited partners represented on the Advisory Board are subject to confidentiality obligations, there can be no guarantee that such persons will not use information received as a member of the Advisory Board for purposes unrelated to, and potentially harmful to, the Funds or a Related Fund.

### *Material, Non-Public Information: Trading Restrictions*

From time to time, the Adviser or another Affiliate Adviser will come into possession of material, non-public information, and such information may limit the ability of the Funds to buy and sell investments. Although the Adviser and the Affiliate Advisers currently maintain "ethical walls" which reduce the likelihood that the Adviser will be deemed to possess material, non-public information possessed by other Affiliate Advisers, there is no guarantee that the Adviser and the other Affiliate Advisers will maintain "ethical walls" for the life of a Fund, such as circumstances where the members of the Adviser's advisory boards or similar committees are also personnel of other Affiliate Advisers. The risk that the Adviser or another Affiliate Adviser will come into possession of material, non-public information is increased due to the substantial participation by the personnel of the Adviser and certain Affiliate Advisers on the boards of directors of publicly held companies. Furthermore, the Adviser and the other Affiliate Advisers will agree from time to time to "cross" ethical walls, and Bain Capital will from time to time impose restrictions on transactions involving particular issuers in its discretion taking into account all factors it deems relevant in the collective interest of the Adviser and the other Affiliate Advisers. In such cases, a Fund and the other Related Funds could be restricted indefinitely in transactions involving a



particular issuer. Consequently, the possession of material, non-public information by other Affiliate Advisers will at times limit the ability of a Fund to buy and sell investments. In addition, the Adviser will from time to time be restricted by contract from using confidential information that it, or another Affiliate Adviser, has for the benefit of a Fund. Additionally, in rare instances, a limited partners (particularly if such limited partner has designated an Advisory Board representative or participates in a co-investment) may receive material non-public information that may limit such limited partner's trading activities.

Different conflicts may exist with respect to investments in different Funds.

Please contact the Adviser's Compliance Department with any additional questions or concerns.

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

### **Code of Ethics**

The Adviser has adopted a Code of Ethics Policy for its employees. The policy describes employees standard of conduct and fiduciary duties and limits personal trading by its employees and their immediate family/household members in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Employees must report every account that they or their immediate family member use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions and have copies of trade confirmations and periodic account statements sent by their broker to the compliance department. Controlled trading by employees and their immediate family/household members is prohibited in a wide range of securities that appear on restricted lists and confidential watch lists, and additional steps are taken to ensure that employees and their immediate family/household members are not permitted to trade for their personal account in securities selected for the Funds and to ensure employees do not engage in "front-running" of the Funds' investment opportunities.

Employees are required to promptly report any violation of the Code of Ethics Policy of which they become aware. Employees are required to annually certify compliance with the Code of Ethics Policy.

A detailed summary of the Code of Ethics is available to Funds, prospective Funds, limited partners and prospective limited partners during the investment due diligence process. A copy of may be obtained by contacting the Adviser's Compliance Department.

### **Related Person Investment**

For further detail regarding circumstances in which the Adviser or a related person (a) recommends to clients, or buys or sells for client accounts, securities in which the Adviser or a related person has a material financial interest, (b) invests in the same securities that the Adviser or a related person recommends to clients, or (c) recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Adviser or a related person buys or sells the same securities for the Adviser's own (or the related person's own) account, as well as related conflicts

of interest, please see “Code of Ethics” and Item 10 above.

In addition, the Adviser’s personnel may buy securities in transactions offered to but rejected by the applicable Funds. Such transactions are subject to the policies and procedures set forth in the Adviser’s Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If the Adviser’s personnel have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments. For further details regarding these arrangements, as well as related conflicts of interest, please see Item 10 above.

## **Item 12. Brokerage Practices**

As the Funds primarily make real estate and real estate-related investments, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio investment, securities held as a result of initial public offerings of portfolio investments, going-private transactions, etc.). However, to meet its fiduciary duties to the applicable Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

For each of the Funds, the Adviser has, subject to the direction of such Fund’s General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction. “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

To the extent they aggregate orders for purchase and sale, the Adviser will aggregate such orders as it deems appropriate and in accordance with each Fund’s documents and in the best interest of each Fund.

## **Item 13. Review of Accounts**

### **Oversight and Monitoring**

The portfolio investments of the Funds are generally private, illiquid and long-term in nature, and accordingly, the Adviser’s review of them is not directed towards a short-term decision to dispose of securities. However, the portfolio investments of each Fund are continuously reviewed by a team of investment professionals. The team generally includes a Partner and other investment professionals of the Adviser. The Adviser closely monitors the portfolio investments of the Funds

and generally maintains an ongoing oversight position in such portfolio investments.

### **Reporting**

Investors in the Funds will typically receive, among other things, a copy of financial statements of the relevant Fund. In addition, investors in each Fund will typically receive quarterly summary financial information regarding such Fund following the end of each financial quarter.

Investors in the Funds also receive regular reporting updates through quarterly letters, investor meetings and other materials provided on the investor website. The Adviser and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information upon request relating to such Fund to one or more investors in such Fund as they deem appropriate.

### **Item 14. Client Referrals and Other Compensation**

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related conflicts of interest, please see Item 10 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by the Funds' portfolio investments.

### **Item 15. Custody**

The Adviser has determined that it has custody of Fund assets for purposes of the Advisers Act as the Adviser is a related person of the General Partner of each such Fund. It is the policy of the Adviser to comply with the Advisers Act requirements in respect of the assets of any such Fund.

In accordance with SEC guidance, with respect to certain investments in privately offered securities, a specified custodian may hold only documentation relating to or referencing such investments but not the actual investment itself, and/or investments of a Fund may not be registered in the name of the custodian. Consequently, the custodian may not have control over the disposition of such investments, or the ability to direct delivery of sale proceeds or other distributions from such investments to the custodian. Further, for such investments, the custodian may not have the ability to validate or reconcile ownership of the investment with any third party, including the issuer.

### **Item 16. Investment Discretion**

The Adviser provides investment advisory services to the applicable Clients pursuant to the Advisory Agreements. Investment advice is provided by the Adviser directly to the applicable Funds subject to the direction and control of the affiliated General Partner of such Fund and not individually to the investors in the Funds. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Fund, and are set forth in the documentation received by each limited partner prior to investment in such Fund.

### **Item 17. Voting Client Securities**

Funds are not able to direct the vote of their General Partner. The General Partners intend to vote proxies or similar corporate actions in the best interests of the applicable Fund, taking into account such factors as it deems relevant in its sole discretion.

The Adviser's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict.

A detailed summary of the Adviser's proxy voting policies and procedures are available to Fund limited partners and prospective limited partners during the investment due diligence process.

A copy of the proxy voting policies and procedures may be obtained by contacting the Adviser's Compliance Department.

Existing clients may obtain copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund, and copies of proxy voting policies and procedures upon written request to: Bain Capital Real Estate, LP, 200 Clarendon Street, Boston, MA 02116.

#### **Item 18. Financial Information**

Item 18 is not applicable to the Adviser.

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to the Adviser.