

Item 1. Cover Page

Bain Capital Credit, LP

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Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of Bain Capital Credit, 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 Credit, LP also is available on the SEC’s website at 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

Bain Capital Credit U.S. CLO Manager, LLC has been added as a “relying adviser” of Bain Capital Credit, LP.

Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation.....	6
Item 6. Performance-Based Fees and Side-By-Side Management	12
Item 7. Types of Clients.....	13
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9. Disciplinary Information	57
Item 10. Other Financial Industry Activities and Affiliations.....	57
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	79
Item 12. Brokerage Practices.....	80
Item 13. Review of Accounts.....	82
Item 14. Client Referrals and Other Compensation	83
Item 15. Custody	83
Item 16. Investment Discretion.....	83
Item 17. Voting Client Securities.....	84
Item 18. Financial Information	85
Item 19. Requirements for State-Registered Advisers	85

Item 4. Advisory Business

Bain Capital Credit, LP, a Delaware limited partnership wholly owned by Bain Capital, LP (“Bain Capital”), provides investment advisory services across a diverse range of credit strategies. Bain Capital Credit U.S. CLO Manager, LLC, a Delaware limited liability company, is a relying advisor that provides investment advisory services to certain investment vehicles. Collectively, these entities are referred to as “Bain Capital Credit.”

Bain Capital Credit provides investment advisory services to pooled investment vehicles and single limited partner partnerships that are exempt from registration under the Investment Company Act of 1940 (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933 (the “Securities Act”) and such investment vehicles and partnerships are referred to as “Bain Capital Credit Partnerships”). Bain Capital Credit also provides collateral management services to entities structured as collateralized loan obligations (“CLOs”) and investment management services to clients in separately managed accounts (“Separate Account Clients”), which may be structured in various forms. Additionally, Bain Capital Credit provides sub-advisory services to certain CLOs (“Sub-Advisory Funds”) and registered investment companies (“1940 Act Funds”).¹ The Bain Capital Credit Partnerships, the Sub-Advisory Funds, the CLOs and the 1940 Act Funds are collectively referred to as “Bain Capital Credit Funds.” The Bain Capital Credit Funds and Separate Account Clients are referred to collectively as “Bain Capital Credit Clients.”

Bain Capital Credit’s investment advisory activities include providing investment advice to Bain Capital Credit Clients that have four main strategies: bank loan and multi-sector credit, structured credit, middle market and senior direct lending, and distressed and special situations investing. As the investment manager, investment adviser or sub-adviser to each Bain Capital Credit Client, Bain Capital Credit (along with, in the case of each Bain Capital Credit Partnership, the general partner (“General Partner”) of such Bain Capital Credit Partnership), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each Bain Capital Credit Client.

Bain Capital Credit generally 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 Credit provides investment advice regarding investments in performing and distressed bank loans, high yield bonds, investment grade bonds, mortgages, non-performing loans, mezzanine/private placements, structured products, credit based securities, swap transactions (including total rate of return swaps and credit default swaps), derivative instruments, equities, short sales, currency hedging transactions, securities lending arrangements, repurchase agreements, investments as a limited partner in partnerships, and other assets. Bain Capital Credit Clients can use leverage directly and/or indirectly. Use of leverage will increase the volatility of levered investments.

Bain Capital Credit provides investment advisory services to each Bain Capital Credit Client pursuant to separate advisory, investment management, or collateral management agreements

¹ The 1940 Act Funds carry additional regulatory obligations and restrictions. These restrictions may not apply to other Bain Capital Credit Clients.

(each, an “Advisory Agreement”) or separate sub-advisory agreements (each, a “Sub-Advisory Agreement”).

Bain Capital Credit provides investment advisory services to each of the Bain Capital Credit Partnerships pursuant to the Advisory Agreements. Investment advice is provided by Bain Capital Credit directly to Bain Capital Credit Partnerships, subject to the direction and control of the affiliated General Partner of such Bain Capital Credit Partnership and not individually to investors in the Bain Capital Credit Partnerships. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Bain Capital Credit Partnership, and set forth in the documentation received by each limited partner prior to investment in such Bain Capital Credit Partnership. Once invested in a Bain Capital Credit Partnership, investors generally cannot impose restrictions on the types of securities in which such Bain Capital Partnership may invest.

Bain Capital Credit provides investment management services to each Separate Account Client in accordance with the terms and conditions of the Advisory Agreement. The terms of these documents, including any restrictions on investments in certain types of securities, are generally established at the time of the formation of the applicable separate account and are the result of negotiations with the applicable Separate Account Client. The Advisory Agreement of a Separate Account Client may be changed by such Separate Account Client only to the extent permitted by the applicable Advisory Agreement.

Bain Capital Credit provides collateral management services to each CLO in accordance with the terms and conditions of the applicable collateral management agreement or Sub-Advisory Agreement, indenture, and other related documents of each such CLO. The terms of the Sub-Advisory Agreements, including any restrictions on activities, were established at the time that Bain Capital Credit began providing investment advisory services to the Sub-Advisory Funds. The terms of the Advisory Agreements and other related documents of each CLO that is not a Sub-Advisory Fund were generally established at the time of the formation of the applicable CLO and are the result of negotiations with certain potential investors in the applicable CLO.

With respect to the 1940 Act Funds, Bain Capital Credit provides investment advisory services in accordance with the relevant 1940 Act Fund’s investment policies and restrictions, as stated in such 1940 Act Fund’s then-current prospectus and statement of additional information.

Bain Capital Credit has subsidiaries based in the United States and other countries, including:²

- Bain Capital Credit U.S. CLO Manager, LLC, a relying advisor that provides investment advisory services to investment vehicles, primarily CLOs;
- BCSF Advisors, LP, a SEC registered investment adviser, which provides advisory and sub-advisory services to registered investment companies including a business development company (“BDC”) and an interval fund;

² This list does not represent all of Bain Capital Credit’s subsidiaries or affiliates.

