

**Item 1.**

**Cover Page**

**Bain Capital Partnership Strategies, LP  
200 Clarendon Street  
Boston, MA 02116**

<https://www.baincapitalpartnershipstrategies.com/>

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

**March 2024**



**This brochure provides information about the qualifications and business practices of Bain Capital Partnership Strategies, 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 Partnership Strategies, 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**

<b>Item 1.</b>	<b>Cover Page.....</b>	<b>1</b>
<b>Item 2.</b>	<b>Material Changes.....</b>	<b>2</b>
<b>Item 3.</b>	<b>Table of Contents.....</b>	<b>3</b>
<b>Item 4.</b>	<b>Advisory Business.....</b>	<b>4</b>
<b>Item 5.</b>	<b>Fees and Compensation.....</b>	<b>4</b>
<b>Item 6.</b>	<b>Performance-Based Fees and Side-By-Side Management.....</b>	<b>11</b>
<b>Item 7.</b>	<b>Types of Clients.....</b>	<b>11</b>
<b>Item 8.</b>	<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>11</b>
<b>Item 9.</b>	<b>Disciplinary Information .....</b>	<b>61</b>
<b>Item 10.</b>	<b>Other Financial Industry Activities and Affiliations .....</b>	<b>61</b>
<b>Item 11.</b>	<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>93</b>
<b>Item 12.</b>	<b>Brokerage Practices.....</b>	<b>94</b>
<b>Item 13.</b>	<b>Review of Accounts.....</b>	<b>94</b>
<b>Item 14.</b>	<b>Client Referrals and Other Compensation .....</b>	<b>95</b>
<b>Item 15.</b>	<b>Custody.....</b>	<b>95</b>
<b>Item 16.</b>	<b>Investment Discretion.....</b>	<b>95</b>
<b>Item 17.</b>	<b>Voting Client Securities.....</b>	<b>96</b>
<b>Item 18.</b>	<b>Financial Information .....</b>	<b>96</b>
<b>Item 19.</b>	<b>Requirements for State-Registered Advisers .....</b>	<b>96</b>

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

Bain Capital Partnership Strategies, LP (the “Adviser”), a Delaware limited partnership wholly owned by Bain Capital, LP (“Bain Capital”) 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 may participate in the acquisition, monitoring and disposition of investment opportunities of, each applicable Fund.

The primary focus of the Adviser’s investment advisory activity is acting as a capital allocator focused on creating strategic partnerships with a diverse pool of third-party fund managers (each, an “Underlying Adviser”). The Adviser invests across assets classes but focuses principally on independent return “uncorrelated” investments. The Funds’ investments are made via a variety of structures including commingled funds, funds-of-one, separately managed accounts, co-investments, seed arrangements, direct investments or other investments and strategies (such investments “Underlying Investments”). In addition, from time to time, the Adviser will offer advice to the Funds on investments in equities, fixed income products, derivative instruments or other asset classes.

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

Any restrictions on investing in certain types of investments are established by the General Partner of the applicable Fund and are set forth in the governing documents for each respective Fund. Once invested in a Fund, investors cannot impose restrictions on the types of securities in which such Fund may invest.

The Adviser has been in business since 2018. As of December 31, 2023, the Adviser manages approximately \$2,643,398,000 of client assets, all of which are managed on a discretionary<sup>1</sup> basis.

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

As compensation for investment advisory services rendered to the Funds, the Adviser generally receives from each applicable Fund an annual management fee (“the Management Fee”) payable monthly in advance. Management Fees paid by a Fund are indirectly borne by the investors in such Fund.

---

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

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

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. 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.

In addition, the Adviser may be entitled to certain incentive compensation when certain conditions are met. Please also see Item 6 below regarding "carried interest" that the Funds may pay.

In general, a Fund shall bear its expenses. Expenses borne by a Fund may 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 is Bain Capital's standard practice, each Fund bears all of its organizational and operational expenses and obligations, which include:

- (a) all out-of-pocket expenses incurred in connection with organizing, reorganizing, establishing and/or restructuring of the Fund, the General Partner, any "Special Limited Partner" as defined in the applicable Fund's organization documents, and the offering of interests (including legal and accounting expenses, filing fees Travel-Related Expenses (as defined below), printing costs or any other expenses incurred with respect to the offering) ("Organizational Expenses");
- (b) all investment-related expenses (including any such expenses incurred in connection with potential investments, whether or not completed), including: expenses relating to identifying, discovering, sourcing, developing (including any retainers, success and finder's fees and other compensation paid to contractors, senior advisors, joint venture partners, fundless sponsors and sourcing and operating partners), evaluating, valuing, researching, investigating, structuring (including rating agency fees and expenses), diligencing, monitoring, maintaining, servicing, purchasing, making, holding, acquiring, registering (including notary and "gestoria" and other similar costs), selling (or potentially selling), refinancing (including any brokerage, borrowing and financing fees or expenses) or restructuring investments (whether or not completed, including broken deal and reverse break-up fees, liquidated damages, forfeited deposits, reverse termination fees or similar payments); all lodging, meals, entertainment, accommodation, travel, transportation (including the use of charter, first class or business travel and taxis and car rentals and any other transportation), meals, entertainment and related expenses (collectively, "Travel-Related Expenses") (including any of these incurred by an investment team or other member of the General Partner or the Adviser or their respective affiliates whether or not traveling) incurred in connection with the Funds affairs, including Travel-Related

Expenses in connection with evaluating, making and monitoring investments; professional costs and expenses (including legal, compliance, tax, financial, accounting, actuarial, valuation, advisory and consulting/experts (including consultants or experts for industry-specific matters, due diligence, reference checks, sourcing or introductions and other similar costs)); brokerage commissions, hedging costs, expenses relating to short sales, prime brokerage fees, custodial expenses, clearing and settlement charges, private placement fees, syndication fees, solicitation fees, arranger fees, sales commissions, pricing and valuation fees (including appraisal fees), underwriting commissions and discounts, investment banking fees, advisory fees, and bank charges, and custodial, trustee, transfer agent, government and/or regulatory filing, recordkeeping and other administrative costs; fees of servicers of any investments (including without limitation servicers of pools of loans and arrangements providing for profits or other incentive-based compensation); salaries, bonuses and fringe benefits payable to employees of the Adviser or its affiliates who are retained to provide operational support (including servicing) to the Funds or their investments and portions of rent, utilities, information technology, other real-estate related expenses and other similar items and related overhead expenses associated with the retention of such employees; and experts or consultants serving as executives or directors for investments;

- (c) all expenses of the Fund incurred in connection with the ongoing operation and administration of the Fund, including any legal, tax, auditing, accounting, administrative and consulting fees, bookkeeping, record keeping and clerical services to the Funds (whether performed by internal staff of the Adviser or the Fund's General Partner, affiliates of or entities established by the Adviser or the Fund's General Partner or by third parties;
- (d) 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);
- (e) all fees; costs and expenses associated with the Fund's audits and financial statements (including fees and expenses associated with preparing tax information, returns and elections), including fees and expenses associated with preparing, filing or distributing tax information, returns, Schedule K-1 (or other similar schedules) or elections and complying with any tax audit, investigation, settlement or review; expenses incurred in connection with the preparation and maintenance of the Fund's books and records and account holder diligence; expenses incurred in connection with the preparation and delivery of wires and distributions, financial and other reports, circulars, forms, notices, valuations, investment summaries and other information (including courier and delivery expenses), including the cost of auditing reports; expenses incurred as tax matters representative in connection with the Fund; and expenses incurred in connection with the winding up, dissolution and liquidation of the Fund;
- (f) expenses and fees of any administrator, depositary and/or custodian;
- (g) all fees, costs and expenses incurred in connection with litigating or owning any investments of the Fund; advisory fees (including income-based repayments, receivership

costs and similar fees and costs), value-added taxes and taxes incurred in connection with investments;

- (h) all research and data expenses (including news and quotation subscriptions, market research, costs of attending or hosting conferences and Travel-Related Expenses), information technology expenses (including technology service providers), any providers of “big,” “alternative” or similar data (including any initial and ongoing diligence of any data provider) and expenses related to acquiring, developing, implementing or maintaining related hardware and software and other information technology expenses (including phone and information charges) and total logistic control expenses;
- (i) all fees, expenses and costs in connection with any government and/or regulatory filings related to the Fund or the offering of interests in the Fund (including regulatory filings of the Adviser and its affiliates relating to the Fund, including without limitation Form PF filings, but not, for the avoidance of doubt, filings solely related to the operation of the Adviser generally), and the costs of maintaining the Fund in compliance with all applicable laws (including anti-financial crime compliance);
- (j) all fees, costs and expenses of registration, qualification or exemption of the Fund under any law or regulation, and any legal or regulatory compliance with any law or regulation, and related reports, disclosures, licenses, registrations or notifications (including the fees, costs and expenses of initial filings, notifications and registrations contemplated by the European Union Alternative Investment Fund Managers Directive and similar domestic or “blue sky” regions, printing costs and other similar amounts); and all fees, costs and expenses related to any actual or anticipated governmental inquiries, investigations or proceedings (whether cooperation with such inquiries, investigations or proceedings is voluntary or otherwise) relating to the Fund or its activities, including any judgments, settlements or fines;
- (k) all expenses related to advisory committee meetings (including Travel-Related Expenses), other out-of-pocket expenses of the advisory committee (including costs and expenses of any legal counsel or other advisors retained by the advisory committee) and costs and expenses incurred in relation to obtaining consents or approvals of the limited partners or the advisory committee;
- (l) any costs, losses, damages or other expenses relating to any warranties or indemnities given by the Fund 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, special purpose vehicles and other vehicles through which the Fund makes, holds or proposes to make or hold investments, including costs associated with establishing, managing and administering such entities (including board of director expenses, corporate governance and secretarial expenses, fees and expenses associated with accounting, tax and financial services, reporting and cash handling fees and expenses, fees and expenses incurred in connection with audits and regulatory compliance, such as the Foreign Account Tax Compliance Act (“FATCA”), the Organization for Economic Cooperation and Development’s (“OECD”) Common Reporting Standard, anti-money

launders and central bank reporting), maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead 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 the partnership agreement or other documentation of the Fund;
- (o) all costs and expenses incurred in connection with or incidental to the incurrence or refinancing of any credit facility or other indebtedness, letters of credit or other obligations of the Fund, including interest owed on any loans advanced to the Fund by affiliates of the General Partner;
- (p) the Management Fee;
- (q) costs and expenses of administering and complying with side letters entered into with limited partners (including the process of distributing and implementing applicable elections pursuant to any “most-favored nations” clauses in side letters and any environmental, social and governance obligations or other standards, including compliance and reporting);
- (r) all out-of-pocket expenses incurred in connection with the collection of amounts due to the Fund from any person or entity;
- (s) all expenses incurred in connection with the obtaining and maintaining of insurance policies by or on behalf of investments of the Fund, the Fund, the General Partner, any Special Limited Partner, the Adviser and their respective affiliates and the advisory committee with respect to the Fund, such as director and officer insurance, error and omission insurance, property damage insurance, block insurance on loans, insurance on environmental risks, warranty and indemnity insurance, financial institution bond and key person coverage, including the allocable portion of any insurance policies that provide the General Partner and/or the Adviser with coverage covering multiple funds, personnel or liabilities, including with respect to the Fund (and including “tail” insurance obtained to cover claims arising after the wind down and termination of the Fund);
- (t) all costs and expenses incurred in connection with a purchase, sale, assignment, pledge or transfer of a limited partner’s interest in the Fund (but only to the extent not paid by the applicable purchaser or limited partner, assignee, pledgee or transferee, as the case may be);
- (u) any taxes, or any expenses, penalties, liabilities or government charges directly or indirectly imposed or required to be paid or withheld by the Fund, the General Partner, any Special Limited Partner or the Adviser or any affiliate thereof with respect to the Fund or any partner, including any interest, additions to tax, penalties or related expenses and expenses in connection with tax proceedings and any other tax-related expenses with respect to the Fund, any limited partner, which, in each case, are not allocated to one or more limited partners;



- (v) all expenses incurred in connection with any actual or anticipated action, claim, suit, investigation, audit or proceeding by or before any court, arbitrator, governmental body or other agency involving the Fund whether or not the Fund is the subject of such proceeding (including the cost of any investigation, prosecution, defense and preparation) or any investment of the Fund and the amount of any judgment, fine or settlement paid in connection therewith;
- (w) all fees, costs and expenses (whether paid as a retainer, consulting fee, incentive compensation, guaranteed minimum compensation or in any other manner) of professionals (including industry executives, advisors, consultants (including operating and sourcing consultants), joint venture partners, operating executives, subject matter experts or other persons or entities acting in a similar capacity) who provide services to the Fund or any feeder vehicle and/or their respective portfolio companies 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 be provided prior to the commencement of an investment);
- (x) any other extraordinary expenses of the Fund;
- (y) all indemnification obligations and any other indemnity, contribution, or reimbursement obligations of the Fund with respect to any person, whether payable in connection with an action, claim, suit, investigation, audit or proceeding involving the Fund or otherwise; and
- (z) all fees, costs and expenses borne by the Fund as an investor in the Underlying Investments, (collectively, "Fund Expenses").

For the avoidance of doubt, similar expenses incurred with respect to any feeder vehicle will also be considered Fund Expenses and will be borne by the Funds. The foregoing will be considered Fund Expenses whether incurred directly by a Fund or by its General Partner, the Adviser or any of their affiliates on behalf of a Fund. In addition, the limited partners indirectly bear certain expenses of the Underlying Investments in which a Fund invests, including expenses similar to those enumerated in the preceding paragraphs, and the Management Fees, performance fees, carried interest and/or other performance-based fees or compensation borne by or in respect of Underlying Investments. Each Fund bears 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 or the General Partner, or affiliates of or entities established by the Adviser or the General Partner, in certain jurisdictions required or desirable in connection with a Fund's investments.

Each Fund bears all of the foregoing fees, costs and expenses, including Fund Expenses, whether performed by internal staff of the Adviser or the General Partner, affiliates of or entities established by the Adviser or the General Partner or by third parties, including allocable portions of salaries, bonuses, fringe benefits or other fees paid to such staff or consultants engaged by any of the foregoing, the fees and expenses associated with recruiting and training such staff and consultants and portions of rent, 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. In that regard, each Fund allocates these fees, costs and expenses when performed by internal staff at such rates as are reasonably determined by the Adviser and its affiliates.

Subject to the foregoing, the Adviser pays its normal operating expenses (such as compensation expenses related to its personnel for non-fund-related and non-transaction-related services, rent, utilities, office expenses, and travel expenses not related to a transaction) out of the Management Fee.

The General Partners may, in their sole discretion, determine to pool certain expenses or certain types of expenses incurred in respect of multiple investment vehicles managed by the General Partners and its affiliates, including the Funds, and allocate such expenses among the applicable vehicles using a particular methodology (e.g., based on relative NAV or “buying power”) that may result in a Fund bearing a higher amount of expense than had a different methodology been applied. The General Partners may, in their sole discretion, make adjustments to such allocations and to the methodologies used in making such allocations at any time during the term of the Funds.

The appropriate allocation of expenses and fees among the Funds, 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 Funds 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 Fund if the investment is not consummated, with the result that a Fund 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.

The Funds amortize Organizational Expenses and Fund Expenses over such time period as is permitted by U.S. generally accepted accounting principles (“U.S. GAAP”), as determined by the General Partners in their sole discretion.

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

Our affiliate, Bain Capital Distributors, LLC (“Bain Capital Distributors”) 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.

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

The Funds may pay carried interest and other similar incentive fee arrangements (“Incentive Fees”). Certain investors in the Funds may incur lower or no Incentive Fees. Incentive Fees may differ from one Fund to another, as well as among investors in the same Fund.

For the Funds that pay carried interest, a portion of each Fund’s net investment profit is allocated to the capital account of its General Partner or to the limited partner entitled to receive the incentive allocation (the “Special Limited Partner”) as “carried interest.” Each General Partner or Special Limited Partner of a Fund is a related person of the Adviser. References to General Partner in relation to carried interest for purpose of this document also may include any Special Limited Partner created for applicable Funds. Carried interest may differ from one Fund to another, as well as among limited partners in the same Fund.

The payment by Funds of Incentive Fees 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 Incentive Fees at a higher rate, or to disproportionately 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 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. The limited partners in the 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**

The Adviser manages each Fund in accordance with its investment strategy, applicable Advisory Agreements, and other governing documents. For the Funds, the Adviser’s investment strategy

involves in-depth strategic and financial analysis, placing particular emphasis on differentiated strategies, uncorrelated returns to equities, and Underlying Adviser capability, where applicable.

The Adviser typically recommends investments across a diverse pool of third-party fund managers it believes can outperform certain relevant benchmarks (as determined by the Adviser), where applicable. The Funds' investments are made via a variety of structures including commingled funds, funds-of-one, separately managed accounts, co-investments, seed arrangements, direct investments or other investments and strategies. In addition, from time to time, the Adviser will recommend investments in equities, fixed income products, derivative instruments or in other asset classes.

The specific nature of the Adviser's fundamental research and diligence will vary by specific opportunity, but typically includes a detailed analysis of the following:

- Key return drivers
- Industry attractiveness
- Primary and secondary market research
- Sub-strategy/geographic attractiveness
- Competitive analysis
- Underlying Investment's team's background, strategy and capability
- Key risks and opportunities

As part of its in-depth research, the Adviser dedicates significant resources to assessing an investment's strategic position rather than simply performing financial analysis. This strategic evaluation generally includes market research, peer analysis, risk assessment and Underlying Investment's team interviews and reference checks.

## **Risks**

Investing in a Fund involves a substantial degree of risk. A Fund may lose all or a substantial portion of its value and investors in a Fund must be prepared to bear the risk of loss, including total loss, of their investments therein.