- Bain Capital Credit CLO Advisors, LP, a SEC registered investment adviser, which provides advisory services to CLOs;
- Bain Capital Credit, Ltd., a FCA registered firm, which provides collateral management services to CLOs;
- Bain Capital Credit (Australia), Pty. Ltd., which is registered with the Australian Securities and Investments Commission;
- Bain Capital (Ireland), Limited (IRE), based in Dublin, which provides consulting advice to Bain Capital Credit; and
- Bain Capital Credit (Asia), LLC, based in Hong Kong, which provides consulting advice to Bain Capital Credit.

In addition, Bain Capital Credit is affiliated with Bain Capital Investments (Europe), Ltd., a FCA registered firm, which is an Alternative Investment Fund Manager (“AIFM”).³

Bain Capital Credit also has others affiliated entities, including asset servicers based in Europe and Asia, and certain vehicles that – from time to time – will engage in proprietary trades and/or other activities for its benefit.

Bain Capital Credit provides consulting services to Bain Capital Credit, Ltd., in connection with the latter’s role as collateral manager to certain CLOs. In certain limited circumstances, Bain Capital Credit acts as agent for such facility. Bain Capital Credit also provides portfolio management services to Bain Capital Investments (Europe), Ltd., in connection with Bain Capital Investments (Europe), Ltd. role as an AIFM. In addition, Bain Capital Credit provides certain resources and services to Bain Capital Credit (Australia), Pty. Ltd. and to its subsidiaries in Hong Kong and Dublin. Bain Capital Credit also provides certain resources and services to BCSF Advisors, LP and Bain Capital Credit CLO Advisors, LP.

Bain Capital Credit has been in business since 1997. Bain Capital Credit has advisory offices located in Boston, New York, Chicago, London, Melbourne, Sydney, Dublin, Spain, Hong Kong, and China. As of January 1, 2018, Bain Capital Credit and its subsidiaries manage approximately \$37,007,042,000 of client assets, which is predominantly managed on a discretionary basis.⁴

Item 5. Fees and Compensation

Fees

³ For purposes of this Form ADV, references to Bain Capital Credit subsidiaries should be read to include Bain Capital Investments (Europe), Ltd.

⁴ This AUM figure includes all vehicles managed by Bain Capital Credit, BCSF Advisors, LP, Bain Capital Credit CLO Advisors, LP, Bain Capital Credit, Ltd., and credit vehicles managed by Bain Capital Investments (Europe), Ltd.

As compensation for investment advisory services rendered to Bain Capital Credit Clients, Bain Capital Credit generally receives an advisory fee (“Advisory Fee”). Advisory Fees billed to Bain Capital Credit Clients vary client by client and are generally payable quarterly in advance, quarterly in arrears, semi-annually in arrears, or a combination thereof. Advisory fees paid by a Bain Capital Credit Client are indirectly borne by the investors in such Bain Capital Credit Client. The fee structures described above are modified from time to time.

In respect to the 1940 Act Funds, Bain Capital Credit receives sub-advisory fees payable by the relevant 1940 Act Fund’s investment adviser pursuant to a sub-advisory agreement between Bain Capital Credit and each such investment adviser. Such fees are generally paid quarterly in arrears. The precise amount of, and the manner and calculation of, the Advisory Fee for each Bain Capital Credit Fund (except for the 1940 Act Funds) is established by Bain Capital Credit and set forth in such Bain Capital Credit Fund’s Advisory Agreement and/or other documentation received by each investor prior to investment in such Bain Capital Credit Fund. In particular, for CLOs, the Advisory Fee is set in the collateral management agreement or related documentation. The Advisory Fees for CLOs may include both a base and subordinated collateral management fee. Advisory Fees billed to Separate Account Clients are individually negotiated. Upon termination of an Advisory Agreement, appropriate treatment, including, where applicable, returning prepaid Advisory Fees on a prorated basis, will be given to Advisory Fees collected in advance. Advisory Fees sometimes differ from one Bain Capital Credit Fund or Separate Account Client to another, as well as among investors in the same Bain Capital Credit Fund.

In addition, Bain Capital Credit may be entitled to certain incentive compensation when certain conditions are met. In certain circumstances, Bain Capital Credit generally may elect to defer payment or distribution of its Advisory Fee and/or incentive compensation. If deferred, Bain Capital Credit may be entitled to receive interest on the deferred portion of the management fee and/or incentive fee. See Item 6 for more information on incentive fees. Bain Capital Credit also may elect to waive payment or distribution of its fees.

Expenses

While Bain Capital Credit Clients bear their own expenses, these expenses may vary among Bain Capital Credit Clients and are subject to the terms and conditions set forth in the applicable Bain Capital Credit Client’s offering materials, governing documents, or other analogous organizational document. The expenses generally borne by Bain Capital Credit Funds are outlined below. Separate Account Clients bear similar expenses to Bain Capital Credit Funds, depending on the terms of the Advisory Agreement negotiated with the applicable Separate Account Client. The 1940 Act Funds may bear similar expenses pursuant to their governing documents and may also bear, among other expenses, transfer agency and distribution related expenses.

Each Bain Capital Credit Fund bears all of its organizational, operational, and offering expenses and obligations, which include:

- all out-of-pocket expenses incurred in connection with organizing, establishing and offering of the Bain Capital Credit Fund and the General Partner (including legal and accounting expenses,

filing fees and expenses, travel, meals, entertainment, accommodation and related expenses, printing costs or any other expenses incurred with respect to the offering);

- 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 advisers 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" 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, reserve termination fees or similar payments); all lodging, 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 (including any of these incurred by an investment team or other member of the General Partner or Bain Capital Credit or their affiliates whether or not traveling) incurred in connection with the Bain Capital Credit Fund's 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, recordkeeping and other administrative costs; fees of servicers of any portfolio company (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 Bain Capital Credit or its affiliates who are retained to provide operational support (including servicing) to the Bain Capital Credit Fund or its portfolio 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 portfolio companies;
- all expenses of the Bain Capital Credit Fund incurred in connection with its ongoing operation and administration, including: any legal, tax, auditing, accounting and consulting fees, bookkeeping, record keeping and clerical services to the Bain Capital Credit Fund (whether performed by the internal staff of the Bain Capital Credit Fund's adviser or the Bain Capital Credit Fund's General Partner, affiliates of or entities established by the Bain Capital Credit Fund's adviser or the Bain Capital Credit Fund's General Partner or by third parties; provided that the amount charged to the Bain Capital Credit Fund for such services by internal staff may be capped at a certain dollar amount);
- 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);

- fees; taxes and expenses associated with the Bain Capital Credit Fund's audits and financial statements (including tax information, returns and elections), including fees and expenses associated with preparing, filing or distributing tax information, returns or elections and complying with any tax audit, investigation, settlement or review; expenses incurred in connection with the preparation and maintenance of the Bain Capital Credit 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 partner in connection with the Bain Capital Credit Fund; and expenses incurred in connection with the dissolution and liquidation of the Bain Capital Credit Fund;
- expenses and fees of any administrator, depositary and/or custodian;
- all fees, costs and expenses incurred in connection with litigating or owning any investments of the Bain Capital Credit Fund (including portfolio servicing fees, including master servicing, primary servicing, special servicing, asset or property advisory fees, and the fees and expenses of any individual hired to manage, service or dispose of any assets); legal fees incurred in servicing loans and financings, advisory fees (including income-based repayments, receivership costs and similar fees and costs), value-added taxes and taxes incurred in connection with investments;
- all research and data expenses (including news and quotation subscriptions, market research, costs of attending conferences and travel-related expenses), information technology expenses (including technology service providers) and expenses related to acquiring, developing, implementing or maintaining related software;
- all fees, expenses and costs in connection with any government and/or regulatory filings related to the Bain Capital Credit Fund or the offering of interests in the Bain Capital Credit Fund (including regulatory filings of Bain Capital Credit and its affiliates relating to the Bain Capital Credit Fund, including without limitation Form PF and any AIFMD filings, but not, for the avoidance of doubt, filings solely related to the operation of the Bain Capital Credit generally), and the costs of maintaining the Bain Capital Credit Fund;
- all fees, costs and expenses of registration, qualification or exemption of the Bain Capital Credit 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; and all fees, costs and expenses related to any governmental inquiries, investigations or proceedings relating to the Bain Capital Credit Fund, including any judgments, settlements or fines;
- all expenses related to Advisory Board meetings, if applicable, (including travel, accommodation, meal, entertainment or similar expenses), other out-of-pocket expenses of the Advisory Board (including costs and expenses of any legal counsel retained by the Advisory Board) and costs and expenses incurred in relation to obtaining consents or approvals of the Bain Capital Credit Fund investors or the Advisory Board;

- any costs, losses, damages or other expenses relating to any warranties or indemnities given by the Partnership in relation to any investments, including where a claim has been made in respect of such warranties or indemnities;
- all costs of all subsidiaries, alternative investment vehicles, Irish collective asset-management vehicles, certain real estate companies known as REOCOs, special purpose vehicles and other vehicles through which the Bain Capital Credit 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 associating 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 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;
- all costs and expenses incurred in connection with the preparation of amendments to the Partnership Agreement or other documentation of the Bain Capital Credit Fund;
- all costs and expenses incurred in connection with or incidental to the incurrence or refinancing of any credit facility or other indebtedness, loan servicing (assets and liabilities), guarantees by, letters of credit or other obligations of the Bain Capital Credit Fund, including interest owed on any loans advanced to the Bain Capital Credit Fund by affiliates of the General Partner; provided that such expenses will be not be allocated to non-loan participating partners and any other partners that do not participate in, or benefit from, such borrowings, guarantees or other obligations;
- costs and expenses of administering side letters entered into with Bain Capital Credit Fund investors (including the process of distributing and implementing applicable elections pursuant to any “most-favored nations” clauses in side letters);
- all out-of-pocket expenses incurred in connection with the collection of amounts due to the Bain Capital Credit Fund from any person;
- all expenses incurred in connection with the obtaining and maintaining of insurance policies by or on behalf of portfolio companies and investments of the Bain Capital Credit Fund, the General Partner, Bain Capital Credit and their affiliates and the Advisory Board with respect to the Bain Capital Credit 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 Bain Capital Credit with coverage covering multiple funds, personnel or liabilities, including with respect to the Bain Capital Credit Fund;
- all costs and expenses incurred in connection with a purchase, sale, assignment, pledge or transfer of a Bain Capital Credit Fund investor’s Interest in the Bain Capital Credit Fund or the withdrawal or termination of a Bain Capital Credit Fund investor (but only to the extent not paid

by the applicable purchaser or Bain Capital Credit Fund investor, assignee, pledgee or transferee, as the case may be);

- all costs and expenses associated with a defaulting Bain Capital Credit Fund investor (but only to the extent not paid by the applicable defaulting Bain Capital Credit Fund investor);
- any taxes, or any expenses, penalties, liabilities or government charges directly or indirectly imposed or required to be paid or withheld by the Bain Capital Credit Fund, the General Partner or Bain Capital Credit or any affiliate thereof with respect to the Bain Capital Credit Fund or any Partner, including any interest, additions to tax, penalties or related expenses and expenses in connection with tax proceedings, which are not allocated to one or more Bain Capital Credit Fund investors;
- all expenses incurred in connection with any proceeding involving the Bain Capital Credit Fund (including the cost of any investigation, prosecution, defense and preparation) or any portfolio company and the amount of any judgment or settlement paid in connection therewith;
- any other extraordinary expenses of the Bain Capital Credit Fund; and
- all indemnification obligations and any other indemnity, contribution, or reimbursement obligations of the Bain Capital Credit Fund with respect to any person, whether payable in connection with a proceeding involving the Bain Capital Credit Fund or otherwise.

Bain Capital Credit will bear its own operating expenses to the extent provided in the offering materials and governing documents.

Additionally, please see Item 6 below regarding “incentive fees” that Bain Capital Credit Clients pay.