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

The risks associated with an investment in any 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 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***

#### ***Reliance on the Adviser and Underlying Advisers***

An investor must rely on the Adviser's ability to identify and make investments consistent with a Fund's investment objective and policies. In addition, the investors will not have an opportunity to evaluate the relevant economic, financial or other information regarding specific investments to be made by a Fund or the terms of any investment. The Adviser may be unable to find a sufficient number of attractive opportunities to fully invest a Fund's portfolio or meet its investment objective. Further, there can be no assurance that what the General Partner or the Adviser perceives 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 a Fund and other Related Funds (as defined in Item 10 below), and any such allocation determinations will be made in accordance with the factors described in Item 10 - *Allocation of Investment Opportunities* below. Limited partners have no right or power to take part in the management of a Fund. Limited partners will not receive the detailed financial information issued by investments in which a Fund invests that is available to the General Partner and the Adviser. Accordingly, no person should purchase limited partner interests unless such person is willing to entrust all aspects of the management of the Funds to the General Partner 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 objective. In addition, it is expected that all of the officers and employees responsible for managing or advising a Fund will continue to have responsibilities with respect to other funds and investments. Thus, such persons will have demands made on their time for the investment, monitoring, exit strategy and other functions of the other funds and investments. In addition, the limited partnership agreement and the investment management agreement limit the circumstances under which the General Partner, the Adviser and their respective affiliates (and other related parties) can be held liable to a Fund. 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.

Similarly, in managing and directing the investment program of an Underlying Investment, an Underlying Adviser may rely heavily on certain key personnel. The departure of any such key personnel or their inability to fulfill certain duties may adversely affect the ability of the Underlying Adviser to effectively implement the investment program of such Underlying Investment.

### *Counterparty Risk*

Certain markets in which the Funds or an Underlying Investment may affect transactions are "over-the-counter" ("OTC") or "interdealer" markets and may also include unregulated private markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange-based" and/or centrally cleared markets. This exposes the applicable fund or Underlying Investment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the applicable fund or Underlying Investment to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the applicable fund or Underlying Investment has concentrated its transactions with a single or small group of counterparties. The Funds and Underlying Investments may also be exposed to

similar risks with respect to non-U.S. brokers in jurisdictions where there are delayed settlement periods, including broker-dealers in jurisdictions in emerging markets. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty and it is not expected that any Underlying Investment would be so restricted. The ability of the Funds and each Underlying Investment to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund or an Underlying Investment. Similar risks also arise in connection with derivative instruments and brokerage arrangements that a Fund or an Underlying Investment may put in place.

The Funds and each Underlying Investment may only close out OTC transactions (including swaps and contracts for differences ("CFDs")) with the relevant counterparty and may only transfer a position with the consent of the particular counterparty. Also, if the counterparty defaults, the applicable fund or Underlying Investment will have contractual remedies pursuant to the agreement related to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, the applicable fund or Underlying Investment will succeed in enforcing contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the applicable fund or Underlying Investment to enforce its contractual rights may lead such fund or Underlying Investment to decide not to pursue its claims against the counterparty. The Funds and each Underlying Investment thus assume the risk that they may be unable to obtain payments owed to it under contracts relating to over-the-counter transactions or that those payments may be delayed or made only after the applicable Fund or Underlying Investment has incurred the costs of litigation.

#### *Investments in or Alongside Underlying Investments*

The Funds generally expect to make investments in investment funds, accounts, and operating company securities across a range of alternative asset classes, including public equity securities, fixed income securities, private equity, venture capital, foreign exchange, real assets (including public and private real estate, natural resources and commodities), other liquid and illiquid investment situations and securities (including, without limitation, direct purchases of operating company securities acquired by co-investments with alternative asset managers), and interests in private investment funds. Investments in Underlying Investments may be speculative, leveraged, and volatile. The instruments in which Underlying Investments invest may at any given time consist of substantial amounts of securities and other financial instruments or obligations which are very thinly traded, which are restricted as to their transferability under applicable laws, or for which no market exists, and such investments may also be adversely affected by exchange regulations. The sale of any such investments may be possible only at substantial discounts. Furthermore, such investments may be extremely difficult to value with any degree of certainty.

#### *Lack of Liquidity for Funds of Hedge Funds*

Among the principal disadvantages and risks inherent in a fund of hedge funds structure are the liquidity restrictions that the Underlying Investments it invests in impose on the asset allocation

flexibility and risk control capability of the Funds. Many Underlying Investments permit redemptions only on a quarterly or less frequent basis (semi-annual, annual, or longer, including not allowing any voluntary redemptions), and only if the relevant Fund has delivered notice 90 days, 180 days, or longer before the applicable redemption date. Certain Underlying Investments may further restrict redemptions through the use of “lock-ups,” which delay the initial date on which a Fund can redeem, or “gates,” which restrict the overall amount a Fund may redeem from an Underlying Investment. Some portfolio managers may also limit redemptions with respect to “side pocket” investments, where a particular investment is classified as “illiquid” or “designated” and investors generally cannot receive their allocable share until that investment is liquidated or otherwise realized.

A side effect of the inability to redeem from an Underlying Investment is that the Adviser may be unable to reallocate a Fund’s assets as dynamically as the Adviser may otherwise desire. This limitation will exist even when an Underlying Investment has not implemented a constraint on its expected liquidity. Given that, even under normal market and operating conditions, the Underlying Investments permit redemptions infrequently (or, in some cases, not at all) and on significant advance notice, a Fund’s flexibility to reallocate assets among Underlying Investments will be limited.

The Adviser has no control over the liquidity of Underlying Investments and depends on the portfolio managers to provide appropriate valuations as well as liquidity in order to process investor redemptions. In some cases, the Adviser allocates assets to Underlying Investments that later impose liquidity constraints making it impossible to terminate them as the Adviser desires. Limited partners must recognize that under certain circumstances, restrictions on liquidity that portfolio managers impose may materially restrict or delay investor redemption rights. An inability to redeem from an Underlying Investment may expose a Fund to losses it could have otherwise avoided if the Fund had been able to redeem from that Underlying Investment. An inability to redeem from an Underlying Investment may also cause a Fund to become unbalanced because it may be forced to obtain liquidity from more liquid investments.

#### *Senior Advisors and Third-Party Service Providers*

The General Partners and the Adviser may retain third parties (which include former employees of the General Partners, the Advisers or their respective affiliates) to provide services in relation to the Adviser’s investment activities and operations. In particular, senior advisors may be retained to provide sourcing, consulting or advisory services, including services related to the development of investment theses and investment opportunities in a given sector or deal analyses (in each case, services may, for the avoidance of doubt, be provided prior to the commencement of an investment). Additional third-party consultants, legal advisors, accountants, investment banks and/or others are retained to assist in the investment due diligence process to varying degrees depending on the particular investment. In addition, the General Partners and the Adviser may retain one or more individuals in connection with establishing platforms for investments, operating portfolio companies or providing other similar services (such individuals, “senior advisors” and other third-party experts, advisors or consultants, “Service Providers”). In addition to Service Providers, a Fund’s General Partner and/or the Adviser from time to time, engage other operating professionals, including third-party consultants and/or employees or former employees of a Fund’s General Partner, the Adviser and their respective affiliates. Such arrangements are described in more detail below.

The involvement of Service Providers may present a number of risks primarily relating to the General Partners' or the Adviser, as applicable, reduced control of the functions that are outsourced. The General Partners and the Adviser may rely on the findings of service providers in making investment and management decisions. Bain Capital and the Adviser may not be in a position to verify the risks or reliability of third-party 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 Adviser will have any fiduciary duties to the Adviser or the limited partners, they may be entitled to indemnification under the terms of their service contracts or other arrangements entered into with the Funds, the General Partners 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 relationships with Service Providers that make the General Partners or the Adviser more likely to engage that provider or which present other conflicts of interests which may not be possible to manage in such a way that they are avoided.

Fees paid to Service Providers may be structured in various ways, including as an annual, quarterly, monthly or hourly fee or retainer, a consulting fee, and/or incentive compensation based on the particular services provided (e.g., a bonus or success fee (in the form of cash or equity) based on pre-determined targets, milestones or similar factors), or as guaranteed minimum compensation. Collectively, these fees generally will be borne by a Fund or its investments and will not reduce the Management Fee owed to the Adviser. In addition, Service Providers may also be granted equity interests (including stock options) in one or more investments, which they may not have received if they did not have an ongoing relationship with the Adviser and a Fund. Any such equity interests (including any stock options) will not be for the benefit of a Fund, and the value of such interests (including any such stock options) will not reduce the Management Fee 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 and relevant comparisons may not be available for a number of reasons, including as a result of a lack of a substantial market of providers of users of such services or the confidential, specialized and/or bespoke nature of such services. In connection with such relationships, a General Partner of the Adviser will make determinations of market rates based on its consideration of a number of factors, which are generally expected to include the General Partner's 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 more qualified to provide the applicable services or could provide such services at lesser cost.

### *Valuation*

Fund investments are valued at estimated fair value as determined in good faith by the General Partner. In determining fair value of the Funds' investments in Underlying Investments, the General Partner will generally rely on the net asset values reported to the Fund by the Underlying Investments. Due to the generally illiquid nature of the Funds' investments, fair values determined



by the General Partner likely will 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. Similarly, there can be no assurance that the net asset values of the Underlying Investments reported to a Fund by the Underlying Investments appropriately reflect the fair values of such Underlying Investments' assets or the prices that actually would be received when such assets are realized. Such valuations may be provided by the Underlying Advisers to the Underlying Investments based on the interim unaudited financial records of such Underlying Investment, and, therefore, may be subject to adjustment (upward or downward) upon the receipt of new or revised information by the Underlying Adviser. The value of a Fund's interest in a particular Underlying Investment cannot be considered final until the annual audit of such Underlying Investment is complete (if such Underlying Investment is audited). Because Underlying Investments only periodically report their net asset values, the net asset values on which the General Partner will rely in determining the fair value of a Fund's investments in Underlying Investments (including for purposes of subscriptions and withdrawals) will often be based on reports relating to a prior point in time, and the General Partner has the authority to value an interest in an Underlying Investment at a value other than that reported by such Underlying Investment.

The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from the prices at which such securities may ultimately be sold. In addition, from time to time, third-party pricing information may not be available regarding certain of a Fund's assets and/or some of a Fund's assets may be valued internally. Performance information of the Funds, which may hold illiquid or hard-to-value assets, is therefore dependent upon the valuation procedures of the Adviser, and such values may not ultimately be realized. With respect to the Funds, the exercise of discretion in valuation by the General Partner gives rise to conflicts of interest, as the Management Fee and Incentive Fees are calculated based, in part, on these valuations and such valuations affect performance return calculations. In addition, the General Partner may or may not value the investments differently from how the same or similar investments are valued by the general partners of the Related Funds (as defined in Item 10 below).

If the valuations made by the General Partner 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 a Fund), the Incentive Fees received by the Special Limited Partner, or the timing of receipt of Incentive Fees, could also be incorrect. Additionally, 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 a Fund's performance track record. See also "*Conflicts of Interest—Valuations*" below.

The General Partner and/or any manager or officer of the General Partner may permit deviations from U.S. GAAP where they consider it to be appropriate, acting always in accordance with applicable, laws, regulations and rules applicable to the Funds.

#### *In Kind Distributions*

Although the Funds expect to distribute primarily cash to limited partners upon withdrawals, the Funds may make distributions of assets in kind from time to time to some or all applicable limited

partners. There can be no assurance that the Funds will have sufficient cash to satisfy withdrawal requests, or that it will be able to liquidate investments at the time such withdrawals are requested at favorable prices. 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 applicable partnership agreement. Investments distributed in kind may not be readily marketable or disposable and may have to be held by limited partners for an indefinite period of time. 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. In certain circumstances, one or more Funds or Related Funds (as defined in Item 10 below) may be permitted to make a distribution in kind to some or all of their investors in circumstances in which one or more other Funds or Related Funds dispose of the securities and distribute cash.

Underlying Investments may also make further distributions in kind and/or create liquidating trusts, special purpose vehicles, or other entities which would be subject to similar risks as those described above. In addition, Underlying Investments may charge management fees and/or performance-based compensation as well as other expenses with respect to any such liquidating vehicles.

A distribution in kind of marketable securities could put downward pressure on the price of such security, 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 may be permitted to be sold by the limited partners after receipt, due to contractual and/or regulatory restrictions, 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 limited partners. There can be no assurance that any limited partner will be able to dispose of distributed securities at the value determined by the applicable General Partner, notwithstanding that such value (and not the value a limited partner receives upon its own disposition) will be used to determine the amount of recognized gain or loss for purposes of determining net profit and net loss and making applicable allocations thereof. In addition, 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). The Funds may also be subject to such transfer taxes or non-resident capital gains tax.

Furthermore, once securities are distributed by a Fund, neither the General Partner 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 Partner and/or Adviser receives and/or affiliates of the Adviser (including the Adviser's personnel) receive 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.

The 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 a 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.

### *Leverage and Subscription Facility*

Certain Funds have entered into credit facilities and may enter into one or more additional credit facilities from time to time to facilitate a Fund's operations. Borrowings may be secured or unsecured, may be cross-collateralized and may include one or more credit facilities secured by a pledge of the General Partners' right to make capital calls from limited partners and/or the assets of a Fund. In connection with any credit facility, the limited partners may be required to confirm the terms of their commitments to the lender(s) in respect thereof and provide such information and execute such documents as such lender(s) or the General Partner may reasonably require.

The Funds expect to utilize leverage, but there can be no assurance that the Funds will be able to obtain leverage, including in connection with any particular investment. If leverage is available, there can be no assurance that it will be on terms favorable to the Funds. Moreover, market conditions or other factors may cause or permit the amount of leverage employed by the Funds to fluctuate over the life of the Funds.

The Funds may utilize leverage for any purpose, including through engaging in trading on margin by borrowing funds and pledging or charging securities as collateral (including by a pledge of a Fund's interests in Underlying Investments). While such use of borrowed funds increases returns if a Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns if a Fund fails to earn as much on such incremental investments as it pays for such funds. The effect of leverage may therefore result in a greater decrease in the net asset value of a Fund than if the Fund were not so leveraged. Any use by a Fund of short-term margin borrowings will result in certain additional risks to such Fund. For example, the securities pledged to brokers to secure a Fund's margin accounts could be subject to a "margin call," pursuant to which such Fund would be required either to deposit additional funds with the broker or to suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of a Fund's assets accompanied by corresponding margin calls could force such Fund to liquidate assets quickly, and not for fair value, in order to pay off margin debt. In some circumstances, the broker-dealer from which a Fund has borrowed the money may have the right to liquidate collateral and/or terminate the Fund's brokerage and related legal agreements with little or no notice. Due to recent market events, it may become increasingly difficult to utilize leverage in the future, which could negatively impact the returns of the Funds.

In addition, in connection with any such leverage, the Funds may be required to agree to certain covenants and other restrictions related to their activities with the lender, including with respect to payments of cash from a Fund. As a result, failure to obtain the consent of a lender to pay cash out of a Fund or approve a withdrawal may cause a delay in effectuating withdrawals or the payment of proceeds to a withdrawing partner.

Money borrowed for leveraging will be subject to interest costs. Furthermore, the amount of borrowings that a Fund may have outstanding at any time could be large in relation to its capital. Thus, in addition to changes in the value of securities purchased with borrowed funds, the amount

of borrowings and the interest rates on those borrowings, which may fluctuate from time to time, may have a marked effect on a Fund's performance.

In addition, Underlying Investments or other investments may utilize leverage. Use of leverage by a Fund would be in addition to any leverage utilized by Underlying Investments. Many of the same risks described with respect to the use of leverage by a Fund apply to the use of leverage by Underlying Investments.

#### *Certain Risk and Costs of Fund-Level Borrowing*

Certain Funds have entered into a credit facility and may enter into one or more additional credit facilities from time to time to facilitate the Funds' operations (including the acquisition of the Funds' investments and the payment of expenses). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a credit facility could in certain circumstances be secured by assets of a Fund, as such, if the Fund fails to repay the amounts borrowed under a credit facility or otherwise experiences an event of default, a lender could potentially foreclose on the pledged collateral and, only if applicable, a Fund's investments. Moreover, any claims by one or more limited partners against a Fund would likely be subordinate to the Fund's obligations to a credit facility's creditors.

In addition, Fund-level borrowing will result in incremental Fund Expenses that will be borne by the fund investors. These expenses include interest on the amounts borrowed, an upfront fee for establishing a credit facility and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. To the extent provided in the partnership agreement, any such borrowing is permitted to remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund Expenses that decrease net returns of the Fund.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the Limited Partners or impose additional obligations on them such as those set forth in "*Leverage and Subscript Facility*" above. In addition, such a credit facility would likely require a Fund to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. In order to secure the credit facility, the General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any credit facility and may agree to terms that are not the most favorable to one or all limited partners.

Fund-level borrowing involves a number of additional risks. Certain Funds are authorized to use Fund-level borrowing to reimburse the General Partner for expenses incurred on behalf of the applicable Fund. Certain Funds and the General Partner are authorized to use Fund-level borrowing to pay Management Fees. Certain Funds are also permitted to utilize Fund-level borrowing when it expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital at an investment. If the General Partner is ultimately unable to repay the borrowings through those other means, limited partners

would end up with increased exposure to the underlying investment, which could result in greater losses in a declining market.

### *Side Letters or Similar Agreements*

The Adviser and/or General Partners, without any further act, approval or vote of any limited partner, often enter into certain side letter or 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, Incentive Fees and 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 Partner's investment persons to appoint a voting or non-voting representative to the advisory committee, consents to the use of confidential information additional reporting obligations, agreements to refrain from disclosing the names or marks of certain limited partners, rights based on particular circumstances of a limited partner and any rights established in favor of another limited partners that invests in a fund as an anchor investor or as part of a larger investment program or managed account with Bain Capital) (ii) the right to receive notices or other information, including reports more frequently than, or not otherwise provided to, limited partners generally; (iii) 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; (v) agreements to permit representatives of certain limited partners to serve on an advisory committee in a voting or non-voting capacity, or any information rights related to an advisory committee; (vi) the right to be offered a co-investment opportunity; (vii) the reduction or elimination of a limited partner's capital commitment; (viii) the termination of a limited partner's interest in a Fund and associated right to withdraw from a Fund; (ix) consent rights; (x) arrangements with respect to waivers of certain obligations, including indemnification obligations set forth in a limited partner's subscription agreement; (xi) 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; (xii) rights of a limited partner not to participate in specific investments or categories of investments; (xiii) rights designed to aid a limited partner with complying with specific laws or regulation, or pre-existing policies applicable to it; and (xiv) any other matter deemed appropriate by the adviser or General Partner (collectively, "Side Letter Rights"). Any such information rights that may be provided to certain limited partners pursuant to clause (i) above may provide the recipient greater insights into a Fund's activities than is included in standard reports to limited partners, thereby enhancing the recipient's ability to make certain investment decisions (including subscription and withdrawal decisions) with respect to a Fund. In addition, as a result of receiving client reports or otherwise, one or more limited partners may have access to different information regarding transactions, strategies or views than other limited partners, and may act on such information in accounts not controlled by a Fund's general partner, which may have a material adverse effect on the performance such Fund. Such Side Letter Rights may be granted to limited partners pursuant to an agreement.