When a broker-dealer is used in connection with an investment by a Bain Capital Credit Client, such Bain Capital Credit Client will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Fees Received by Affiliated Broker-Dealer

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

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

Other Fees

Bain Capital Credit and its subsidiaries from time to time perform advisory and other services (“Other Services”) for actual or prospective portfolio companies or other deal related investment vehicles. As part of providing these services, Bain Capital Credit and its subsidiaries are generally entitled to receive compensation from (and expenses reimbursed by) a number of entities, which include entities in which Bain Capital Credit Clients have interests (“Transaction Fees”). In addition, Bain Capital Credit, its subsidiaries, and/or personnel from time to time sit on board of directors for actual or prospective portfolio companies and are generally entitled to compensation for doing so (with Transactions Fees, the “Other Fees”). Some of these Other Fees may not be paid to Bain Capital Credit Clients or otherwise offset against Bain Capital Credit’s Advisory Fees. In addition to Transaction Fees and Other Fees, certain Bain Capital Credit Clients may invest in funds or structured products organized by Bain Capital Credit or its affiliates for which Bain Capital Credit or its affiliates receive management fees or carried interest. In certain instances, as set forth in the applicable organizational documents and/or Advisory Agreement, such Bain Capital Credit Clients do not pay management fees on the capital invested in such funds or structured products directly but indirectly bear the management fees or carried interest paid by such funds or structured products. For additional information on potential conflicts of interest related to the receipt of these fees, please see “Item 10. Other Financial Industry Activities and Affiliations.”

Additionally, portfolio companies may reimburse Bain Capital Credit for expenses, including, without limitation, travel expenses and meals and entertainment expenses incurred by Bain Capital Credit in connection with its performance of services for such portfolio company. Such reimbursements are generally not included in the definition of “Transaction Fees” under the terms of the applicable governing documents.

Such Other Fees are in addition to the Advisory Fees paid by Bain Capital Credit Clients. Bain Capital Credit may seek to have such fees paid directly to the relevant Bain Capital Credit Clients or, if that is not possible, reduce future Advisory Fees in connection with the receipt of Other Fees in each case as set forth in the applicable organizational documents and Advisory Agreement with each Bain Capital Credit Client. To the extent any such credit would reduce the management fee for a given quarter below zero, such credit will be carried forward for future application. Any such reduction of a Bain Capital Credit Fund’s management fee or payment directly to a Bain Capital Credit Client will be based on such Bain Capital Credit Client’s proportionate interest in the investment giving rise to such fee. Waived Advisory Fees are generally not subject to various offsets or the reductions described above. Due to waived Advisory Fees and/or the timing of receipt of compensation subject to offsets, Bain Capital Credit Client investors will generally not receive the full benefit of reductions or offsets.

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

Some, but not all, Bain Capital Credit Clients pay carried interest and other similar incentive fee arrangements (“Incentive Fees”). Certain investors in Bain Capital Credit Funds incur lower or no Incentive Fees. Incentive Fees often differ from one Bain Capital Credit Client to another, as well as among investors in the same Bain Capital Credit Fund. The payment by some, but not all, Bain Capital Credit Clients of Incentive Fees or the payment of Incentive Fees at varying rates (including varying effective rates based on the past performance of a Bain Capital Credit Client) creates an incentive for Bain Capital Credit to disproportionately allocate time, services or functions to Bain

Capital Credit Clients paying Incentive Fees or Bain Capital Credit Clients paying Incentive Fees at a higher rate, or allocate investment opportunities to such Bain Capital Credit Clients. Please see Item 10 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by Bain Capital Credit.

Item 7. Types of Clients

Bain Capital Credit currently provides investment advisory services to Bain Capital Credit Funds. Investment advice is provided directly to Bain Capital Credit Funds (subject to, in the case of Bain Capital Credit Partnerships, the direction and control of the General Partner of each Bain Capital Credit Partnership) and not individually to investors in such Bain Capital Credit Fund. Bain Capital Credit also provides investment advisory and investment management services to various entities that are Separate Account Clients. In addition, Bain Capital Credit also provides certain resources and services to BCSF Advisors, LP and Bain Capital Credit CLO Advisors, LP.

Except for the 1940 Act Funds, interests in Bain Capital Credit Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in Bain Capital Credit Funds (except for the 1940 Act Funds) 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.

Minimum investment commitments are established for limited partners in Bain Capital Credit Funds (except for the 1940 Act Funds), which are no less than the legal eligibility requirements. Bain Capital Credit and, in the case of each Bain Capital Credit Partnership, the General Partner of such Bain Capital Credit Partnership, in its sole discretion, have in certain circumstances permitted investments that are less than the minimum investment commitment of such Bain Capital Credit Fund. Bain Capital Credit seeks to establish separately managed accounts with approximately a \$100,000,000 base, although Bain Capital Credit, in its sole discretion, has in the past permitted, and has discretion to permit in the future, investments that are less than such amount.

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

Methods of Analysis and Investment Strategies

Bain Capital Credit manages its Clients in accordance with their investment strategy, applicable Advisory Agreements, and other governing documents. Certain strategies and agreements may place more significant restrictions on Bain Capital Credit's ability to make certain investments.

Bain Capital Credit monitors investments based on an analytical approach that generally involves evaluating the following investment characteristics:

Idea Generation

Bain Capital Credit's professionals identify new investment opportunities generally through three avenues: first, through industry analysis and relative value screens conducted by Bain Capital

Credit's investment professionals; second, through investment opportunities brought to Bain Capital Credit by its network of relationships including private equity sponsors, fundless sponsors, law firms, restructuring advisers, commercial and investment banks, Bain Capital Credit affiliates, and ventures with other investment advisers; and third, through Bain Capital Credit's proprietary sourcing efforts.

Company Evaluation

Market Definition. Traditionally, the first step in Bain Capital Credit's fundamental competitive analysis is defining, as accurately as possible, the market in which a company competes. Market definition generally requires an assessment of the customer needs driving the consumption of a company's products and services. If the market is defined too narrowly, substitute goods or services may be overlooked, and a company's ability to affect pricing may be overestimated. Likewise, if the market is defined too broadly, competitive advantage may be underestimated. Many of the tools used in the definition process are derived from methodologies developed at consulting firms, market research firms, banks and rating agencies.

Market Size and Prospects for Growth. Once a market is defined, the next step in Bain Capital Credit's analysis is to attempt to determine the dollar size of the market and to assess its growth prospects. Although market information may often be available through publicly available information, Bain Capital Credit's professionals are trained to question the available data because of the inherent biases of the reporting authorities (e.g., trade publication, industry group and "independent" consultants). Bain Capital Credit seeks to identify the primary drivers of growth (i.e. demographic trends, buying habits, technological shifts) to validate conclusions drawn by the public information. If validation is not possible, Bain Capital Credit often derives its own industry growth model through primary source research.