The costs to a Fund of complying with the Side Letter Rights of fund investors, including any most favored nations process required thereby, are expected to be material and will be treated as an ongoing Fund 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 Partner are not required to disclose the terms of side letter or similar arrangements with other limited partners. To the extent that the Funds or the General Partner 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 fund investor (including, for example, with respect to Management Fees and Incentive Fees to be charged to such investor) will govern solely with respect to such fund investor (but not any of such fund investor's assignees or transferees unless so specified in such side letter) and will not require the approval of any other fund investor notwithstanding any other provision of the 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 Partnership Agreement and/or a Fund's business and affairs, and the provisions of the Partnership Agreement, including but not limited to 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 (as defined in Item 10 below) 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 committee of a Fund 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 Funds' governing documents or side letters with investors in a Funds or in a Related Fund. Bain Capital may also provide customization by forming separate accounts for certain platform investors that would invest alongside a Fund or a Related Fund on terms that differ from those in such Fund's or such Related Fund's governing documents.

#### *Different Terms of Employee Investors*

It is expected that certain employees and personnel of the Adviser will invest in the Funds. Subject to applicable law, the terms of an investment by a current employee may differ from, and may be more favorable than, those of an investment by an external limited partner. For example, employee investors generally will not be subject to the same incentive or Management Fee with respect to their investment, may receive capital calls, distributions and information regarding investments at different times than external limited partners and may benefit from different credit facility arrangements than the Funds, including by not being limited to any fund level borrowing limitations and generally managing such credit facility differently than the Funds (for example, by utilizing borrowings to a lesser or greater extent 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, Related Funds (as defined in Item 10 below) and their portfolio companies, which may include arrangements relating to financing personal commitments to the Funds and/or Related 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 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 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 a 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 Adviser will prove correct and actual events and circumstances may vary significantly.

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

Certain countries in which the Funds may invest, or have invested, have in the past experienced, and may in the future experience, political and social instability that could adversely affect the Funds' portfolio companies. 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 and 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 company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the company can be resumed. Bain Capital, the Funds, the Funds' investments and the Underlying Investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural and man-made disasters may also be unknown, may delay the ability of the Funds or the Underlying Investments to invest in certain investments, and may ultimately prevent any such investment entirely.

Investments of the Funds and the Underlying Investments may also be negatively affected by man-made disasters. For example, certain countries' consumer food industry has been subject to the threat of inappropriate food tampering. Publicity of such types of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of the Funds' investments or the Underlying Investments, whether or not such investments are involved in such man-made disaster.

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 the coronavirus (COVID-19), the severe acute respiratory syndrome, avian influenza, H1N1/09 or other infectious diseases, such as the 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. Although the long-term economic fallout of such an outbreak is difficult to predict, 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 (x) adversely affected, and is expected to continue to adversely affect, the Funds' investments and the industries in which they operate, and (y) \resulted in the closure of Bain Capital's and certain investments' 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 an Underlying Investment or 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 an investment's 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.

The spread of an epidemic or pandemic among the Adviser's personnel and its service providers would also significantly affect the Adviser's 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.

### *Projections*

The Funds rely upon projections, forecasts or estimates developed by the Funds, Underlying Investments and Underlying Advisers or a company in which a Fund is invested concerning a company'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. There can be no assurance that the results set forth in the projections will be attained, actual events are difficult to predict and beyond the Funds' control. Projected operating results of a company are typically based primarily on financial projections prepared by (or substantially informed by) such company's management. In all cases, projections are only estimates of future results, based upon information received from a company and assumptions made at the time the projections are produced. Furthermore, companies in which the Funds will invest will generally be private unlisted companies. Such private companies may maintain less comprehensive financial information than, and are generally less regulated than, listed companies. Actual events often differ from those assumed and general economic factors (which are generally unpredictable and outside the control of the General Partner and its affiliates and employees) can have a material effect on the reliability and the 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 U.S. and non-U.S. 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.

### *Selection of Underlying Investments; Dependence upon Underlying Advisers*

The Adviser has the sole authority and responsibility for the selection of the Underlying Investments in which a Fund will invest. In connection with such Underlying Investments, the

Funds will be dependent upon the ability of the portfolio managers of such Underlying Investments to develop and implement strategies that achieve their investment objectives. Further, the success of any investment in an Underlying Investment, once made, is substantially dependent on the expertise of numerous Underlying Advisers who are involved in running and overseeing the Underlying Investments to help underwrite, operate, manage and dispose of assets.

The Funds generally do not expect to have the opportunity to evaluate or to approve specific investments made by any Underlying Investment, and none of the General Partners, the Adviser or the Fund will have an active role in the day-to-day management of the Underlying Investments. As a result, the returns of the Funds will depend largely on the performance of these unrelated Underlying Advisers and could be substantially adversely affected by the unfavorable performance and/or practices and policies of these Underlying Advisers. For example, an Underlying Adviser may suffer a business failure or become bankrupt, may engage in illegal activities, may breach its fiduciary or other duties, or may engage in activities that compete with investments of a Fund. Underlying Advisers may also allocate investment opportunities or expenses and fees in a manner that is not fair and equitable and that could adversely impact a Fund, and there can be no assurance that assessment of an Underlying Investment by the Adviser will identify all potential risks of problems or issues with an Underlying Adviser or verify the compliance of an Underlying Adviser with its stated policies and procedures. Many Underlying Advisers operate in an unregulated environment, and the Adviser may have little or no oversight over or input in the activities of such Underlying Advisers. In all cases, the Funds will rely on each Underlying Adviser to manage its activities in a manner consistent with its stated disclosures and applicable laws and regulations.

#### *Performance-Based Compensation Arrangements with Fund Managers*

The Funds expect to typically invest in Underlying Investments that provide compensation to their respective managers, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the account during specific measuring periods. Such performance fee arrangements generally may create an incentive for portfolio managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.

#### *Multiple Levels of Fees and Other Expenses*

Although in most cases investor access to the Underlying Investments may be limited or unavailable, an investor who meets the conditions imposed by, and has access to, the Underlying Investments may be able to invest directly. By investing in the Underlying Investments and securities indirectly through the Funds, limited partners bear any asset-based fees and performance-based fees and allocations payable to the portfolio managers of the Underlying Investments, as well as any applicable Management Fees and Incentive Fees at the Fund level. Moreover, limited partners in the Funds will bear a proportionate share of the transaction-related expenses and other operating costs of the Funds and, indirectly, similar expenses of the Underlying Investments. Thus, a limited partner may be subject to higher aggregate fees and expenses than if the limited partner invested in the Underlying Investments directly or in an investment fund that invests directly in the assets in which the Underlying Investments invest.

### *Reliance on Valuation Information from Underlying Advisers and Third Parties*

In order to value the assets and liabilities of the Funds, the Funds and/or the Adviser will rely on information provided by Underlying Advisers or their agents and/or other outside parties. Such persons may provide inaccurate, incomplete, out-of-date or otherwise unreliable information; however, the Adviser expects to inspect all third-party information for accuracy and completeness. Furthermore, some investments (for example, certain derivatives, distressed investments and other structured instruments) are complex and thus difficult to value; however, the valuation all of the Funds' investments will be determined pursuant to the Adviser's valuation procedures. To the extent the information received by a Fund is inaccurate or unreliable, the valuation of a Fund's assets and liabilities may be inaccurate. In addition, the net asset values received by a Fund from Underlying Investments may be estimates only, subject to revision through the end of each Underlying Investment's annual audit (if such Underlying Investment is audited).

A Fund may not be given complete or real-time access to information regarding actual investments made by the Underlying Investments, as such information is ordinarily considered proprietary to the Underlying Advisers. When such information is provided it may be out-of-date. As a result, the Adviser and the General Partner may not be able to determine with complete accuracy the diversification of a Fund's portfolio because the Adviser and the General Partner may not be able to fully ascertain the scope of the overall hedged or directional positions or the extent of its concentration risk or exposure to specific instruments, securities, markets or strategies. Even when the Adviser and the General Partner have access to information relating to positions held in Underlying Investments, their ability to act on such information so as to mitigate risks of investing in Underlying Investments is materially limited by the constraints on its ability to reallocate a Fund's capital among new or existing Underlying Advisers.

Furthermore, when market quotations may not be available, investments such as complex or unique financial instruments may be priced by the Adviser, the Underlying Advisers or the relevant administrator pursuant to a number of methodologies, such as computer-based analytical modeling or individual security evaluations. These methodologies generate approximations of market values and there may be significant professional disagreement about the most appropriate methodology for a particular type of financial instrument or different methodologies that might be used under different circumstances. In the absence of an actual market transaction, reliance on such methodologies is essential but may introduce significant variances in the ultimate valuation of an investment. In addition, the Adviser, Underlying Advisers, or relevant administrator, as applicable, will generally face a conflict of interest in providing valuations to a Fund as these valuations may affect the compensation of such parties.

### *Underlying Adviser Fraud, Misconduct or Poor Judgment*

The value of investments made by the Funds may be adversely affected by material misrepresentations, omissions, inaccuracies or incompleteness on the part of Underlying Advisers. The Adviser expects to inspect all third-party information for accuracy and completeness and will monitor the activities of the Underlying Advisers as described herein; however, it may be difficult for the Adviser to protect the Funds from the risk of Underlying Advisers fraud, misrepresentation, material strategy alteration or poor judgment. In addition, certain service providers and consultants to Underlying Advisers may engage in fraudulent or similar activities (e.g., the dissemination by

“expert networks” of material, non-public information regarding issuers), and the Underlying Advisers may intentionally or negligently benefit from such activities. Limited partners themselves will have no direct dealings or contractual relationships with the Underlying Advisers and therefore will not be able to monitor the activities of the Underlying Advisers.

#### *Underlying Advisers Evaluation*

In connection with the Adviser’s initial or ongoing evaluation of Underlying Advisers, the Adviser may identify certain areas of potential concern, including in areas related to operations, risk management, performance, personnel or investments. The Adviser may determine to work with such Underlying Adviser to address such potential concerns rather than immediately seeking to reallocate a Fund’s assets invested with such Underlying Advisers. In addition, the Adviser may invest with an Underlying Advisers notwithstanding such areas of potential concern. Any such discussions and actions may occur over extended periods and the Adviser may decide not to seek to terminate a particular Underlying Advisers (or otherwise seek to fully withdraw from an investment in an Underlying Investment) despite having outstanding comments, requests or concerns, even if such comments, requests or concerns are material.

#### *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 and their 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, the General Partners (as applicable), the Adviser, the Funds’ custodians 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 ability to value assets, cause the release of private limited partner information or confidential information of the Funds, impede trading, cause reputational damage, and subject the Funds or its 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 issuers of securities or other instruments in which the Funds invest, which could result in material adverse consequences for such issuers and may cause the Funds’ investments therein to lose value.

In addition, the activity of the Funds, the General Partners and the Adviser 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, and similar events. Any event that interrupts a General Partner’s computer and telecommunications operations could result in, among other things, the inability of the General Partner to trade or monitor a Fund’s investments and therefore could have a material adverse effect on the operating results of the Funds.

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, the Underlying Investments and/or the Funds’ investments, as well as the wider financial sector. Inappropriate deployment of AI by an investment of the Funds could have a material adverse impact on such investment, and therefore a negative impact on the Funds and 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, the Underlying Investments and/or the Funds’ investments.

#### *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.

#### *Confidential Information; Differing Information*

The limited partnership agreements will contain confidentiality provisions intended to protect proprietary and other information relating to the Funds and the Funds’ investments. To the extent that such information is publicly disclosed, competitors of the Funds and others may benefit from such information, thereby adversely affecting the Funds, the General Partners, the Adviser and the economic interests of the limited partners. Underlying Investments may similarly be adversely affected by public disclosure of confidential information. To protect the sensitive nature of such confidential information and in some cases based on the status of a limited partner (including limited partners that are subject to the Freedom of Information Act, as amended from time to time (“FOIA”) or similar state or local law, rule or regulation), the General Partners and the Adviser will have the right to keep confidential from limited partners any information that such General Partner or the Adviser reasonably believes to be in the nature of trade secrets or other information the disclosure of which such General Partner or the Adviser reasonably believes is not in the best interest of the Funds or could damage the Funds’ investments or that the Funds are required by law or by agreement with a third party to keep confidential.

The Funds, a General Partner and/or the Adviser likely will obtain confidential information regarding actual or potential investments. The applicable General Partner and the Funds generally will not disclose such information to prospective limited partners in connection with their consideration of an investment in a Fund.

As a more general matter, any person considering an investment in the Funds (including an existing limited partner that is considering an increase to its capital commitment) should assume that the Funds, the General Partners, the Adviser and Bain Capital will be in possession of information (such as information relating to actual or prospective investments, to actual or prospective limited partners, or to other matters arising subsequent to such closing) which: (i) would be material to such person's evaluation of an investment in a Fund; and (ii) will not be disclosed to such person by the General Partner or the Fund in connection with such evaluation. The General Partner, the Management Company and the Fund explicitly disclaim any obligation to update the fund documents to include (or otherwise inform prospective investors of) any such information.

In addition, as described above in "*Side Letters or Similar Agreements*," the Adviser and/or the General Partners often enter into certain side letter arrangements with certain limited partners providing such limited partners with different or preferential rights or terms, including Side Letter Rights. Except as otherwise agreed with a limited partner, or as required by applicable law (including the Private Fund Rules (as defined below)), the Adviser, the Funds or the General Partners are not required to disclose the terms of side letter arrangements with other limited partners.

The limited partnership agreements (or analogous organizational documents) of certain Related Funds (as defined in Item 10 below) permit such Related Fund's General Partner to withhold information from certain limited partners or investors in such Related Fund in certain circumstances. For instance, certain information may be withheld from limited partners that are subject to FOIA or similar requirements. A General Partner will at times elect to withhold certain information from such limited partners for reasons relating to such general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Moreover, due in part to the fact that potential investors in the Funds (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.

### *Trading Risk*

The Adviser's trade error policy only requires the Funds to reimburse the Adviser for any losses resulting from the Adviser's breach of the applicable standard of care (generally gross negligence or willful misconduct). Although the Adviser's personnel 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. Bain Capital and the General Partners will have a conflict of interest in determining whether Bain Capital has committed a breach of the applicable standard of care under its trade error policy.

In addition, the Adviser has relied, and may continue to rely, on affiliates that assist in the execution of public equity trades on behalf of certain Funds. If such affiliates are unable or unwilling to provide support for these brokerage services for the Funds, the Funds' respective ability to purchase and sell public equity securities may be limited, which may have an adverse impact on the Funds' respective investment strategy.

### *Operational Risk*

The Fund are subject to operational risk, including the possibility of mistakes being made in the confirmation or settlement of transactions, transactions not being properly booked, evaluated or accounted for, or other similar disruptions in a Fund's operations. These events may cause a Fund to suffer significant costs, financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention or reputational damage. For example, a late payment resulting from technology or communication breakdowns may result in unwanted foreign exchange exposure, which could have a material adverse effect on a Fund. The Funds may trade instruments, including derivative instruments traded over-the-counter, where operational risk is heightened due such instruments' complexity.

### *Possibility of Fraud and Other Misconduct of Employees and Service Providers*

Misconduct by employees of the General Partners and the Adviser and the service providers to the General Partners, 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 or General Partners; 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 they seek 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.

### *Underlying Adviser Fraud, Misconduct or Poor Judgment*

The value of investments made by a Fund may be adversely affected by material misrepresentations, omissions, inaccuracies or incompleteness on the part of Underlying Advisers. The Adviser expects to inspect all third-party information for accuracy and completeness and will monitor the activities of the Underlying Advisers; however, it may be difficult for the Adviser to protect the Funds from the risk of Underlying Adviser fraud, misrepresentation, material strategy alteration or poor judgment. In addition, certain service providers and consultants to Underlying Investments may engage in fraudulent or similar activities (e.g., the dissemination by "expert networks" of material, non-public information regarding issuers), and the Underlying Advisers may intentionally or negligently benefit from such activities. Limited partners themselves will have no direct dealings or contractual relationships with the Underlying Advisers and therefore will not be able to monitor the activities of the Underlying Advisers.

### *Prime Brokers and Custodians*

There are risks involved in dealing with the custodians or prime brokers who settle trades. While the Adviser (or affiliates of the Adviser which the assist in the execution of trades on behalf of the Funds, as described in “*Trading Risk*” above) and the general partner of an Underlying Investment seek to monitor exposure to prime brokers and custodians, there is no guarantee that these prime brokers and custodians, or any other prime broker or custodian that the Funds or an Underlying Investment 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’ or an Underlying Investment’s assets, there is no certainty that the Funds or an Underlying Investment would not incur losses due to its assets being unavailable for a period of time, and/or ultimately recovering less than the full value of its assets.

The Funds and each Underlying Investment 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 the Funds’ or an Underlying Investment’s clearing brokers become bankrupt or insolvent, or otherwise default on their obligations to the applicable Fund, such 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, the Funds or an Underlying Investment 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 the Funds or to the Underlying Investments (for example, Treasury bills deposited by the applicable Fund with the clearing broker as margin) was held by the clearing broker. In addition, many of the instruments which the Funds or the Underlying Investments 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 and Underlying Investments are 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 U.S. and non-U.S. 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 companies, the General Partners and/or the Adviser transact may inhibit the ability of the Funds or their portfolio companies 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 the Funds or one or more of their portfolio companies 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 companies 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 companies. One or more investors or a Fund's General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments.