Margin Analysis and Cost Structure. After examining the market environment in which a company operates, Bain Capital Credit typically scrutinizes the company's historical performance and prospects. This analysis centers around the company's sustainable margins and its quality of earnings. Bain Capital Credit professionals attempt to assess the sustainability of a company's margins over time by tracking and projecting pricing trends in the industry (based on research regarding market definition, size and growth characteristics) and the company's cost structure relative to its competitors. Bain Capital Credit generally assesses a company's quality of earnings through detailed margin analyses as well as evaluation of a company's return on assets, paying particular attention to one-time charges and extraordinary events.

Competitive Landscape. In evaluating a company's prospects, Bain Capital Credit seeks to identify and assess the current and prospective competitors of that company. The scale economies, technological advantages, and cost efficiencies available to such competitors is generally compared and contrasted in order to benchmark a company's relative strengths and weaknesses. Although a company may participate in a large, growing and otherwise attractive market, its prospects often depend on its ability to maintain a competitive advantage. Bain Capital Credit professionals are trained to analyze a competitive landscape in order to determine whether a company can be expected to perform at levels consistent with the business plan proffered by the company's management or other sponsors. A significant portion of this analysis is often conducted through

interviews of portfolio company executives, other industry contacts, as well as competitors and suppliers.

Corporate Structure and Access to Capital Markets. Bain Capital Credit reviews the corporate structure of each of its investments to understand how the company's assets are distributed, which subsidiaries have the support of those assets and how any guarantees, liens or pledges will affect an investment in the company. Bain Capital Credit also analyzes an issuer's capitalization, its financial flexibility, debt amortization requirements, and the covenants, terms and conditions of the issuer's outstanding debt and equity securities. Reviewing the various covenant levels and compliance issues is an important part of Bain Capital Credit's investment monitoring system. Bain Capital Credit's professionals have extensive experience analyzing the corporate structure and covenant issues in each of the targeted asset classes.

Third Party Diligence. As part of the diligence process for certain investments, Bain Capital Credit typically hires third party firms to conduct accounting, tax, valuation, legal, environmental and other diligence, as well as perform background checks on principals or management teams where appropriate.

Regulatory, Tax and Legal Environment. As part of its review process, Bain Capital Credit generally performs a review of potential regulatory, tax and legal contingencies to assess any potential negative impact on the company's value or ability to continue as an ongoing concern.

Portfolio Management. Bain Capital Credit manages portfolio risk by monitoring issuer and industry diversification, interest rate risk, currency risk and other risks applicable to Bain Capital Credit Clients.

On-going Investment Monitoring. Closely monitoring financial performance and market developments of portfolio investments is critical to successful investment management. Accordingly, Bain Capital Credit is actively involved in an on-going portfolio review process. To the extent a portfolio investment is not meeting plan, Bain Capital Credit takes corrective action when appropriate.

Risks

Investing in loans, debt and equity securities, and other types of assets involves a substantial degree of risk. Bain Capital Credit Clients are in a position to lose all or a significant portion of their investments, and Separate Account Clients and investors in Bain Capital Credit Funds must be prepared to bear the risk of loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for Bain Capital Credit Clients in connection with those strategies and methods, include the following:

Nature of Bain Capital Credit Client Investments

Competitive Environment

The business of investing in assets meeting Bain Capital Credit Clients' investment objectives is highly competitive. Competition for investment opportunities includes a growing number of non-traditional participants, such as hedge funds, private and public mezzanine and subordinated debt funds, including business development companies, and other private investors, as well as more traditional lending institutions and competitors. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than Bain Capital Credit Clients, and thus these competitors may have advantages not shared by Bain Capital Credit Clients. Increased competition for, or a diminishment in the available supply of, investments suitable for Bain Capital Credit Clients could result in lower returns on such investments. In addition, issuers may prefer to take advantage of favorable high yield or second-lien markets and issue subordinated debt in those markets, which could result in fewer investment opportunities for Bain Capital Credit Clients. Moreover, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Bain Capital Credit Clients may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisers.

Concentration of Investments

Except as set forth in the applicable Advisory Agreement, Bain Capital Credit Clients are generally not limited in the amount of capital that may be committed to any one investment, industry or sector, geography, or similar category or asset class. As such, Bain Capital Credit Client assets may not be diversified. Any such non-diversification would increase the risk of loss to a Bain Capital Credit Client if there were a decline in the market value of any security, category or asset class in which a Bain Capital Credit Client had invested a large percentage of its assets. If a large portion of the assets of a Bain Capital Credit Client is held in cash or similarly liquid form, such Bain Capital Credit Client's performance would likely be adversely affected. Investment in a non-diversified fund will generally entail greater risks than investment in a "diversified" fund.

Geographic Risk

Bain Capital Credit Clients invest across a multitude of countries and regions. Certain Bain Capital Credit Clients may be wholly or primarily dedicated to investments in a specific region while other Bain Capital Credit clients may allocate capital across multiple regions. Investments in some of these countries and regions may incur additional risk due to the social, political, governmental, and legal infrastructure in such locations. Certain countries may face social and political instability resulting from government decisions, popular unrest, hostile relations with neighboring countries, ethnic, racial, and religious conflict, or other factors. Additionally, certain countries may have underdeveloped markets, legal systems, or other structures critical to the facilitation of an investment in those countries. Investments by Bain Capital Credit Clients in such countries involve greater risk of economic loss due to the potential for unforeseen changes or developments in the political or social environment.

Reliance on Management of Bain Capital Credit Partnerships

Limited partners in Bain Capital Credit Partnerships have no right or power to take part in the management of a Bain Capital Credit Partnership. In addition, such limited partners will not have an opportunity to evaluate the relevant economic, financial or other information regarding specific investments made by Bain Capital Credit Partnerships or the terms of any investment. An investor in a Bain Capital Credit Partnership must rely upon the ability of Bain Capital Credit and its advisers in identifying and implementing investments. Accordingly, no investor should purchase a limited partnership interest in a Bain Capital Credit Partnership unless such investor is willing to entrust all aspects of the management of a Bain Capital Credit Partnership to the General Partner and Bain Capital Credit.