In addition, a Fund's General Partner 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 the Funds were to obtain a line of credit and concerns were to develop subsequently as to the safety and soundness of the lending bank, the Funds 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 applicable General Partner to call capital from the limited partners to repay such amounts. This could cause liquidity concerns for limited partners that would not have arisen in the absence of such a breach. The distress, impairment or failure of one or more U.S. or non-U.S. banking institutions could also result in market volatility and disruption and/or a lack of confidence from investors in the banking institutions utilized by the Funds and/or the Adviser all of which could have a negative impact on the performance of the Funds.

### ***Risks Related to a Fund's Investments in Underlying Investments and Underlying Advisers***

#### ***Equity Interests in Underlying Advisers***

The Funds may invest in the equity interests of the Underlying Advisers. In such situations, the Underlying Advisers may retain autonomy over the day-to-day operations of their investment management companies. In such cases, the Funds will rely on the existing management and board of directors or similar body of such entities, which may include representation of other investors with whom the Funds are not affiliated and whose interests may conflict with the interests of a Fund. The management of Underlying Advisers may make business, financial or management decisions with which a General Partner does not agree, or such management may take risks or otherwise act in a manner that does not serve the Funds' interests. The timing and extent to which a Fund realizes proceeds from any disposition, listing, financing or other liquidity event with respect to interests in the Underlying Advisers' equity value, profits and/or revenue streams may depend on the decisions and actions of Underlying Advisers.

#### ***Changes in Expected Investment Objectives of Underlying Advisers***

Underlying Advisers may have the ability to change their investment objectives, strategies and economic and other terms after the Funds have made its investments in such Underlying Advisers. In addition, Underlying Advisers may have the ability to change the investment objectives,

strategies and economic or other terms of an Underlying Investment in which a Fund is invested. Any such changes in these investment objectives and strategies may have an adverse effect on a Fund's returns in respect of such Underlying Advisers and/or Underlying Investment. The Funds may not have the ability to reduce or withdraw its investments in such Underlying Advisers or such Underlying Investment.

Underlying Advisers may enter into new lines of business not anticipated by a Fund at the time the Fund made its investment. The Funds may not have the ability to prevent the Underlying Advisers from taking such action and may not have the ability to reduce or withdraw its investments in such Underlying Advisers following such decisions to enter into new lines of business. As a result, such decisions by the Underlying Advisers may negatively impact the performance of the Funds.

#### *Multi-Investment Management Company Approach*

While investment in multiple Underlying Advisers and Underlying Investments may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or if it does, that it will not reduce, rather than increase, potential net profits. Investment in multiple Underlying Advisers may cause a Fund indirectly to hold opposite positions in an investment held by investment vehicles operated by different Underlying Advisers, thereby decreasing or eliminating the possibility of positive returns from such Investment. On the other hand, Underlying Advisers may employ similar investment strategies and make overlapping investments, in which case the Funds may have increased exposure with respect to those investments.

#### *Clawback Payments to Underlying Advisers*

Underlying Advisers may make distributions to the Funds that are subject to clawback arrangements with those Underlying Advisers. The terms of the Funds' investments in an Underlying Adviser are expected to require the Funds to return such distributions to an Underlying Adviser upon the occurrence of certain circumstances, such as the failure of a fund managed by the Underlying Adviser to achieve an overall level of profitability. Accordingly, the Funds may set aside amounts they could otherwise reinvest or distribute to limited partners for the purpose of fulfilling clawback obligations to the Underlying Adviser, should these obligations arise. Amounts set aside to fund potential clawback payments will reduce the amount of funds available to make distributions to the limited partners or additional investments in Underlying Investments. In addition, to the extent that the Funds distribute to limited partners amounts that are subject to clawback obligations or does not set aside sufficient amounts to make clawback payments, limited partners may be required to return amounts distributed to them to fund any such clawback obligations to Underlying Advisers, subject to certain limitations as described in the partnership agreements, which may reduce a limited partner's overall returns from the Funds.

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

##### *Concentration of Investments*

The Funds are generally not limited in the amount of capital commitments that may be committed to any one investment, industry or sector, geography, or similar category or asset class. As such,

their assets may not be diversified. Any such non-diversification would increase the risk of loss to the Funds if there was a decline in the value of any security, category or asset class in which the Funds had invested a large percentage of their assets. Investments in a non-diversified fund will generally entail greater risks than investment in a “diversified” fund. If a large portion of the assets of a Fund is held in cash or cash-like instruments, performance might be affected.

### *Economic and Market Risk*

General economic conditions may affect the Funds’ and the Underlying Investments’ activities. Investments in which the Funds or an Underlying Investment invest may be sensitive to general downward swings in the overall economy. Changes in economic conditions, including, for example, inflation, unemployment, competition, technological developments, political events 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 or an Underlying Investment. Fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds or an Underlying Investment and may affect the Funds’ or an Underlying Investment’s ability to make investments and the value of the investments held by the Funds and Underlying Investments. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds’ investments. Securities markets in certain market countries in which the Funds or the Underlying Investments may invest are smaller, more fragmented, less liquid and more volatile than the securities markets of the United States and other more developed countries and have in the past experienced substantial price volatility. While current market conditions may create opportunities for the Funds or the Underlying Investments to make investments at prices that the General Partners and the Adviser believe are attractive, such conditions create a number of risks. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may well continue to be volatile for the foreseeable future. The public securities markets have seen increased volatility and the ability of companies 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 or Underlying Investments 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 or the Underlying Investments. There can be no assurance that financial events of such type will not happen again or will not have an adverse effect on the Funds’ or the Underlying Investments’ investments.

The ability to realize investments depends not only on their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. The trading market, if any, for the securities held by the Funds may not be sufficiently liquid to enable the Funds to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Volatility in the financial sector may have a material adverse effect on the ability of the Funds to buy, sell and partially dispose of their investments. The Funds

or an Underlying Investment may be adversely affected to the extent that they seek to dispose of any of their investments in an illiquid or volatile market, and the Funds may find themselves unable to dispose of investments at prices that the General Partner, the Adviser or the applicable Underlying Investment 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' or the Underlying Investments' investment objectives.

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

Investment in non-U.S. companies 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 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 different, often less comprehensive, accounting, reporting and disclosure requirements and practices apply to issuers in certain foreign countries than is the case with U.S. issuers. As a result, information available to the Funds or an Underlying Investment is often less reliable and less detailed than information available in more developed countries, and the Funds' or the Underlying Investments' due diligence reviews often provide less information than reviews conducted in more developed countries.

The securities of some non-U.S. governments and 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 or Underlying Investments. 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.

Certain of the Funds and the Underlying Investments are expected to invest a material portion (and possibly all) of their respective capital outside the United States in non-dollar denominated investments. Because such investments may involve non-U.S. dollar currencies and because the Funds or the Underlying Investments may temporarily hold funds in bank deposits in such currencies during the completion of their investment programs, the Funds or the Underlying Investments may be affected favorably or unfavorably by changes in currency rates (including as a result of the devaluation of a foreign currency) and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies.

#### *Lack of Liquidity in Markets; Limitation on Liquidity*

Despite the heavy volume of trading in securities and futures, the markets for some securities may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage the

Funds, both in the realization of the prices which are quoted and in the execution of orders at desired prices or in desired quantities. Also, securities exchanges and the SEC have authority to suspend trading in a particular security without notice.

The Funds or Underlying Investments may invest in securities and derivatives that often do not have a liquid market. This lack of liquidity creates several risks. First, it makes it difficult for the Underlying Advisers and the Adviser to determine if the Underlying Adviser is accurately valuing its positions because of the uncertainty regarding the realization of the prices that are quoted if the Underlying Adviser were to attempt to liquidate its portfolio at those prices. In fact, the valuation of an Underlying Investment's less liquid investments may differ materially from the actual or realizable value of those investments. Second, it increases the risk that withdrawals from those Underlying Investments by other investors will cause reductions in the net asset value of those Underlying Investments merely due to selling pressure, rather than a fundamental change in the investments themselves. Third, it increases the risk that an Underlying Investment could be required to liquidate positions at disadvantageous prices because of an inability to raise margin collateral from other sources. Fourth, it increases the risk that an Underlying Investment may not honor a Fund's liquidity expectations.

In addition, the Funds or Underlying Investments may invest in private placements of securities that are not registered under the Securities Act and may have little or no trading market. The Funds or Underlying Investments may not be able to readily dispose of such investments, and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. These limitations on liquidity of the Funds' or an Underlying Investment'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.

#### *Risk of Minority Positions*

The Funds expect to make minority, non-controlling investments in the equity interests of investment management companies. The Funds may seek governance and exit rights at the time of investment, however, there may be instances in which the Funds may not be able to exercise control over such investments. If the Funds do not have a controlling position or other rights to protect their interests, it is possible that management could take actions that negatively impact the value of the Funds' investments or that prevent the Funds from disposing of their investment. The mere fact that the Adviser disagrees with decisions made by other investors in the relevant investment likely will not trigger any particular ability of the Funds to dispose of its investment, with the result that the value of such investment may be materially impacted by the decisions of other investors. In addition, as a minority investor in an investment management company, the Funds may have a limited ability to exert influence over the funds managed by such company and may not have the opportunity to evaluate or select the specific portfolio investments made by any fund managed by such company. In holding non-controlling interests, the Funds will have a limited ability to create additional value in the entities in which they invest by effecting changes in the strategy and operations of these entities or to protect its positions in such entities or to create or take advantage of exit opportunities. The Funds' inability to control the timing of the making, restructuring, refinancing and exiting of its investments may adversely affect performance. The timing and extent to which the Funds realize proceeds from any disposition, listing, financing or other liquidity event with respect to any investment in participations in shares of those

investment management companies equity profits and/or revenue streams (the “Economic Interests”) will depend on the decisions and actions of such investment management companies. The management of such companies may make business, financial or management decisions with which the General Partner does not agree or such management may take risks or otherwise act in a manner that does not serve the Funds’ interests.

#### *Risks of Revenue Participation Rights; Equity Interests*

While investments in Economic Interests may offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risks that can result in substantial losses. These may include the risks associated with investments in businesses at an early stage of development or with little or no variations in operating results. Although they will not control or make investment decisions with respect to any Underlying Investment’s operations, the Funds may own Economic Interests in investment management companies and may seek to have observer rights and other transparency rights with respect to the Funds’ investments in certain circumstances. It is possible that regulators or third parties will try to impose liability on the Funds in connection with the operations of such investment management company. If successful, any such liability could adversely affect the performance of the Funds. Economic Interests may be subordinated to indebtedness or other equity securities that rank senior to a Fund’s investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of a Fund’s investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to a Fund’s investment would typically be entitled to receive payment in full before distributions could be made to the Funds. After repaying senior security holders, the Underlying Investment may not have any remaining assets to use for making distributions to or repaying amounts owed to a Fund. To the extent that any assets remain, holders of claims that rank equally with a Fund’s investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets.

Certain investment management companies in which the Funds may hold an investment may have “benchmarks” or “hurdle rates” whereby the investment management company does not earn performance-based income during the current period as a result of losses in prior periods (or where current period results did not satisfy such benchmarks or hurdles), even though the managed investment funds had positive returns in the current period. If a private equity fund or hedge fund of such investment management company experiences losses (or fails to meet performance benchmarks, including by providing its investors with a “preferred return” on their invested capital where applicable), such investment management company will not be able to earn performance-based returns from that fund until it satisfies such benchmarks.

The returns on any Economic Interests held by the Funds will depend on the profitability of such investment management companies, who will retain control over the operations, budgets, expenses, compensation and revenues of their firms. It is possible that investment management companies may make decisions in the exercise of their discretion over these items that may adversely affect the performance of such investment management companies or cash flows available for distribution by such companies to the Funds.

In addition, the Funds may make investments in Economic Interests in the context of “seeding” a relatively new investment management company or an investment management company seeking growth. Any such “seed” investment would be subject to the same risks as any other Economic Interest, as well as increased risk due to the inherent increased risk associated with supporting a relatively new investment management company or the risks associated with growth initiatives that may not succeed. Furthermore, such “seed” investments may be subject to event greater illiquidity than other Economic Interests due to the nature of the investment management company, as well as contractual illiquidity that may be imposed in connection with such investment.

### *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 the Funds will hold are priced and could disrupt settled expectations around long-term interest rates in the U.S. and in the other developed markets. There can be no assurance that inflation will not become 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. This may lead to a reduction in the demand for space. 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 an investment.

Periods of deflation are often characterized by a tightening of money supply and credit, which could limit the 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 limited partners. Such economic constraints could also make the Funds' investments more illiquid, preventing the Funds from divesting such investments.

### *Environmental Risks*

Environmental laws, regulations and regulatory initiatives play a significant role in certain industries, in which a Fund expects to invest, and can have a substantial impact on investments in these industries. These industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Funds may invest in Underlying Investments or other investments that are subject to changing and increasingly stringent environmental and health and safety laws,

regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments and there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. Compliance with such current or future environmental requirements does not ensure that the operations of the Funds' investments will not cause injury to the environment or to people under all circumstances or that the Funds' investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. Moreover, failure to comply with regulatory or legal requirements could have a material adverse effect on an investment or project, and there can be no assurance that the Underlying Advisers, Underlying Investments and other investments will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of Underlying Advisers, Underlying Investments or other investments could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject the Funds and its properties to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Funds) subject to environmental liability. The Funds may experience material losses due to these risks.

The legislative framework for environmental liability has not been fully established or implemented. The extent of the responsibility, if any, for the costs of abating environmental hazards may be difficult to quantify when the Funds are considering an investment. The Funds may experience material losses due to these risks.

### *Early-Stage Investments*

The Funds and Underlying Investments may make investments in companies that are in a conceptual or early-stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities.

The management of these companies will need to implement and maintain successful marketing, finance, personnel and other operational strategies in order to become and remain successful. Other substantial operational risks to which these companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. In the event that any such company is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of a Fund's and/or Underlying Investments' investment in such portfolio investment could be significantly reduced or even lost entirely.



Early-stage investments may need additional capital to support growth or to maintain their competitive position. Such capital may not be available on attractive terms from private sources. The Funds and/or Underlying Investments' capital is limited and may not be adequate to protect the Funds and/or Underlying Investments from dilution in multiple rounds of funding. The public market for early stage companies is highly volatile. Such volatility may adversely affect the ability of companies to raise capital when needed, the ability of the Funds and/or Underlying Investments to dispose of investments and the value of a Fund's and/or Underlying Investments' investment securities on the date of sale or distribution. Any investments in early-stage companies are considered highly speculative and may result in the loss of the Funds and/or Underlying Investments' entire investment.

### *Leveraged Investments*

From time to time the Funds and/or Underlying Investments are expected to pursue investments in highly leveraged companies. While investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Some of the Funds' and/or Underlying Investments' 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. Issuers often issue certain types of debt in connection with leveraged acquisitions or recapitalizations in which the issuer 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 issuers and the Funds and/or an Underlying Investment as an investor. For example, the substantial indebtedness of an issuer 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 issuer's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, an issuer 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 issuer or its industry. 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. If an issuer 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), and the Funds and/or Underlying Investment are likely to suffer a partial or total loss of capital invested in the issuer. These actions will often negatively affect a Fund's or Underlying Investment's investment in such an issuer.

The Funds and Underlying Investments' ability to achieve attractive rates of return on investments will depend on the ability of the issuers in which they invest 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 the Funds and/or Underlying

Investments might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase issuers' interest expenses.

### *Control Investments*

The Funds, either alone or together with one or more Related Funds (as defined in Item 10 below), in some cases may obtain controlling interests in certain of the issuers 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.

### *Climate Change*

The Funds or Underlying Investments may acquire investments that are located in areas which are subject to or potentially susceptible to the effect 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 Funds' and/or the Underlying Investments' business and operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods, cyclones or hurricanes); sea level rise; and extreme temperatures. As a result of these physical impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' 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 the investments and the products and services of the investments; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water or other natural resources on which the 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.

### *Local Intermediary Risks*

Certain of the Funds' transactions may be undertaken through local brokers, banks or other organizations, 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.

### *Highly Volatile Instruments*

The prices of certain financial instruments, including swaps, forward contracts and options, in which the Funds expect to invest or in which an Underlying Investment may invest are highly volatile. Price movements of forward contracts and other derivative contracts in which the Funds' or an Underlying Investment's assets can be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention is intended to influence prices directly and, together with other factors, often cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds and Underlying Investments are also subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

### *Highly Competitive Market for Investment Opportunities*

The business of investing in assets meeting the Fund's investment objectives is highly competitive. Competition for investment opportunities includes a growing number of non-traditional participants and increased participation by existing participants, such as insurance companies, sovereign wealth funds, private and public pension funds, family offices, high net worth individuals and other private investors. Some of these competitors may have a lower cost of capital, more available capital to make similar investments and access to funding sources that are not available to the Funds. In addition, some of the Funds' competitors may have higher risk tolerances, different risk assessments and/or different return thresholds than those of the Funds, which could allow them to consider a wider variety of investments. The Adviser cannot assure investors that the competitive pressures that the Funds face, as well as competition that the Underlying Advisers face in acquiring investments, will not have a material adverse effect on their businesses, financial condition, results of operations and prospects. It is also possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made.

In addition, because the market for investments in attractive Underlying Investments is highly competitive, successfully sourcing Underlying Investments can be problematic given the high level of investor demand some investment opportunities may receive. Likewise, identifying attractive investment opportunities is difficult and involves a high degree of uncertainty. Even if investment opportunities are identified, there is no assurance that the Funds' bids to acquire interests in such investments will be successful. In addition, the Adviser may not be able to obtain as favorable terms for investments in Underlying Investments as it otherwise would in a less competitive investment environment.

### *Investments in Emerging Markets*

The Funds may invest in or invest in Underlying Investments that invest in emerging or less-

developed markets, including both more liquid emerging markets and less liquid emerging markets. To the extent that the Funds invest 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 U.S. 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 Underlying Investments may have difficulty in successfully pursuing claims in the courts of such countries. Furthermore, to the extent the Funds or Underlying Investments may obtain a judgment but are 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 investment 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 Funds' investment opportunities, including restrictions on investing in issuers or 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.

### *Environmental, Social and Governance Matters*

While environmental, social or governance (“ESG”) issues are only some of the many factors the Adviser will consider in making an investment, there is no guarantee that the Adviser will successfully implement and make investments in investments that create positive ESG impact while enhancing long-term investment value and achieving financial returns. To the extent that the Adviser engages with investments on ESG-related practices and potential enhancements thereto, 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 Adviser will depend on Adviser’s 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 Adviser’s 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 ESG-related factors into account because the market may ultimately have a different view of a particular investment’s performance than that anticipated by the Adviser.

Consideration of ESG factors may affect the Funds’ exposure to certain companies, 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 Adviser, or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor. In evaluating an investment, the Adviser is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess an investment’s ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and an Underlying Adviser’s ESG-related practices or the Adviser’s assessment of such practices may change over time.

### *Investments in the Energy Sector*

The Funds and Underlying Investments expect to make certain investments in and relating to the energy sector. The operations of energy companies are subject to many risks inherent in the transporting, processing, storing, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities, including, without limitation: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and farm equipment, leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons, and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of

property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations, any and all of which could result in lower than expected returns to the Funds and/or Underlying Investments. In addition, the energy sector has experienced significant volatility at times, which may occur in the future, and which could negatively affect the returns on any investment made by the Funds and/or Underlying Investments in this sector.

#### *Foreign Investments*

The Funds or the Underlying Investments may invest a portion of their respective capital outside the United States in non-U.S. dollar denominated investments. These investments involve special risks. Because investments may involve non-U.S. dollar currencies and because the Funds or the Underlying Investments may temporarily hold funds in bank deposits in such currencies during the completion of their investment programs, the Funds or the Underlying Investments may be affected favorably or unfavorably by changes in currency rates (including as a result of the devaluation of a foreign currency) and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies.

#### *Low Correlation Investments*

A Fund may have an investment strategy focused on low correlation investments, and an investment in such Fund is intended to be a part of a comprehensive hedging strategy and is not suitable as a sole investment or for any limited partner which cannot afford losing all or a substantial portion of its investment. All investments risk the loss of capital, and, in particular, the nature of a Fund's catastrophe risk investments and the investment techniques and strategies to be employed may increase this risk. In the event that the Adviser's or an Underlying Investment's assessment of such catastrophe or "tail" risks proves incorrect and extraordinary economic conditions do not occur, the underlying investment may lose all of its assets, which would adversely impact such Fund and the limited partners.

#### *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 company, 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 a Fund exercises control or significant influence over a company's direction, including as a result of significant equity ownership, service on the board of directors or other contractual rights. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by a Fund and would reduce net assets.

#### *Equity Securities*

The Funds and Underlying Investments invest in equity securities. The value of equity securities held directly or indirectly by the Funds will generally be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities are typically

even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities, and the market price of equity securities owned by the Funds and the Underlying Investments is more susceptible to moving up or down in a rapid or unpredictable manner.

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

It is expected that 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 by governments or central banks (or the failure to intervene) 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 may, but are not required to, engage in commodity price, currency and other hedging transactions or short sales. There can be no assurance, however, that the Funds will engage in such hedging transactions or short sales at any given time or from time to time, or that such hedging transactions or short sales will be available or be available at a reasonable cost, or that such hedging transactions or short sales will be effective to reduce or eliminate the applicable commodity price, currency or other risk. Such hedging transactions or short sales may even exacerbate any negative impact on the Funds resulting from changes in price or currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated factors such as changes in interest rates, securities prices, commodity prices or currency exchange rates could result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions or short sales. If the Funds use derivative instruments for hedging purposes, the Funds will be exposed to the risks described in "— Derivatives Instruments."

#### *Interest Rate, Currency Exchange and Investment Risk Management*

The Funds expect to use various investment strategies to hedge interest rate or currency exchange risks. These strategies are generally accepted as portfolio management techniques and are regularly used by many investment funds and other institutional investors. Techniques and instruments change over time as new instruments and strategies are developed or regulatory changes occur. The Funds may use any or all such types of interest rate hedging transactions and currency hedging transactions at any time and no particular strategy will dictate the use of one transaction rather than another. The choice of any particular interest rate hedging transactions and currency hedging transactions will be a function of numerous variables, including market conditions.

Certain investments or liabilities of the Funds will likely be denominated in currencies other than the U.S. dollar, and hence the value of such investments, or the amount of such liabilities, will depend in part on the relative strength of the U.S. dollar. The Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between non- U.S. currencies and the U.S. dollar. Changes in non-U.S. currency exchange rates may also affect the value of dividends and interest earned as well as the level of gains and losses realized on the sale of securities. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the non-U.S. exchange markets. These rates are also affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Funds may implement.

The use of interest rate hedging transactions and currency hedging transactions involves certain inherent risks. These risks include (i) the possibility that the market will move in a manner or direction that would have resulted in gain for the Funds had an interest rate hedging transaction or currency hedging transaction not been utilized, in which case it would have been better had the Funds not engaged in the interest rate hedging transaction or currency hedging transaction, (ii) the risk of imperfect correlation between the risk sought to be hedged and the interest rate hedging transaction or currency hedging transaction utilized, (iii) potential illiquidity for the hedging instrument utilized, which would likely make it difficult for the Fund to close-out or unwind an interest rate hedging transaction or currency hedging transaction and (iv) credit risk with respect to the counterparty to the interest rate hedging transaction or currency hedging transaction.

The Funds may also enter into certain hedging and short sale transactions for the purpose of protecting the market value of an investment for a period of time without having to currently dispose of such Investment. Such defensive hedge transactions will generally be entered into when the Funds are legally restricted from selling an investment or when the Funds otherwise determine that it is advisable to decrease their exposure to the risk of a decline in the market value of an investment. Such defensive hedging transactions will often expose the Funds to the counterparty's credit risk. There also can be no assurance that Fund will accurately assess the risk of a market value decline with respect to an investment or enter into an appropriate defensive hedge transaction to protect against such risk. Furthermore, the Funds are in no event obligated to enter into any defensive hedge transaction.

The Funds may from time to time employ various investment programs including the use of short sales, currency hedging transactions, securities lending agreements and repurchase agreements. There can be no assurance that any such investment program will be undertaken successfully.

Underlying Investments might also utilize hedging and other investment programs noted above, which would be expected to expose such Underlying Investments to similar risks as those noted above.

#### *“Virtual Currencies” and Virtual Currency Derivatives*

Virtual currencies are a relatively new asset, and the supporting industry is rapidly growing and evolving. Likewise, the adoption of legislation, rules, and regulations addressing virtual currencies



is ongoing and uncertain. Judicial and administrative actions in the industry have been inconsistent and unpredictable, both within the United States and internationally. The growth of this industry, and the value of virtual currencies (and options, futures, and other derivative instruments related to virtual currencies) is subject to a high degree of uncertainty, particularly with respect to the potential impact of future regulation of virtual currencies and the larger blockchain industry. Therefore, it is not possible to know all the risks involved in making an investment in virtual currencies, as new risks may emerge at any time. When compared to other commodities and assets, the prices at which virtual currencies trade have, historically, been more volatile. This volatility may adversely impact the Funds' and Underlying Investments returns, particularly where the Funds' and Underlying Investments' potential losses on a derivative instrument are not limited to its initial margin or premium. Continued volatility may also result in the Funds and/or Underlying Investments being required to post comparatively large initial or ongoing margin amounts with counterparties and may require that a Fund and/or Underlying Investment post additional margin on short time frames, potentially requiring a Fund to sell other assets at inopportune times and/or to close out trades prematurely. In addition, some clearing brokers may pose restrictions on customer trading activity in virtual currency derivatives, such as prohibiting naked shorting or give-in transactions. As a general matter, derivative instruments referencing virtual currency assets are limited (e.g., by available underlier, derivative instrument type and notional size), and as a result a Fund and/or Underlying Investment may be unable to efficiently pursue its investment objectives. In addition, certain derivative contract markets may impose "circuit breaker" rules or otherwise halt trading in times of high volatility, which may prevent a Fund and/or Underlying Investment from executing trades it would otherwise have made and may result in a material adverse effect on a Fund and/or Underlying Investments. Virtual currencies are traded on numerous exchanges and other venues, many of which may be unregulated, as well as through private transactions. As a result, it may be difficult for a Fund, Underlying Investments or a trading counterparty to determine the value of a virtual currency, and in turn virtual currency derivatives, which may have an adverse effect on the value of a Fund's and/or Underlying Investments' investments. Furthermore, the virtual currency market is opaque and thus subject to the heightened risk of fraud, manipulation and other malfeasance. Virtual currencies are not controlled by any sovereign country and their value is not based on a tangible commodity, security, economic measure or legal obligation of an entity or government. Apart from the law of supply and demand, there may be no fundamental or economic basis for the value of any particular virtual currency.

Virtual currencies have gained some commercial acceptance only within the past decade and, as a result, there is little data on their long-term investment potential or adoption in the marketplace. Additionally, due to the rapidly evolving nature of the virtual currency market, including the development of new virtual currencies and advancements in the underlying technology, it is not possible to predict which virtual currencies a Fund may invest in the future or even to fully describe those potential virtual currencies and related derivatives. New virtual currencies and related derivatives or changes to existing virtual currencies may expose a Fund to additional risks which are impossible to predict. The growth of a virtual currency in which a Fund does not invest may adversely impact the demand for, and price of, one or more virtual currencies in which a Fund does invest, thereby adversely affecting the value of a Fund's virtual currency investments.

### *Accounting, Reporting and Disclosure Standards*

Different, often less comprehensive, accounting, reporting and disclosure requirements and practices apply to issuers in certain foreign countries 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.

### *Limitations on Liquidity*

The sale of investments may be subject to restrictions imposed by the applicable securities laws of the countries in which a Fund or an Underlying Investment invests or in which it wishes to publicly list securities, if applicable. In addition, practical limitations may inhibit a Fund's or an Underlying Investment's ability to liquidate certain of its investments when the issuer is privately held and a Fund, directly or indirectly through an Underlying Investment, owns a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of a Fund's investments or an Underlying Investment's assets could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

### *Investing in Illiquid Securities*

A Fund may invest its assets in securities that are not readily marketable or that are only thinly traded. In addition, a Fund may invest in private placements of securities that are not registered under the "Securities Act" and may have little or no trading market. The Funds may not be able to readily dispose of such investments, and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. These limitations on liquidity of a 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.

### *Derivatives Instruments*

The Funds or the Underlying Investments expect to use derivatives in their respective investment strategies. 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 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 Funds' or an Underlying Investment's respective performance. If the Funds invest in derivatives at inopportune times or judge market conditions incorrectly, such investments may lower the Funds' or such Underlying Investment's 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 or Underlying Investments could experience losses if they are unable to liquidate their 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 or an Underlying Investment may include instruments not traded on an exchange. The risk of nonperformance by the obligor on an instrument may be greater than, and the ease with which the Funds or an Underlying Investment 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 the transactions.

#### *Availability of Exit Opportunities*

The ability of the Funds to achieve successful and profitable exits of their investments may be impacted by a number of factors prevailing at the time, including general economic and market 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 security at the time a Fund seeks a realization.

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

##### *Legal and Regulatory Risks*

Laws and regulations in certain countries may adversely affect the Funds, and these legal and regulatory regimes may change in a way that enhances the possibility of an adverse impact. The laws in certain countries regulating ownership, control and corporate governance are still evolving and may offer limited protection, at best, to minority shareholders, which may adversely affect the Funds. Under existing legal and regulatory regimes in various countries, the Funds' investments will be subject to a variety of government approvals, which may be difficult to obtain and which may cause significant delay in consummating (or which may prevent the consummation of) Fund investments. Finally, because the effectiveness of the judicial systems in certain countries in which the Funds may invest varies, the Funds may have difficulty in successfully pursuing claims in the courts of such countries. Furthermore, to the extent a Fund may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which a Fund invests, there can be no assurance that such courts will enforce such judgment. Additionally, the Adviser and the Funds are subject to U.S. laws governing overseas investment, including the Foreign Corrupt Practices

Act (“FCPA”), and to anti-corruption laws, such as the U.K. Bribery Act 2010, 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 Fund and the Adviser.

In emerging markets countries, there may be less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in other more established countries. Whatever supervision is in place may be subject to manipulation or control. While many emerging market countries have mature legal systems comparable to those of more developed countries, others do not. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many developing countries. In addition, it may be relatively more difficult, time-consuming and expensive to pursue legal remedies or obtain and/or enforce a judgment in a court in an emerging market, than may ordinarily be the case in more developed economies.

#### *Evolving Legal and Regulatory Regime and Potential Regulatory Changes*

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 Funds, the Underlying Investments 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 indicate 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 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. New laws and/or revised regulations imposed or supervised by the SEC and other governmental regulatory authorities and self-regulatory organizations or industry bodies that supervise the financial markets could adversely affect the Funds. Additionally, in light of the changing global regulatory climate, the Adviser, 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 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 the Volcker Rule. 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, and it represents a continuation of the deregulatory trend established in the Treasury Department Report.

If the restrictions under the Dodd-Frank Act are further curtailed or repealed, banks 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 Adviser with respect to the Funds. Records and reports relating to the Funds that must be maintained by the Adviser 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 Funds; (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 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 Adviser 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 U.S. Investment Advisers Act of 1940, as amended (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, may result in the ability of the Funds to make certain investments and may require amendments to the partnership agreements and/or custodial agreements, 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.” 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 the investments are permitted by applicable law. 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 its 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 conduct business. In particular, changes in the regulation of private investment funds may adversely affect the ability of the Funds to obtain the leverage they might otherwise seek.

Similarly, developments in the tax laws of the U.S. or other jurisdictions could have a material effect on the tax consequences to the Funds and/or the limited partners. The 2017 legislation known as the “Tax Cuts and Jobs Act” (the “TCJA”), may have a significant impact on the U.S. consequences of owning an interest in the Funds, including potentially adverse consequences. The 2020 legislation known as the “Coronavirus Aid, Relief, and Economic Security Act” (the “CARES Act”) may also impact the U.S. tax consequences of owning an interest in the Funds, although any applicable impact is generally expected to be positive. In addition, there currently are proposals for new legislation that would result in significant changes to the Internal Revenue Code.

Limited partners should also consider the possibility of changes to non-U.S. tax laws and regulations (including potential retroactive changes) which may adversely affect certain investments made by the Funds, including as a result of the Organization for Economic Co-operation and Development’s (the “OECD’s”) Action Plan on Base Erosion and Profit Shifting (“BEPS Action Plan”). The BEPS Action Plan aims to secure revenue by realigning taxation with economic activities and value creation by creating a single set of consensus based international tax rules. As part of the BEPS Action Plan is ongoing and may take different forms, it is anticipated that new rules dealing with the operation of double tax treaties, the definition of permanent

establishments, interest deductibility and how hybrid instruments and hybrid entities are taxed will be introduced. In addition to national implementation of the BEPS Action Plan, the European Council has adopted Anti-Tax Avoidance Directives that address many of the same issues. The measures included in the Anti-Tax Avoidance Directives should be implemented into the national law of each EU Member State, with the effective date of the new laws being either 1 January 2019, 1 January 2020 or 1 January 2022 depending on the EU Member State and provision in question. It is possible that recommendations made under the BEPS Action Plan could, if adopted by OECD members or other jurisdictions, adversely affect the Funds, their subsidiaries or certain or all limited partners.

Additionally, the Adviser, the Funds' General Partners and the Funds are subject to U.S. laws governing overseas investment, including the FCPA, 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. Fifth Circuit 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 Funds and/or their investments, including by increasing expenses borne by the Funds' investors 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 applicable advisory agreement and consistent with applicable law (including the Private Fund Rules), will be treated as Fund 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 investors.

### *Speculative Position Limits*

The Commodity Futures Trading Commission (the “CFTC”), the SEC and U.S. banking regulators have enacted broad regulation that applies to the derivatives market, including clearing, margin, reporting, and registration requirements, which could restrict a Fund’s ability to engage in derivatives transactions (including for hedging purposes) or increase the cost or uncertainty involved in such transactions. The United Kingdom and the European Union (and some other countries) have implemented or are in the process of implementing similar requirements, which will affect the Funds when they enter into a derivatives transaction with a counterparty organized in that country or otherwise subject to that country’s derivatives regulations. For example, U.S. regulators, the European Union and certain other jurisdictions have adopted minimum margin and capital requirements for uncleared over-the-counter derivatives transactions. These rules impose minimum margin requirements on derivatives transactions between the Funds and their derivative counterparties and may increase the amount of margin the Funds are required to provide (and the costs associated with providing it). They also impose regulatory requirements on the types of collateral that may be provided and the timing of transferring margin, among other things.

New regulatory requirements may also limit the ability of the Funds to protect their interests in the event of an insolvency of a derivatives counterparty. In the event of a counterparty’s (or its affiliate’s) insolvency, the Funds’ ability to exercise remedies, such as the termination of transactions, netting of obligations and realization on collateral, could be stayed or eliminated under new special resolution regimes adopted in the United States, the European Union and various other jurisdictions. Such regimes provide government authorities with broad authority to intervene when a financial institution is experiencing financial difficulty. In particular, with respect to counterparties who are subject to such proceedings in the European Union, the liabilities of such counterparties to the Funds could be reduced, eliminated, or converted to equity in such counterparties (sometimes referred to as a “bail in”).

In addition, 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 the Funds do 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 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.

Legislative and regulatory measures may reduce the availability of some types of derivative instruments, may reduce liquidity in derivatives markets, may increase the cost of trading in or maintaining other instruments or positions and may cause uncertainty in the markets for a variety of derivative instruments. While legislative and regulatory measures may provide protections for some market participants, they are evolving and still being implemented and their effects on



derivatives market activities cannot be reliably predicted.

### *Costs of Complying with Regulations*

The operations of the Funds are subject to material 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. 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 impact the Funds and the investments.

For example, any further increases in the regulations applicable to private investment funds generally or the Funds, the General Partner or the Adviser in particular may result in increased expenses associated with the Funds' activities and additional resources of the Investment Advisor being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors in the Funds or have an adverse effect on the ability of the Funds to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the Adviser and may furthermore place the Funds at a competitive disadvantage to the extent that 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 require the investors to provide additional information upon the Funds' General Partners' 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 United States and other jurisdictions may prohibit the Adviser and 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”) administers and enforces 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. 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.