The success of a Bain Capital Credit Partnership is highly dependent on the financial and managerial expertise of Bain Capital Credit. Although Bain Capital Credit has attempted to foster a team approach to investing, the loss of key individuals employed by Bain Capital Credit could have a material adverse effect on the performance of a Bain Capital Credit Partnership. In addition, a number of members of the professional staff of Bain Capital Credit are investors in, and are actively involved in managing the investment decisions of, other Bain Capital Credit Partnerships advised by Bain Capital Credit. Accordingly, the members of the professional staff of Bain Capital Credit will have demands on their time for the investment, monitoring and other functions of other Bain Capital Credit Partnerships advised by Bain Capital Credit.

Risks of Joint Venture Investments

Certain Bain Capital Credit Clients have in the past and may in the future make investments through joint ventures or other entities with another person or entity (including third parties and funds, separate accounts or co-investment capital managed by Bain Capital Credit). Such investments may involve risks not present in investments where a co-investor is not involved, including diverging investment interests of the Bain Capital Credit Clients and co-investor, dysfunctional management, increased costs, greater illiquidity, the possibility that a co-investor may have financial difficulties resulting in a negative impact on such investment, or may have economic or business interests or investment objectives which are inconsistent with those of the Bain Capital Credit Clients. The joint venture agreement between Bain Capital Credit Clients and a co-investor may grant a co-investor veto powers with respect to major decisions concerning the management, financing or disposition of an investment, which could allow a co-investor to block an action, contrary to the Bain Capital Credit Clients' investment objectives, and could increase the risk of deadlocks that may adversely affect investment liquidity, values and returns. Bain Capital Credit Clients may be subject to various costs and fees relating to such ventures, including on occasion additional performance-based or asset-based fees or allocations that may be paid to third party operating partners. Bain Capital Credit Clients may bear or be responsible for more than their pro rata share (based on relative equity participation) of expenses, guarantees and/or recourse liabilities, including environmental and other "non-recourse carveout" or so-called "bad boy" liabilities. Bain Capital Credit Clients may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect its position in such investments, although Bain Capital Credit expects to procure appropriate rights to protect the Bain Capital Credit Clients' interests.

If the Bain Capital Credit Clients and co-investors have the ability to dispose of their interests in the investment separately, a disposition of a large position by one party may depress the market value of the continuing investment of the remaining co-investors (possibly including the Bain Capital Credit Clients), or may reduce the price available to other co-investors (possibly including the Bain Capital Credit Clients) which may also be disposing of their respective investments. In

addition, agreements governing joint ventures often contain restrictions on the transfer of a co-investor's interest, "buysell" mechanisms or similar provisions that may require Bain Capital Credit Clients to obtain the consent of a co-investor prior to divesting their interest in the joint venture or result in the purchase or sale of the Bain Capital Credit Clients' interest at a disadvantageous time or on disadvantageous terms.

If a co-investor removes its general partner or manager or terminates prior to a Bain Capital Credit Client, the ability of the Bain Capital Credit Client to exercise certain rights associated with its investments may require the cooperation of a successor general partner/manager or other persons. In addition, a Bain Capital Credit Client may be liable for actions of its co-investors. It may not be practicable or possible to review the qualifications, condition or suitability of prospective co-investors or partners.

Senior Advisers and Third Party Service Providers

Bain Capital Credit may retain third parties to provide services in relation to its investment activities and operations. In particular, third parties 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 advisers, accountants, investment banks and others may be retained to assist in the investment due diligence process to varying degrees depending on the particular investment. Bain Capital Credit may also retain one or more individuals in connection with establishing platforms for investments, operating portfolio companies or providing other similar services.

Generally speaking, individuals or parties engaged in whole or in part to identify, source, diligence, and/or provide other related advisory services related to investments are referred to as "Senior Advisers." Bain Capital Credit may, in addition, engage or enter into an agreement with a specific type of third party known as a Fundless Sponsor, which is an individual or entity that receives a fee in exchange for sourcing and managing private investments, typically in middle market companies. Collectively, these entities – in conjunction with any other service provider engaged by Bain Capital Credit for any investment-related purpose – are referred to as "Third Parties."

Such involvement of Third Parties may present a number of risks primarily relating to Bain Capital Credits' reduced control of the functions that are outsourced. Bain Capital Credit may rely on the findings of Third Parties in making investment and management decisions. While no Third Party providing services to Bain Capital Credit will have any fiduciary duties to Bain Capital Credit or Bain Capital Credit Clients, they may be entitled to indemnification under the terms of their service contracts or other arrangements entered into with Bain Capital Credit Clients or Bain Capital Credit; the costs and expenses of such indemnification would be borne by Bain Capital Credit Clients. In certain circumstances, Bain Capital and its employees may have other relationships with Third Parties which make Bain Capital Credit more likely to engage that provider. Fees paid to Third Parties may be structured in various manners, including but not limited to, as a retainer, as incentive compensation (such as success fees or carried interest) and/or based on the particular services provided. Some or all of these fees will be borne by Bain Capital Credit Clients and will not reduce the management fees owed to Bain Capital Credit. Third Parties may also be granted preferential equity interests (including stock options) in one or more portfolio companies, which

they may not have received if they did not have an ongoing relationship with Bain Capital Credit and Bain Capital Credit Clients. Any such preferential equity interests (including any stock options) will not be for the benefit of Bain Capital Credit, and the value of such preferential interests (including any such stock options) will not reduce the management fees owed to Bain Capital Credit even if the payment of such fees or granting of such preferential equity interests have the effect of reducing payments to such Third Parties by Bain Capital Credit. These Third Parties also may incur expenses in the course of their work, and some or all of these expenses could be borne by Bain Capital Credit Clients. These items are subject to the applicable offering materials, agreements, and governing documents of particular Bain Capital Credit Clients, and may vary among Bain Capital Credit Clients.

Expedited Investment Decisions

Investment analyses and decisions by Bain Capital Credit will frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In these cases, the information available to Bain Capital Credit at the time of making an investment decision may be limited. Therefore, no assurance can be given that Bain Capital Credit will have knowledge of all circumstances that could adversely affect an investment. In addition, Bain Capital Credit expects to rely upon independent consultants and other sources in connection with its evaluation of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or other sources, or as to Bain Capital Credit Clients' right of recourse against them in the event errors or omissions do occur.