The Adviser and the Funds are committed to complying with 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 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, the 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 Partner has the sole discretion to determine the remedy if an investor is subject to sanctions and is under no obligation to seek a license to continue dealing with such investor. 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 a Fund’s 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 investors 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 investments at prices and times that it otherwise would not have done so if not for the sanctions. While the Funds’ General Partners will use commercially reasonable efforts to mitigate any such situation, such situations could still adversely affect the Funds and investors’ returns.

#### *Emerging Markets Legal Risk; Enforceability of Foreign Judgments*

Many of the laws that govern private and foreign investment, securities transactions, creditors’ rights and other contractual relationships in countries other than the United States, the European

Union and other countries with advanced market economies, particularly in emerging markets, are new and largely untested. As a result, a Fund and Underlying Investments may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, lack of enforcement of existing regulations, less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

The Funds or Underlying Investments may encounter difficulties in pursuing legal remedies or in obtaining or enforcing judgments in courts outside the United States, the European Union and other countries with advanced market economies. Further, at present, some emerging markets do not have treaties providing for the reciprocal recognition and enforcement of judgments with the United States, the European Union or other countries with advanced market economies. Therefore, it may be difficult for a Fund or an Underlying Investment to enforce in such countries any judgments it may obtain in courts in the United States, the European Union and other countries with advanced market economies. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Underlying Investments, the Funds, and their operations.

#### *Potential Implications of Brexit*

Following the United Kingdom (“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 had been up to that point.

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 UK government has enacted legislation that will repeal, replace or otherwise make substantial amendments to EU laws that currently apply in the UK. It may be difficult to predict the consequences of these amendments on the Fund and its investments. Such changes could negatively impact investors.

The future application of EU-based legislation to the private fund industry in the UK will depend on the territorial scope of the Funds' operations and the actions of the UK government. Any re-negotiated terms or amended laws and regulations may have an adverse impact on the Funds and their investments, including the ability of the Funds to achieve their investment objectives. The effects of Brexit as they develop 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 the Funds and their 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, EU directives preventing withholding taxes being imposed on intragroup dividends, interest and royalties have ceased to 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.

While the most immediate impacts on corporate transactions continue to 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.

#### *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 United States, United Kingdom, 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 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 investments. In particular, the 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 Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfil its 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 Funds to achieve their 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 its investments or operations and/or the ability of the Funds to achieve its investment objectives.

### **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 and other similar entities serve as General Partners of the Adviser's Funds, and Bain Capital Partnership Strategies Management, LLC is the general partner of or serves in a similar capacity for each of the General Partners.

#### **Affiliated Advisers**

The Adviser currently has affiliated advisers based in the U.S., each of which focuses primarily on a different area of investment management, although such areas may 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 SEC. 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 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 Real Estate, LP, the real estate affiliate of Bain Capital, whose primary objective is to research and advise on real estate and real estate-related investments;
- 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 U.S. Affiliate Advisers’ investment activities are conducted independently, but the U.S. Affiliate Advisers may provide an extensive personal network and access to vertical industry expertise, and personnel from other U.S. Affiliate Advisers sit on the investment committee of certain Funds. On occasion, the Funds may also benefit from attractive non-traditional investment opportunities from U.S. Affiliate Advisers, subject to the Conflicts of Interest section below.

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

### **Conflicts of Interest**

The discussion below reflects both 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 and for the account of other investment funds or accounts and provide investment banking, advisory, management and other services to funds and operating companies.

As discussed above, Bain Capital currently has a number of affiliate 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 and accounts (including funds and accounts exclusively for the benefit of certain employees and related persons of the Adviser and the other Affiliate Advisers (collectively, “Bain Capital Related Persons”)), advised or managed, or to be advised or managed, by the Affiliate Advisers (other than the Adviser), which include internal investment vehicles of Bain Capital, are referred to as the “Related Funds.” The funds

advised or managed, or to be advised or managed, by the Adviser are referred to as the “Funds.” In the ordinary course of conducting its activities, the interests of a Fund or its limited partners will, on occasion, conflict with the interests of the Adviser or its affiliates, other Funds, or one or more other Related Funds or their respective affiliates. Additionally, the Adviser will establish certain investment vehicles (“co-investment vehicles”) through which certain personnel of the Adviser or its affiliates, or other persons will invest in the Funds. Such co-investment vehicles generally do not pay management fees or incentive allocations.

Certain personnel of the Affiliate Advisers will from time to time also invest alongside the Funds in one or more investment opportunities through co-investment vehicles. Conflicts may arise to the extent such personnel manage one or more other Funds or Related Funds, the interests of which conflict with those of the Funds. Where co-investment vehicles participate in an investment opportunity, such co-investment vehicles generally purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the Funds, subject to legal, regulatory, tax or other similar considerations. 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 vehicles fail to meet their 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.

The following discussion describes certain potential conflicts of interest that exist among Bain Capital, the Funds, the Adviser, the Affiliate Advisers, and the 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 has adopted procedures to address such conflicts, no assurance can be made that these procedures will have their desired effect. Limited partners should also note that these procedures do not apply to former personnel of Bain Capital, the Adviser and the Affiliate Advisers. There can be no assurance that Bain Capital or the Adviser will be able to resolve all conflicts in a manner that is favorable to the Funds.

## **Resolution of Conflicts**

Each of the Adviser and the other Affiliate Advisers will approach 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 the Adviser and the other Affiliate Advisers, the participating Affiliate Advisers will represent the interests of the investment funds or accounts they advise. In resolving conflicts, the Affiliate Advisers will generally consider various factors, including the interests of funds and accounts they manage in the context of both the immediate issue at hand and the longer-term course of dealings. Bain Capital has a firm-level Allocation Committee (the “Allocation Committee”) that oversees the process and ultimate allocations for investment opportunities that touch more than one Affiliate Adviser (i.e., pursued jointly or separately) and serves as an escalation point for potential conflicts of interest between and among Affiliate Advisers. The Allocation Committee generally does not oversee allocations of investments within advisers, as those are governed by respective adviser allocation protocols (as applicable). The Allocation Committee is comprised of senior Bain Capital personnel. From time to time, the Adviser and the Affiliate Advisers may determine to refer certain conflicts of interest to the Allocation Committee for review and resolution, particularly in situations where the Adviser 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 the Funds, the Adviser will resolve the conflict. In doing so, it will generally consider various factors, including the interests of each Fund with respect to the immediate issue and/or with respect to the longer term course of dealing among the 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 a 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 Adviser endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

### **Sources of Conflicts of Interest**

There are numerous perceived and actual conflicts of interest among the Funds, the Related Funds, the Adviser and the Affiliate Advisers. The conflicts of interest that may be encountered by each Fund 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. Dealing with conflicts of interest is complex and difficult, and new and different types of conflicts are likely to subsequently to arise.

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

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

It is expected that personnel of the Adviser responsible for managing a Fund will have responsibilities with respect to other Funds and/or Related Funds, including funds and accounts that are raised in the future, as well as the investments of the Funds and/or other Related Funds. Substantial time may be spent by such personnel 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.

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 with respect to other current or future Related Funds advised or managed by such Affiliate Advisers, including funds or accounts 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 other 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 another 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 Affiliate Advisers' investment committees will enable a Fund to identify, adequately address or mitigate these conflicts of interest.

In addition, certain personnel of the Adviser work for other Affiliate Advisers. Such individuals will have responsibilities to such other Affiliate Advisers and with respect to other current or future Related Funds advised or managed by such Affiliate Advisers, including funds or accounts that may be eligible to invest in assets eligible for purchase by the Funds, as well as to the portfolio companies and investment activities of such Related Funds. Conflicts of interest may arise if these personnel do not have adequate time or resources available to support both the Adviser and the relevant Affiliate Adviser.

#### *Incentive Allocation*

The existence of a General Partner's incentive allocation with respect to a Fund creates an incentive for such General Partner to cause such Fund to make more speculative investments than it would otherwise make in the absence of performance-based compensation. If the valuations are incorrect, the amount and timing of the payment of the incentive allocation to such General Partner could be incorrect.

Securities for which no market prices are available will be valued at such value as the General Partners may reasonably determine. The exercise of such discretion in each of the above cases may give rise to conflicts of interest, since the General Partner's incentive allocation may, in part, be based on these values. In addition, the method of calculating the incentive allocation results in conflicts of interest between the Adviser, on the one hand and the limited partners in the Funds, on the other hand, with respect to the management, disposition and valuation of investments.

Underlying Advisers are generally entitled to incentive fees, carried interest or other forms of incentive-based compensation, which would be expected to expose such Underlying Investments to similar conflicts of interest as those noted above.

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

The Funds may, from time to time, make co-investments in transactions sourced by other Affiliate Advisers. When such a Related Fund makes an investment, the applicable Affiliate Adviser will often perform management, advisory, investment banking, financial advisory and other services for, and will receive fees from, actual or prospective entities. Additionally, an entity in which a Related Fund advised by an Affiliate Adviser invests will generally reimburse such Affiliate Adviser for expenses incurred by such Affiliate Adviser in connection with its performance of services for such entity. Although an Affiliate Adviser receives these fees and reimbursements from actual or prospective entities, the opportunity to earn these fees creates a conflict of interest between such Affiliate Adviser, on the one hand, and, to the extent the Funds co-invest in the transaction,

the Funds on the other hand, because the amounts of such fees and reimbursements are often substantial and the Funds will not share in such fees and reimbursements.

The Adviser may, in its discretion, recommend to the Funds or to an issuer in which the Funds invest that they contract for services with a portfolio company of another Related Fund or an entity with which the Adviser, another Affiliate Adviser, one of their affiliates or any other personnel has a relationship or otherwise derives a financial or other benefit. While the Adviser will make decisions for the Funds in accordance with its obligations to manage the Funds 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, service provider or other decisions made by the Adviser for the Funds than they would have been had other decisions been made which also might have been appropriate for the Funds.

#### *Other Professional Services to the Funds and Investments*

The Funds are expected to pay and/or reimburse the Adviser, Bain Capital or an Affiliate 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, Bain Capital or any Affiliate Adviser for services performed on behalf of the Funds and their investments. Costs of other internal professionals, including for legal, tax, auditing, accounting, domiciliation, consulting, fees, bookkeeping, record keeping, clerical and other services are expected to be borne by the Funds in the future consistent with the methodologies described herein. 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 their 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 will make in its good faith but in its sole discretion. Because the 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, the Adviser may use additional or different methods to allocate in-house expenses in a manner that it determines to be fair and reasonable. Fund Expenses incurred in connection with services provided to the Funds by the Adviser and their affiliates pursuant to the advisory agreements (including the in-house services described in this paragraph) are generally expected to be borne by the Funds, and the Adviser will not be required to bear (and will be entitled to reimbursement) of such expenses.

#### *Expense Reimbursement*

Certain expenses are paid for by the Funds or, if incurred by the Adviser, are reimbursed by the Fund. 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. Additionally, where the Funds own an equity stake in an issuer, the value of their equity investment will be affected by expenses incurred

by such issuer. Such expenses may include costs incurred by personnel of Bain Capital in connection with board positions and other activities with respect to such issuer, including reimbursement for out-of-pocket expenses incurred in connection with such activities.

### *Placement Agents*

The General Partners have caused the Adviser's affiliate, Bain Capital Distributors, LLC (the "Affiliated Placement Agent") to be appointed as a placement agent to certain Funds. The Affiliated Placement Agent is an affiliate of the General Partner and the Adviser. Representatives of the Affiliated Placement Agent may also be employees of the General Partners of a Fund, the Adviser or their affiliates. The Affiliated Placement Agent performs its services for the Funds; it does not provide services to investors or provide investment recommendations. In this regard, the Affiliated Placement Agent does not make any determination regarding whether an investment in the Funds is in the best interests of, or is suitable for, any limited partner. Limited partners should exercise their own judgment and/or consult with a financial professional prior to investing in the Funds. Moreover, in light of the Affiliated Placement Agent's affiliation with Bain Capital, limited partners should be aware that the Affiliated Placement Agent has an incentive to sell limited partner interests in the Funds, as investments in the Funds generate fees for Bain Capital. This incentive may conflict with the interests of limited partners. Additional placement agents may also be engaged with respect to the Funds.

### *Advisory and Other Services*

Other Affiliate Advisers may perform investment banking, advisory and other services (the "Other Services") for and receive compensation from (and expenses reimbursed by), a number of entities, which may include entities in which the Funds have interests. The services in respect of which such fees are paid (a) are provided to the relevant investment vehicles and (b) are separate from, and additional to, the services which the Adviser and its affiliates provide. Such services may include, among other things, financial, operational (including servicing) and transactional services (such as advice and consulting in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions), capital formation services, investor and customer relations services, communications, as well as management, monitoring, brokerage, capital markets/credit origination, loan servicing, acting as trustee acting as paying agent and other similar operating matters and consulting 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 investment vehicles (or rights thereto) or otherwise.

In connection with performance of the Other Services, such Affiliate Adviser may enter into a management agreement with the entity to which the Other Services are provided. The terms of these management agreements vary, and the applicable Fund will directly or indirectly bear the cost of negotiating any such agreements. These agreements typically terminate upon a change of control of, or upon an initial public offering by, such entity. It is possible that Affiliate Advisers receive certain termination fees when a management agreement is terminated upon an entity's initial public offering. These fees are often substantial, particularly in the event such circumstances occur early in the life of a Fund's investment in such investment company. Where such an agreement is not entered into, other governing documents may provide for reimbursement of out-

of-pocket expenses incurred in connection with the provision of any services by the Adviser's professionals to the applicable entity.

The appropriate fees for certain advisory services are determined by such Affiliate Adviser providing such Other Services, following negotiation with management of such entity receiving such Other Services and other investors, in consultation with lenders, typically prior to when the investment in the entity is closed. The starting point for such fee is typically based on the relevant operating metric for such entity (e.g., EBITDA or revenue) which the Affiliate Adviser believes is an indicative proxy for the amount of resources that it expects it will provide to the portfolio company, but other factors are considered such as additional effort that may be required in a turnaround situation. Because an independent third party is not always involved on behalf of the relevant entity receiving the Other Services, a conflict will exist in determination of any such fees and other related terms in the applicable management agreement with such entities. The Adviser does not participate in the negotiation or approval of these arrangements, and these fees will not be shared with the Adviser or the limited partners of the Funds.

Services required by a Fund (including some services historically provided by the 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 Funds to, among other things, leverage the use of the Adviser personnel. Such services may include 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. The decision by the 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 a Fund or its limited partners 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 Fund.

The Affiliate Advisers have existing and potential advisory and other relationships with a significant number of private 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 a company in which a Fund has invested, such as competitors, suppliers or customers of a company in which a Fund has invested. On occasion, an Affiliate Adviser may recommend or cause such a third party to take actions that are adverse to a Fund or companies in which it has invested.

The Adviser and the other Affiliate Advisers have in the past and may in the future also engage and retain advisers, consultants and similar professionals who are not employees or affiliates of such Affiliate Adviser and who, from time to time, receive payments from such Affiliate Adviser or receive payments from or allocations of investment opportunities with respect to, entities, which may include entities in which the Funds have interests. These fees will not be shared by the Funds or the limited partners of the Funds.

Personnel of Affiliate Advisers may also invest in one or more of the Funds. Conflicts may arise to the extent such personnel manage Related Funds, the interests of which conflict with those of the Funds.

### *Third-Party Fees and Services*

From time to time, the Adviser may (in its sole discretion) agree or be otherwise obligated to pay to a third party, including a consultant, advisor, finder, broker, independent director, investment bank, operating professional and/or other third-party service provider a portion of a transaction or other fee received from an actual or prospective portfolio company to a third party (“Third-Party Fee”), including, for example, 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 limited partnership agreement (or limited partnership agreement or analogous organizational documents of a Fund) to share such Third-Party Fee with a Fund. Third-Party Fees have been paid in the past and 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 limited partnership agreement (or limited partnership agreement or analogous organizational documents of a Fund).

The Adviser and its affiliates have in the past and may in the future also engage and retain advisers, 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 companies 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. 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 companies. In such a case, the Funds or Related Funds will bear the expenses of the management team or portfolio company, 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 Fund or Related Fund as Fund Expenses or indirectly as such Fund or Related Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., profits interest) received by a Special Limited Partner.

### *Valuations*

The Funds’ investments are valued at estimated fair value as determined in good faith by the General Partners. The exercise of discretion in valuation by the General Partners may give rise to conflicts of interest, as the Incentive Fees and the Management Fee are calculated based on the value of the Funds’ investments. Furthermore, the valuation of investments may affect the ability of the Adviser to raise other funds, creating an incentive to determine valuations that are higher

than the actual fair value of the investments. In addition, the Adviser 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. For example, a Special Limited Partner will not receive carried interest until the limited partners receive distributions equal to their share of write-downs not taken into account in prior distributions. This creates an incentive for the General Partner and the Adviser to avoid writing down the value of assets that are not readily marketable or difficult to value, because a Special Limited Partner will be in a position to receive a higher carried interest.

#### *Carried Interest and Management Fee*

The Special Limited Partner, in respect of its carried interest, is entitled to the applicable percentage of the net profits generated by the applicable Funds subject to certain thresholds being met, but does not have to bear the applicable percentage of the net losses, if any, suffered by the applicable Funds. This feature may cause the General Partners 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 advisory agreements. An independent appraisal generally will not be required and is not expected to be obtained. Furthermore, the Management Fee is required to be paid to the Adviser by the Funds even if the Funds experience net losses in a particular year or over the term of the Funds.

Under current law, gains in respect of a General Partner, Special Limited Partner or similar entity's right to carried interest will be subject to a three year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to the limited partners is one year. The UK and certain European jurisdictions also have minimum "holding periods" that must be met for carried interest holders to benefit from a lower rate of tax than may otherwise be applicable. This holding period requirement could affect investment decisions, including the timing and structure of dispositions, and could adversely impact returns for investors. For example, the holding period requirement may incentivize the General Partners to cause the Funds to hold an investment for longer than three years in order for the applicable General Partner to obtain a preferential tax rate on carried interest, even if there are attractive realization opportunities prior to that time.

In addition, 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 "carried interest," in ways that may be adverse to partners in the Special Limited Partners. Under the partnership agreements, the General Partners have certain rights to amend the partnership agreements and/or the Advisory 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 Partners and the Adviser may take these potential adverse consequences into account in their management and operation of the Funds. In addressing these adverse consequences, the interests of the General Partners and the Adviser, on the one hand, may diverge from the interests of the limited partners, on the other hand.