Reinvestment Risk

Certain Bain Capital Credit Clients will generally reinvest without limitation any proceeds from investments for a specified period of time. The objective of reinvesting such capital contributions is to provide ongoing additional capital to potentially increase the total return from the investments to the partners. However, if such proceeds are reinvested, the limited partners' capital will continue to be subject to the risk of loss for a longer period of time. If reinvested proceeds are lost, such loss would offset at least a portion of any gains that may have been realized from prior investments of Bain Capital Credit Clients, and it is possible that any such loss could exceed any such prior gains, thereby resulting in a possible loss of at least a portion of the limited partners' investments in Bain Capital Credit Clients.

Follow-On Investments

Following its initial investment in a portfolio company, Bain Capital Credit Clients may decide to provide additional funds to such portfolio company. There is no assurance that Bain Capital Credit Clients will make follow-on investments or that Bain Capital Credit Clients will have sufficient funds to make all or any of such investments. Any decision by Bain Capital Credit Clients not to make follow-on investments or its inability to make such investments may have a substantial adverse effect on a portfolio company in need of such an investment. Additionally, a failure to make such investments may result in a lost opportunity for Bain Capital Credit Clients to increase its participation in a successful portfolio company or the dilution of Bain Capital Credit Clients' ownership in a portfolio company if a third party invests in the portfolio company.

Leverage

Bain Capital Credit has in the past and may in the future cause certain Bain Capital Credit Clients to utilize leverage directly and indirectly. The use of leverage will increase the volatility of the investments in a Bain Capital Credit Client portfolio. While the use of borrowed funds will increase returns if a Bain Capital Credit Client earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage will decrease returns if a Bain Capital Credit Client fails to earn as much on such incremental investments as it pays for such investment. Therefore, the effect of leverage often will result in a greater decrease in the net asset value of a Bain Capital Credit Client than if a Bain Capital Credit Client was not so leveraged. Certain Bain Capital Credit Clients have in the past and may in the future enter into one or more prime brokerage agreements. A Bain Capital Credit Client utilizes leverage to the extent under these agreements that a Bain Capital Credit Client engages in trading on margin by borrowing funds and pledging securities as collateral. In addition to the general risk posed by using leverage, any use by a Bain Capital Credit Client of short-term margin borrowings will result in certain additional risks to a Bain Capital Credit Client. For example, the securities pledged to brokers to secure a Bain Capital Credit Client's margin accounts could be subject to a "margin call," pursuant to which a Bain Capital Credit Client would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of a Bain Capital Credit Client's assets accompanied by corresponding margin calls could force a Bain Capital Credit Client to liquidate assets quickly, and not for fair value, in order to pay off its margin debt. Bain Capital Credit Clients also use leverage by participating in total rate of return swaps.

Repayment of Certain Distributions

The capital contributed by any Bain Capital Credit Fund investor is susceptible to risk of loss as a result of any liability of the applicable Bain Capital Credit Fund. Bain Capital Credit Fund investors may be required to return distributions previously received under certain circumstances, and may be liable under applicable fraudulent conveyance, bankruptcy or other insolvency laws to return a distribution. Finally, Bain Capital Credit Fund investors may be required to reimburse the applicable Bain Capital Credit Fund for amounts that are required to be withheld by such Bain Capital Credit Fund for tax purposes. If the feeder fund were to have such a payment or repayment obligation in its capacity as a Bain Capital Credit Fund investor it would in turn impose a corresponding payment or repayment obligation on the feeder fund investors.

Valuation

Bain Capital Credit values the investments owned by Bain Capital Credit Clients. Bain Capital Credit will exercise its discretion in seeking to value these investments in good faith. There is no actively traded market for some of the securities or investment products owned by Bain Capital Credit Clients. When estimating fair value, Bain Capital Credit will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. 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 values that would have been determined had an active market existed for such securities and may differ from the prices at which

such securities are ultimately sold. Third-party pricing information, including service providers, may not be available or used regarding certain assets. The exercise of discretion in valuation by Bain Capital Credit gives rise to conflicts of interest, as the performance allocation in certain Bain Capital Credit Clients is calculated based, in part, on these valuations and such valuations affect performance calculations. In addition, Bain Capital Credit may or may not value the investments consistently with how the same or similar investments are valued by other Bain Capital advisers. The valuations determined by Bain Capital Credit may ultimately have an impact on the net asset value (“NAV”) of Bain Capital Credit Clients. There is a risk that if the valuations made by Bain Capital Credit are inaccurate, the NAV of a Bain Capital Credit Client could differ markedly from the underlying value of the assets comprising the NAV. This inconsistency may only be realized when assets were sold or otherwise disposed of, at which point the Bain Capital Credit Client may realize a loss.

Trading Risk

Bain Capital Credit’s trade error policy only requires Bain Capital Credit to reimburse Bain Capital Credit Clients for any losses resulting from Bain Capital Credit’s breach of the applicable standard of care in placing, executing, or settling a trade. Although Bain Capital Credit’s personnel endeavor to take the utmost care in implementing investment decisions on behalf of each of Bain Capital Credit Client, trade errors do occur and could have a material adverse impact on the performance of any or all Bain Capital Credit Clients.

While Bain Capital Credit endeavors to make its clients whole when trade errors occur, calculating the exact amount owed to a Bain Capital Credit Client involves discretion. Bain Capital Credit will seek to calculate the amount owed in good faith.

Different risks exist with respect to investments in different Bain Capital Credit Clients. The risks associated with an investment in any particular Bain Capital Credit Client will generally be substantially impacted by the nature and timing of the market.

Compliance with Sanctions, FCPA, and Anti-Corruption Requirements

Economic and trade sanction laws and regulations in the United States, the European Union and other jurisdictions may prohibit Bain Capital Credit Clients 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 non-U.S. 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 Bain Capital Credit Clients' intended investment activities. As a result, Bain Capital Credit Clients may be adversely affected because of their 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 Bain Capital Credit Clients to act expeditiously or successfully on investment opportunities.