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

### ***Transactions Between the Fund and Related Funds***

The Adviser may cause a Fund to purchase investments from, or sell investments to, another Fund or a Related Fund. The Adviser will only cause a Fund to engage in such transactions if it determines that the terms and conditions of such transactions are substantially as advantageous to a Fund as the terms it would obtain in a comparable arm's length transaction with a third party, if such transactions are effected at prices determined in accordance with a Fund's valuation procedures or if the consent of a Fund's advisory committee is obtained in connection therewith.

### ***Allocation of Investment Opportunities Among the Fund and Related Funds***

Through the Funds and the 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 other Related Funds that have an investment strategy or objective that overlaps with the investment strategy or objectives of the Funds. The Funds and other Related Funds are generally subject to investment allocation guidelines (collectively, "Investment Allocation Guidelines"). Investment Allocation Guidelines may be set forth in the instrument under which the Funds or other Related Funds 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. These relationships are likely to present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to the Funds. Subject to the Investment Allocation Guidelines, opportunities for investments will be allocated between the Funds and the other Related Funds in a manner that the Adviser, Bain Capital, and the other 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;
- Prospective investment's geography, nature of its business and scale;
- Transaction sourcing;
- Each Fund's and other Related Fund's liquidity and reserves;
- Each Fund's and other Related Fund's diversification;
- 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 and other Related Fund's targeted rate of return;



- Appropriate leverage levels for the prospective portfolio company;
- Composition of each Fund's and other Related Fund's portfolio;
- The availability of other suitable investments for each Fund and other Related Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints;
- stage of the investment process of the Funds or Related Funds (i.e., whether the relevant entities are in their "ramp-up period"); 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 a Fund are expected to first be made available to the Funds. Similarly, investments sourced by an Affiliate Adviser that are appropriate for Related Funds advised by such Affiliate Adviser are expected to first be made available to such Related Funds. Bain Capital, the Adviser, and the 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's and other Affiliate Advisers' 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 the Funds in hindsight.

In addition, allocation of such opportunities by the Adviser requires it to make subjective judgments regarding application of the Investment Allocation Guidelines and factors set forth above. A conflict of interest may arise if the Adviser has differing economic interests as between the Funds. Any such judgments and application involve inherent conflicts and risks that assumptions regarding investment opportunities will not ultimately prove correct. For example, debt investments that were determined to have expected equity-like returns may ultimately produce returns that are more consistent with a fund with lower-return objectives (and vice-versa). As such, there can be no assurance that the subjective judgments made by the Adviser will prove correct in hindsight.

The Adviser has developed and may, in the future, amend policies, procedures and methodologies governing the allocation of investment opportunities, which may, among other things, address ranges of rates of returns for defining ranges of returns on investments, rebuttable presumptions regarding allocation for certain types of investments and other matters. The application of those policies, procedures and methodologies are made in the discretion of the Adviser and may result in a Fund not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines and/or based only on the circumstances of those particular investments.

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

- 1) the Funds, Bain Capital Related Persons or 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 a Fund) that have been formed to invest side-by-side with one or more of the Funds or Related Funds in all or particular transactions entered into by such fund(s) (the investors in such co-investment vehicles may include Bain Capital Related Persons, employees, business associates and other “friends and family” of the Adviser or its personnel; individuals and entities that are also limited partners; and/or individuals and entities that are not limited partners (“Third Parties”));
- 3) Bain Capital Related Persons, limited partners and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more of the Funds or Related Funds in particular transactions entered into by a Fund or such other Funds or Related Fund(s) (including investments in portfolio companies after the investment by a Fund or other Related Fund(s)); and
- 4) Limited partners and/or Third Parties acting as “co-sponsors” with one or more of the Funds or Related Funds with respect to a particular transaction.

The Adviser and other Affiliate Advisers have adopted policies and procedures relating to the allocation of investment opportunities among the Funds, certain Related Funds and/or Third Parties co-investing with a Fund, other Funds or Related Funds, 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 may 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 the Funds, Related Funds and/or Third Parties co-investing with a Fund. Similarly, the Allocation Committee may in its sole discretion determine to review and make determinations regarding certain allocations of investment opportunities.

The Funds, Related Funds, any entities or accounts organized to make co-investments with a Fund in selected transactions because of their size or nature, and the General Partner may invest in a Fund on the basis described in its partnership agreement (or analogous organizational or governing documents of such Funds and Related Funds).

From time to time, Bain Capital Related Persons may invest directly in Underlying Investments, in certain co-investment opportunities or in investments sourced by the Adviser or an Affiliate Adviser alongside a Fund. Direct investments by Bain Capital Related Persons may give rise to certain conflicts of interest (see “—*Direct Investment in Underlying Investments by Personnel of Affiliate Advisers*” below).

As discussed above, other Funds and Related Funds (including, for the avoidance of doubt, internal vehicles of Bain Capital) may invest in assets eligible for purchase by a Fund. Members of Bain Capital’s investment committee who have obligations to another Affiliate Adviser and other Funds or Related Funds will have a conflict of interest where an investment opportunity may be appropriate for both a Fund and such other Funds or Related Funds advised or managed by Bain Capital or such other Affiliate Adviser, and such persons and entities are under no obligation to make any such investment opportunity available to a Fund or to make available to a Fund any other investment opportunity that arises in connection with the obligations to another Affiliate Adviser or other Funds or Related Funds. The investment policies, fee arrangements, incentive allocations, performance-based compensation, investments owned by personnel of Bain Capital or the other Affiliate Advisers with respect to the Funds, and other circumstances of a Fund, may vary from those with respect to other Funds and Related Funds. The potential for higher incentive allocation or performance fee rates (including varying effective rates based on the past performance of a Related Fund) and/or Management Fee rates creates an incentive for Bain Capital to disproportionately allocate time, services or functions to other Funds or Related Funds paying incentive allocation or performance fee and/or Management Fee rates at a higher rate, or allocate investment opportunities to such Funds or Related Funds or to any Fund or Related Fund that presents conflicts of interest for other reasons. To the extent the General Partner of a Fund determines that it is desirable for all or any portion of an investment opportunity to be purchased (whether before or after the time of investment by any Fund) by Third Parties, including limited partners, strategic partners, other investors or such persons or entities acting as finders or brokers of transactions, all or a portion of such opportunity need not be made available to a Fund. These relationships present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to the Fund.

The Adviser reserves the right to make independent decisions regarding recommendations of when a 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, a 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 such Fund, including providing its limited partners with liquidity. Such Related Funds may need to exit their investments before a Fund in connection with limited partner withdrawals or otherwise, which may have an adverse effect on a

Fund's continuing investment in such issuer in which a Fund invests by putting downward pressure on the value of a Fund's interest, which a Fund has opted to hold longer term. The Related Funds are under no obligation to act in a way that furthers or protects the interests of a Fund. A Related Fund could earn a return on its investment that exceeds a Fund's return. Furthermore, in circumstances where a Fund does not invest in an investment opportunity due to any number of factors, it is possible that such other Affiliate Advisers, including Affiliate Advisers that solely advise funds and accounts of Bain Capital Related Persons, may advise another fund or account to make an investment in such opportunity. The potential for such conflicts of interest to arise is increased in circumstances where a Bain Capital Related Person makes a direct investment in an Underlying Investment (see "*—Direct Investment in Underlying Investments by Personnel of Affiliate Advisers*" below).

While expected to be uncommon, from time to time the Adviser and the Affiliate Advisers may, in their discretion, enter into transactions with one or more Funds or Related Funds to dispose of all or a portion of certain investments held by one or more Funds or Related Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser or the 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 the Affiliate Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser or the 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 Fund or 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 following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund or Related Fund(s). Any such transactions will comply with the limited partnership agreements (or analogous organizational documents) of the applicable Fund or Related Fund(s).

#### *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), including another Fund, or in a transaction in which another Related Fund, including another Fund, has already made an investment. Investment opportunities have in the past and may in the future be appropriate for a Fund and another Fund or Related Fund at the same, different or overlapping levels of an 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 Fund or 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 another Fund or a Related Fund. In some instances, when a Fund makes an investment in conjunction with an investment being made by another Fund or Related Fund, such Fund will not retain the right to make independent decisions regarding recommendations about when such Fund should dispose of such investments and instead will do so only at the same time that such other Fund or Related Fund determines to dispose of such investment or after such disposition.

Implementation of certain of the investment strategies of the Funds may be dependent, in whole or in part, on information obtained by the Adviser from other Affiliate Advisers. Such Affiliate Advisers are not obligated to provide such information to the Adviser and may decide not to provide such information to the Adviser at any time. There is no assurance that the Adviser will receive such information now or in the future. 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 Related Funds participating in the transaction.

Certain Bain Capital Related Person have made and are expected to make large capital investments in or alongside other the Funds or 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 a Related Fund or an investment of another Fund or a Related Fund. The Adviser and Affiliate Advisers will determine all matters relating to structuring transactions and capitalizing investments, including the amount and terms of securities and allocation of securities among the Funds and/or Related Funds, using their best judgment considering all factors they deem relevant, but in their sole discretion. 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 investments of one or more Funds or Related Funds) to a newly-organized Fund or Related Fund in priority to another Fund or Related Fund that is nearing, or has reached, the end of its investment period.

#### *Business with Limited Partners*

The General Partner and/or the Adviser may from time to time utilize the services of limited partners and their affiliates on an arm's-length basis, as they deem appropriate.

#### *Investment in Other Funds*

The Funds other Related Funds may invest in funds or structured products sponsored by the Adviser, other Affiliate Advisers and/or third parties. The Funds' interest in any such fund would be subject to the terms and conditions of such fund or product, including fees, incentive allocations and other performance-based compensation, provided that the general partner or investment advisor of such fund may in their sole discretion waive all or a portion of such fees, incentive allocations and other performance-based compensation with respect to the Funds or other Related Funds though limited partners should not expect any affiliated or third-party general partner or investment advisor to waive such fees, incentive allocation and/or other performance-based compensation.

#### *Investment in a Fund by Bain Capital Related Persons*

Certain Related Persons and personnel of Affiliate Advisers have invested in the Funds as fund investors. Subject to applicable law, the terms of an investment by Bain Capital Related Persons may differ from, and are likely to be more favorable than, those of an investment by an external limited partner.

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. Conflicts will arise to the extent the interests of such Related Funds conflict with those of a Fund.

The General Partner may waive, in whole or in part, or calculate differently the Management Fee and the Incentive Fees with respect to certain personnel.

#### *Direct Investment in Underlying Investments by Personnel of Affiliate Advisers*

Bain Capital Related Persons have made and are expected to continue to make investments directly in Underlying Investments and in certain co-investment opportunities alongside the Funds (collectively, "Direct Investments"). Although Direct Investments may be seen as increasing alignment of interest, due to Bain Capital Related Persons having greater economic exposure to Underlying Investments, nonetheless Direct Investments also give rise to certain conflicts of interest that are not present, or present to a lesser degree, in the absence of Bain Capital Related Persons' ability to make, hold and withdraw from Direct Investments.

For example, while Direct Investment opportunities are not expected to be offered to Bain Capital Related Persons in priority to such investment opportunities being offered to the Funds, Direct Investments may nonetheless reduce opportunities for the Funds to make additional investments in the relevant Underlying Investment. Furthermore, investments in potential Underlying Investments may be directly sourced by Bain Capital Related Persons for their own accounts, and such investment opportunities may or may not be referred to the Adviser or considered for investment by the Funds. A Fund's desired allocation to a given Underlying Investment may change over time, including increase due to a growth in the size of such Fund (whether through additional subscriptions, performance, or otherwise), and it is possible that an Underlying Investment may not accept future subscriptions from a Fund or an Underlying Investment may accept a smaller subscription amount from such Fund due to, in whole or in part, Direct Investments. The General Partner might in its sole discretion, but is not required to, negotiate capacity rights for a Fund with Underlying Investments, but there can be no assurances that the General Partner will seek such capacity rights, nor can there be any assurances that, if sought, the General Partner will be successful in receiving such capacity rights, nor can there be any assurances that such capacity rights will be sufficient to satisfy a Fund's future desired allocation to the applicable Underlying Investment.

It is possible that Bain Capital Related Persons might seek withdrawals in respect of Direct Investments prior to, or at the same time as, a Fund seeks to withdraw from such Underlying Investment. Certain Underlying Investments may have liquidity constraints triggered based on outflows from such Underlying Investments. For such Underlying Investments, withdrawals by Bain Capital Related Persons of their Direct Investments could prevent a Fund from being able to

make a withdrawal from such Underlying Investment, or prevent such Fund being able to withdraw as much as quickly as the Fund could have done in the absence of such Direct Investment withdrawals. Similarly, withdrawals by Bain Capital Related Persons of Direct Investments in Underlying Investments could cause such Underlying Investments to sell assets at unattractive prices (depressing the value of a Fund's investment in such Underlying Investment), or could result in such Underlying Investments having a more concentrated portfolio of assets (or a portfolio of assets that is less liquid or less attractive) as compared to what would have resulted in the absence of such withdrawal by such Bain Capital Related Persons.

A Bain Capital Related Person might make a withdrawal of a Direct Investment from an Underlying Investment and following such withdrawal such Underlying Investment might suspend further withdrawals from such Underlying Investment. In such circumstances, a Fund would continue to be exposed to the performance of such Underlying Investment, even though such Bain Capital Related Person might no longer be exposed to the performance of such Underlying Investment. Limited partners should therefore be aware that the performance achieved by a Bain Capital Related Person with a Direct Investment in an Underlying Investment may be materially better than the performance achieved by a Fund with an investment in such Underlying Investment.

It is possible that a Bain Capital Related Person might, in connection with a Direct Investment in an Underlying Investment, obtain material non-public information about such Underlying Investment or such Underlying Investment's adviser. In such circumstances, the receipt of such information might prohibit the General Partner from being able to take certain actions on behalf of a Fund, such as withdrawal from such Underlying Investment.

### *Third-Party Co-Investment Opportunities*

The Adviser and/or the General Partners may in the future determine that it is desirable for all or any portion of an investment opportunity to be purchased by certain participants in the applicable deal, including co-sponsors, consultants and advisors to the Adviser and/or the Funds or management teams of the applicable issuer, limited partners, strategic partners, other investors or such persons acting as finders or brokers of transactions. Third parties may be offered such co-investment opportunities, in the sole discretion of the Adviser.

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).

Subject to any Investment Allocation Guidelines, no limited partner has a right to participate in or to receive notice of any such co-investment opportunity. 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 may be offered to some and not other limited partners 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 may in the future purchase their interests in an issuer at the same time as the Adviser or purchase such interests from the Funds after the Funds have consummated their investment in the issuer (also known as a post-

closing sell- down or transfer). In that regard, the Funds may use their credit facility to acquire a portion of an investment that they intend to sell down to a co-investor, thereby using the Funds' credit facilities to bridge the co-investor's participation in the co-investment. In such instances, the Funds 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 the Funds and as a result, the Funds 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 the Funds nor fund investors 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 the Funds for their respective shares of any interest paid by the Funds 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 (including Third Parties) and the terms thereof, the Adviser considers some or all of a wide range of factors, which may include the following:

- The Adviser's evaluation of the co-investment party's level of interest in investment opportunities (including level of interest in a particular industry or type of business), and size and financial resources of the potential co-investment party;
- The Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the Funds without harming or otherwise prejudicing the Funds, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- whether the Adviser determines that allocating investment opportunities to a potential co-investment party 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 issuer;
- whether a potential co-invest has a history of participating in opportunities and 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;
- 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 Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which the Funds wish 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 the Funds' participation in such investment opportunity);

- the ability of a potential co-investor to aid in operating or monitoring a target company or the possession of certain expertise by a potential co-investor and the potential co-investor's relationship with the management team of the potential target company and whether the potential co-investor has any existing positions in the target company;
- 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 target company);
- any interests a potential co-investor has in any competitors of the target company;
- 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 target company post-closing;
- The Adviser's evaluation of whether the investment opportunity may subject the target company, 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 persons, including the Funds, limited partners and Third Parties, 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 carried 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 typically will include preferable terms and conditions offered only to one or more co-investors (including terms and conditions offered only to co-underwriters). 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 the Funds or reduce any Management Fee, profits interest, or other obligation to the funds. If such fees are charged, the amount of such fees and profits interest may be less than the amounts borne by limited partners with respect to an investment by a Fund, and a Fund will not share in any portion of such carried interest or advisory fee. 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 Underlying Investments or their 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 their investors, 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 their investors will share in such fees and other compensation. Further, Funds are generally expected to have a higher expense ratio than the expense ratio associated with any particular co-investment. In particular, if a prospective Fund investment is not consummated, the costs associated with investigating and pursuing such Fund investment will be borne by the Fund, notwithstanding that if such Fund investment were consummated, a portion of such investment would be taken up by co-investors. Accordingly, limited partners that participate in co-investments (if any) may have significantly higher net returns from their investments than limited partners that do not, or cannot, so participate.

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 the Funds or that expenses incurred by the Funds 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, the Funds may consequently hold a greater concentration and have greater exposure in the related investment opportunity than was initially intended, which could make the Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Funds which is not syndicated to co-investors as originally anticipated could significantly reduce the Funds' overall investment returns.

The Funds may sell down an interest in issuers in which they invest to co-investors at fair market value. Subject to the limited partnership agreement or other agreements with co-investors, 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 Funds' investment in an issuer to the date of the transfer of interests in such issuer to the applicable co-investor.

### *Conflicts Relating to Underlying Investments*

The Funds may invest in an Underlying Investment that is advised by, or that has another business or other relationship with, the Adviser, an Affiliate Adviser or their respective related persons. For instance, Bain Capital, the Adviser or an Affiliate Adviser may have an interest in an Underlying Adviser. Investors in the Funds will bear not only the direct Management Fee, Incentive Fee and other expenses associated with their investment in the Funds, but also the expenses and fees associated with the investment in the Underlying Investment, some of which fees and expenses may be paid to Bain Capital, the Adviser or an Affiliate Adviser. Additionally, the interests of the Fund, as an investor, may conflict with the interests of the Underlying Investment or the Adviser or its related persons in their capacity as service providers to the Underlying Investment, which would create a conflict of interest for the Adviser. Furthermore, Direct Investments may also give rise to conflicts of interest as further described in “—*Direct Investment in Underlying Investments by Personnel of Affiliate Advisers*” above.

### *Conflicts Associated with Underlying Advisers*

Underlying Advisers may advise clients other than the Underlying Investments in which the Funds invests. These relationships may create a variety of conflicts for the Underlying Investment Adviser, including, without limitation, those described below.

The Adviser, the Funds and Related Funds may be entitled to certain transparency or information rights regarding the underlying assets in an Underlying Investment and may be entitled to liquidity depending on the nature of the underlying assets. However, under certain circumstances, allowing the Funds or Related Funds to exercise those rights in the Funds investment may, in the judgment of the Underlying Advisers, conflict with its fiduciary duties to other of its clients or otherwise conflict with legal or regulatory obligations applicable to it or its business. In such event, the Underlying Advisers may prevent the Funds or Related Funds from exercising its contractual rights. The Underlying Advisers may seek to purchase the same securities for its other accounts as those it seeks to purchase for the Underlying Investment. In the case of scarce investment opportunities, the Underlying Advisers may face a conflict in determining whether to allocate the opportunity to the Underlying Investment or one or more of such manager's other accounts. There may also be conflicts in priority of order entry. This may result in the Underlying Investment being unable to get a complete fill of its order, or it may get an inferior price. In some cases, it may not be possible to split securities among client accounts and as a result, the Underlying Investment would either be foreclosed from participating in the opportunity or would do so through a participation or similar arrangement.

Even though an Underlying Investment and another client of an Underlying Advisers may have substantially the same investment strategy, there may be material differences in the performance of one compared to the other. Such differences may be caused by differences in investment guidelines and restrictions, differences in size, and differences in the timing of inflows and outflows of capital, which despite periodic rebalancing, will result in differences in the portfolio composition of Underlying Investments compared to such other client of the Underlying Advisers.

Furthermore, certain of the Underlying Advisers may engage in other forms of related and unrelated activities in addition to advising an Underlying Investment. They may also make investments in securities for their own account. Activities such as these could detract from the time an Underlying Adviser devotes to the affairs of an Underlying Investment. In addition, certain of the Underlying Advisers may engage affiliated entities to furnish brokerage services to Underlying Investments and may themselves provide market making services, including acting as counterparty in stock and over-the-counter transactions. As a result, in such instances the choice of broker, market maker or counterparty and the level of commissions or other fees paid for such services (including the size of any mark-up imposed by a counterparty) may not have been made at arm's length.

In addition to the foregoing, the potential conflicts described herein in respect of the Adviser's management of the Funds will generally apply in respect of the Underlying Advisers' management of the Underlying Investments.

#### *Allocation of Fees and Expenses*

The appropriate allocation among the Funds, certain Related Funds and Bain Capital Related Persons of expenses and fees generated in the course of evaluating and making investments often will not be clear, especially where multiple funds and accounts participate. 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. In addition, the Adviser and other Affiliate Advisers that solely advise funds and accounts of Bain Capital Related Persons have a conflict of interest in determining the appropriate allocation of expenses among the Funds and such vehicles of Bain Capital Related Persons.

Expenses related to investments are generally expected to be allocated based on factors the Adviser deems equitable and reasonable, including the timing of an investment relative to the incurrence of the expense. If other Funds, Related Funds, Bain Capital Related Persons or Third Parties participate in an investment simultaneously with a Fund, such expenses are expected to be allocated among the intended participants in such investment on a pro rata basis. Alternatively, other Funds, Related Funds, Bain Capital Related Persons, and Third Parties might not participate in an investment opportunity at the time such investment expenses are incurred. In such instances, a Fund is generally expected to bear most, if not all, of the investment-related expenses incurred with respect to an investment that is not allocated to any other Fund, Related Fund, Bain Capital Related Persons or Third Party.

Where a Fund receives an allocation of an investment opportunity prior to other Funds, Related Funds, Bain Capital Related Persons or Third Parties, such Fund might bear all investment-related expenses associated with such investment opportunity, even if other Funds, Related Funds, Bain Capital Related Persons or Third Parties participate in such investment opportunity after the Fund's initial investment therein. Because certain Funds will frequently invest in an investment opportunity prior to investment in such opportunity by other Funds, Related Funds, Bain Capital Related Persons or Third Parties, such other funds or accounts are expected to bear lower investment-related expenses than the Fund with respect to such investment. For the avoidance of doubt, where an investment is first made by a Fund and then subsequently made by such other Funds, Related Funds, Bain Capital Related Persons or Third Parties, it is not expected that

previously-incurred investment-related expenses will be reallocated across all participating funds and accounts. As a result of the foregoing, the Adviser and other Affiliate Advisers (including Affiliate Advisers that solely advise funds and accounts of Bain Capital Related Persons) might have an incentive to cause the Funds, other Related Funds, Bain Capital Related Persons or Third Parties to invest after (as opposed to prior to or alongside) a Fund.

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, 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 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 such Fund from that service in any particular instance, and, to the extent permitted by applicable law, the Funds may be required to bear more than their 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 Funds. 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. Furthermore, where an unconsummated investment opportunity has been presented to a Fund and investment-related expenses have been incurred, limited partners should assume that such Fund will bear all investment-related expenses associated with such unconsummated investment, even if other Funds, Related Funds, Bain Capital Related Persons or Third Parties would have participated in such investment had it been consummated. The Funds will bear more or less of a particular expense based on the methodology used.

The appropriate allocation among the Funds, any parallel vehicles, and the Related Funds of expenses incurred in the course of evaluating and making investments often will not be clear, especially where more than one Fund or Related Fund participates. For instance, if a Fund and another Fund or Related Fund are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Funds or 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 Funds bearing more than their proportional share of such expenses.. Generally, when the Adviser and the other Affiliate Advisers incur expenses that were related to more than one Fund or Related Fund, they will typically allocate such expenses among all Funds and 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.

Investments sourced and evaluated by the Adviser that are deemed inappropriate and rejected for investment by the applicable Fund have in the past and may in the future be offered to the Affiliate Advisers for investment by Related Funds or Bain Capital Related Persons. The other Related Funds or Bain Capital Related Persons will, for some investments, benefit from the evaluation and due diligence undertaken by the Adviser on behalf of the applicable Funds. In such circumstances, the Related Funds and/or Bain Capital Related Persons that have invested will be allocated the expenses, as determined in good faith by the applicable General Partner of a Fund, incurred by the Adviser and/or 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.

### *Insurance Expenses*

The General Partner expects to cause the Fund to purchase, or share in the expenses incurred by Adviser or its affiliates in connection with the obtaining and maintaining of, insurance policies (including, for example, cyber liability insurance policies, directors and officers insurance and crime/fidelity insurance), including insurance policies covering more than one Related Fund and the activities of Bain Capital generally, that the General Partner considers necessary or appropriate for the conduct of the business of the Fund, including key personnel insurance policies naming 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 committee, employee, agent, investment advisor or manager, or independent contractor 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 Funds may not receive as much in insurance proceeds as they 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 Funds later experience an insurable claim within the same policy period, the Funds' 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 Fund or Related Fund, or it may cause a Fund to sell investments to another Fund or Related Fund. 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 Fund or Related Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, the Affiliate Advisers, their affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund or Related Fund 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 Affiliate Advisers and their affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser may consult with its limited partner advisory committee and will follow the Investment Allocation Guidelines of the relevant Funds (e.g., the limited partnership agreements (or analogous organizational documents) of certain Funds 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 the Funds). 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 is deemed to own more than 25% of the Fund, unless such transaction complies with the requirements of the Adviser's principal transactions policy, as described below.

### *Principal Transactions*

Section 206(3) of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients 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 client of the terms of the proposed transaction and obtain the Fund's consent to the transaction. In connection with the Adviser's investment advice provided to 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 the disclosures required by Section 206(3) of the Advisers Act be made to the Fund regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Trade Errors*

The Adviser's trade error policy only requires the Adviser to reimburse the Funds for any losses resulting from the Adviser's breach of the applicable standard of care (generally gross negligence or willful misconduct). Therefore, the Adviser has a conflict of interest in determining whether a trade error is a result of a breach of the applicable standard of care.

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

#### *Affiliated Investments*

Further conflicts will arise once a Fund has made an investment in an issuer in 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. Another Fund or a Related Fund may have return objectives or investment time horizons that differ materially from those of a Fund. In addition, in certain circumstances, another Fund or a Related Fund could own securities purchased at a different value than the securities purchased by a Fund, or own different securities of the same issuer.

Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, raise conflicts of interest and the Adviser may be incentivized to choose a course of action that benefits another Fund or Related Fund to the detriment of a Fund. The Adviser and each other Affiliate Adviser will resolve all such conflicts using their best judgment but in their sole discretion, subject in certain cases to approval by the advisory committees or investment committees of the participating investment funds.

#### *Follow-On Investments*

Investments to finance follow-on acquisitions (including investments in public companies without anticipated reserves or participation in future financing rounds) and other investments in existing investments of a Fund or Related Funds, which may not have been anticipated at the time of investment or subject to a preexisting contractual arrangement, are a regular part of the business of certain Related Funds and may be part of the business of the Funds. Follow-on investments present conflicts of interest, including determination of the equity component and other terms of the new financing, and, if the Funds or Related Funds making the follow-on investment have not previously invested in the relevant issuer, increase the risk of using a Fund's assets to support positions taken by other Funds or Related Funds. Additionally, unless a Fund is subject to a contractual arrangement with respect to a follow-on investment opportunity in an existing investment, a Related Fund (including a successor fund) may participate in such follow-on investment opportunity while the 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 as further discussed in *Allocation of Investment Opportunities* above).

In addition, from time to time, the Funds expect to participate in releveraging and recapitalization transactions involving portfolio investments in which other Funds or Related Funds have invested



or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company 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 the Funds and another Related Fund have invested in the same investment, they may have different investment considerations, such as investment restrictions, portfolio diversification requirements, capital availability and time until liquidation. Even if the Funds 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, the Funds and such other Related Fund may have conflicting interests in respect of such investment and may make different decisions in respect of any follow-on investment opportunity that may adversely affect the Funds or such Related Fund, including without limitation dilution of the interests held in the investment or a negative financial impact on the investment. There is no guarantee that the Funds or any Related Fund will have sufficient resources or be permitted to make follow-on investments. The Adviser and the other Affiliate Advisers will resolve all such conflicts using their best judgment but in their sole discretion, subject in certain cases to approval by the respective advisory committees or investment committees of the participating investment funds.

#### *Proxy Voting*

To the extent applicable, the Adviser intends to vote proxies on behalf of the Funds either in accordance with management recommendations, or otherwise in the best interests of the Funds, taking into account such factors as it deems relevant in its discretion. Conflicts of interest may arise in voting proxies if the Funds hold different interests (e.g., long vs. short) in a company than other Related Funds.

#### *Private Placements*

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

#### *Business with Portfolio Companies and Investors*

The other Affiliate Advisers may, and typically do, recommend to the Related Funds and to portfolio companies of such Related Funds that they contract for management services and other services with such other Affiliate Adviser, providing such other Affiliate Adviser and its affiliates with a financial or other benefit. While the Adviser will make decisions for the Funds in accordance with its obligations to manage the Funds 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, third-party service provider or other decisions made by the Adviser for the Funds than they would have been had other decisions been made which also might have been appropriate for the Funds. When making such a recommendation, the Affiliate Adviser, because of a financial or other business interest, has an incentive to recommend its own services and those of its affiliates 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 companies of a Related Fund, the other Affiliate Advisers 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 other Affiliate Advisers may also, and regularly do, receive expense reimbursements and certain indemnification rights from the portfolio companies of the Related Funds in connection with such agreements. A Fund may, from time to time, make co-investments in transactions sourced by other Affiliate Advisers, including potentially in a portfolio company in respect of which an Affiliate Adviser receives such fees and reimbursements. Although an Affiliate Adviser receives these fees and reimbursements from actual or prospective portfolio companies, the opportunity to earn these fees may create a conflict of interest between such Affiliate 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 Funds will not share in such fees and reimbursements.

The General Partner of a Fund and the general partners of the other Funds or 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 an advisory committee may be, officers or directors of, or otherwise affiliated with, investors in another Fund or Related Fund.

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

#### ***Legal Counsel***

The Funds and the other Related Funds will generally engage common legal counsel and other advisors to represent all of the Funds and Related Funds in a particular transaction, including a transaction in which the Funds or Related Funds have conflicting interests because they are investing in different securities of a single portfolio company. In the event of a significant dispute or divergence of interest between one or more Fund or Related Funds, such as in a work-out or other distressed situation, 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. The law firms engaged to represent the Funds and Related Funds are investors in certain Funds and Related Funds and could also represent one or more portfolio companies or limited partners of the Funds or Related Funds. Additionally, the Adviser and the other Funds and Related Funds and the portfolio companies of the Funds or Related Funds may engage other common service providers, including legal counsel and accountants, including a transaction where there may be conflicts of interest (e.g., cross transactions and other affiliate transactions). In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Funds or Related Funds, 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 Funds, Related Funds and/or the portfolio companies.

#### *Procurement*

There may be situations in which the Affiliate Advisers are in a position of facilitating or otherwise making available portfolio company services or other third-party group purchase arrangements (each such service or arrangement, a “Transaction Opportunity”) and, as a result, certain portfolio investments of the Funds may be counterparties or participants in agreements, transactions or other arrangements with third parties or the portfolio companies of the other Related Funds. 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 it or the Affiliate Advisers’ portfolio companies or 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 Opportunity may not necessarily be the best available for other portfolio investments or third parties. The benefits received by a portfolio investment or third party providing a Transaction Opportunity may be greater than those received by another portfolio investment of the Funds or another Related Fund or such funds themselves or third parties receiving such Transaction Opportunity.

#### *Diverse Investor Base of the Funds, the Underlying Investments, and the other Related Funds*

The Funds, the Underlying Investments and the other Related Funds have tax-exempt, taxable, non-U.S. and other investors, whereas most members of the general partners and 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, purchase, sale or structuring of investments (including as to the use of intermediate corporate entities) 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 the Funds or who are investing alongside the Funds (including through other Funds or Related Funds), or investors in the Underlying Investments. 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 the Funds and making purchase and sale decisions, the Adviser and the Affiliate Advisers will consider the investment and tax objectives of the Funds and Related Funds, not the investment, tax or other objectives of any investor individually. Similar conflicts of interest may arise as between the Fund and the Underlying Advisers. Conflicts of interest between the limited partners the Adviser, and/or the Underlying Advisers may also arise in connection with decisions made by the Adviser and/or an Underlying Adviser, including with respect to the structuring or disposition of investments and the reporting thereof or withholding with respect thereto.

### *Additional Investment Vehicles*

Bain Capital may organize funds, separate accounts or other Funds or Related Funds that are competitive with the Funds. These funds or accounts may compete for investment opportunities with the Funds and divert time and attention from the personnel of the Adviser.

### *Advisory Committee*

The Funds may establish advisory committees consisting of representatives of investors, which may have certain consultation and/or approval rights with respect to certain matters, including conflicts of interest. Members of the Funds' advisory committees 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 advisory committee because those designating limited partners will, for instance, have greater information rights. For example, members of the advisory committees 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 committee may be officers or directors of, or otherwise affiliated with, investors in another Fund or Related Fund. Advisory committee 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 committees 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 committee 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 committees of any such consent otherwise required of the Funds. Consent of members of the advisory committees 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 committee consent is being sought. Although limited partners represented on advisory committees are subject to confidentiality obligations, there can be no guarantee that such persons will not use information received as a member of an advisory committee 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 Affiliate Advisers will maintain "ethical walls" for the life of a Fund, such as circumstances where the members of the Adviser's advisory committees 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, the other Funds 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 partner (particularly if such limited partner is designated an advisory committee 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 Bain Capital 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 personnel. The policy describes personnel standard of conduct and fiduciary duties and limits personal trading by its personnel 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. Personnel 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 personnel and their immediate family/household members is prohibited in a wide range of securities that appear on restricted lists and confidential watch list and additional steps are taken to ensure that personnel and their immediate family/household members are not permitted to trade for their personal account in securities selected for the Funds and Related Funds and to ensure personnel do not engage in "front-running" of the Funds or Related Funds' investment opportunities.

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

A detailed summary of the Code of Ethics is available to limited partners and prospective limited partners during the investment due diligence process. A copy 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 Funds or Related 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 or Related Funds. If the Adviser's personnel have made large capital investments in or alongside the Funds or Related 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**

The Funds' investments are primarily in Underlying Investments. The Adviser anticipates that investments in publicly traded securities may be infrequent occurrences. To meet its fiduciary duties to the 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 considers various relevant factors including, without limitation, pricing terms offered by the broker-dealer, the ability of the broker-dealer to deliver prompt and reliable execution, the size and type of the transactions, the nature and character of the market for the security, operational efficiency with which transactions are effected, the broker-dealer firm's financial stability, confidentiality, back office stability, trading desk capacities, referrals, custody, settlement, familiarity with derivative securities strategies and the overall value and quality of the services offered by the broker-dealer firm.

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 continuously reviewed by a team of investment professionals. The team includes partners and other investment professionals of the Adviser. The

Adviser closely monitors the investments of the Funds and generally maintains an ongoing oversight position in such portfolio investments.

### **Reporting**

Limited partners in the Funds will typically receive, among other things, a copy of the audited financial statements of the relevant Fund within 120 days, or in the case of a fund of funds, 180 days after the fiscal year end of each such Fund. In addition, investors in each Fund will typically receive unaudited 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 one-on-one 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 Affiliate Advisers' portfolio companies.

### **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 client. To the extent the assets of a Fund are held by one or more custodial banks, such custodial banks maintaining such Fund assets send account statements to an independent representative who compares the account statement received from the custodial bank to the account statements the Advisers delivers to investors.

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 each of the Funds 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 General Partner of such Fund and not individually to the limited partners 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**

The Funds are not able to direct the vote of their General Partner. The General Partners of the Funds intend to vote proxies or similar corporate actions either in accordance with management recommendations, or otherwise in the best interests of the Funds, taking into account such factors as they deem relevant in their 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 limited partners and prospective limited partners in the Funds 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 Partnership Strategies, 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.