Costs of Complying with Regulations

The operations of Bain Capital Credit Clients 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 Bain Capital Credit Clients. Generally, investments are subject to various laws, ordinances, rules and regulations. Changes in U.S. federal, state and local laws, rules and regulations, and, to the extent applicable, non-U.S. laws, rules and regulations, could negatively affect the ability of Bain Capital Credit Clients and their investments.

Risks of Investments

General Market and Credit Risks of Debt Securities

Debt portfolios are subject to credit and interest rate risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument likely will affect its credit risk. Credit risk typically changes over the life of an instrument and securities which are rated by rating agencies are often reviewed and are subject to downgrade. "Interest rate risk" refers to the risks associated with market changes in interest rates. Factors that generally affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the Federal Reserve Board and central banks throughout the world, international disorders and instability in domestic and foreign financial markets. Interest rate changes affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including, among other factors the index chosen, frequency of reset and reset caps or floors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. Bain Capital Credit expects that it will periodically experience imbalances in the interest rate sensitivities of Bain Capital Credit Clients' assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, if Bain Capital Credit does not manage this risk effectively, then a Bain Capital Credit Client's performance could be adversely affected. In addition, Bain Capital Credit's Clients' investments are generally expected to include

subordinated or unsecured debt investments issued with a fixed yield; thus, credit risk and interest rate risk are often greater than those generally applicable to other types of debt investments.

The credit markets have experienced an unprecedented degree of dislocation since 2007. Bain Capital Credit seeks to capitalize on opportunities created by this dislocation, but this strategy carries significant risk of substantial loss if the market dislocation continues or is exacerbated by other events, such as the failure of significant financial institutions or hedge funds, dislocations in other investment markets, or extrinsic events.

Middle Market Companies

Certain Bain Capital Credit Clients invest in small and/or less well-established companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification and the competitive strength of larger corporations. These characteristics generally contribute to more volatile prices for the assets of these companies, a greater risk of bankruptcy or insolvency, and illiquidity, which, in turn would adversely affect the price and timing of liquidation of Bain Capital Credit's investments.

Adverse Effect of Economic Conditions

Bain Capital Credit Clients and the companies in which Bain Capital Credit Clients often invest are typically adversely affected by deteriorations in the financial markets and economic conditions throughout the world, some of which magnify the risks described herein and have other adverse effects. Deteriorating market conditions could result in increasing volatility and illiquidity in the global credit, debt and equity markets generally. The duration and ultimate effect of recent market conditions cannot be forecast, nor is it known whether or the degree to which such conditions will remain stable or worsen. Deteriorating market conditions and uncertainty regarding economic markets generally could result in declines in the market values of potential investments or declines in the market values of investments after they are made or acquired by Bain Capital Credit Clients. It would be expected that such declines will be exacerbated by other events, such as the failure of significant financial institutions or hedge funds, dislocations in other investment markets or other extrinsic events. In addition, such declines could lead to weakened investment opportunities for Bain Capital Credit Clients, could prevent Bain Capital Credit Clients from successfully meeting their investment objectives and/or could require Bain Capital Credit Clients to dispose of investments at a loss while such unfavorable market conditions prevail.

Operating and Financial Risks of Investments

Companies in which Bain Capital Credit Clients invest often face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, or a larger number of qualified managerial and technical personnel. As a result, portfolio companies which Bain Capital Credit expects to be stable at times will operate at a loss or have significant variations in operating results, at times will require

substantial additional capital to support their operations or to maintain their competitive position or at times will have a weak financial condition or be experiencing financial distress.

Portfolio companies often issue certain types of debt, such as mezzanine or high yield, in connection with leveraged acquisitions or recapitalizations in which the portfolio company incurs a substantially higher amount of indebtedness than the level at which it had previously operated.

Risk of Minority Positions

Bain Capital Credit Clients may hold minority positions in investments. While Bain Capital Credit Clients may seek to get the appropriate governance and exit rights at the time of investment, there may be instances in which Bain Capital Credit Clients may not be able to exercise control over such investments. In addition, in certain situations, including where the businesses are in bankruptcy or undergoing a reorganization, minority investors may be subject to the decisions taken by majority investors, and the outcome of a Bain Capital Credit Client's investment may depend on such majority controlled decisions, which decisions may not be consistent with a Bain Capital Credit Client's objectives.

Guarantees of Portfolio Companies

Bain Capital Credit Clients may guarantee the obligations of portfolio investments. If a portfolio investment for which Bain Capital Credit Clients have guaranteed debt obligations defaults on its obligations, they may be required to satisfy such obligation. In order to do so, Bain Capital Credit Clients may call capital, recall distributions or liquidate some or all of their investments prematurely at potentially significant discounts to fair value. For example, in connection with certain investments, Bain Capital Credit Clients may provide completion or performance guarantees. In such cases, they may be required to indemnify the purchasers of the investment for any losses incurred in connection with such guarantee. In addition, certain financing arrangements with respect to the investments of Bain Capital Credit Clients may require "bad act" guarantees, and in the event that such a guarantee is called, the assets of the Fund could be adversely affected. "Bad act" guarantees typically provide that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. Moreover, "bad act" guarantees could apply to actions of joint venture partners, parallel vehicles, or any other investment vehicles associated with the investments of Bain Capital Credit Clients. Bain Capital Credit and the General Partners of Bain Capital Credit Partnerships expect to negotiate indemnities from such parties to protect against such risks, and conversely expect that such parties would similarly negotiate indemnities from the Bain Capital Credit Clients. Accordingly, there remains the possibility that the acts and/or liabilities of such parties could result in liability to one or more assets of Bain Capital Credit Clients under such guarantees and indemnity arrangements.

Risks Regarding Dispositions of Portfolio Companies

In connection with the disposition of an investment in a portfolio company, Bain Capital Credit Clients may be required to make representations and warranties about the business and financial

affairs of the portfolio company typical of those made in connection with the sale of a business. Bain Capital Credit Clients may also be required to indemnify (or to otherwise participate in the indemnification of) the purchasers of an investment to the extent that any of these representations and warranties turns out to be inaccurate or misleading. These arrangements may result in liabilities for Bain Capital Credit Clients, depending upon recontribution obligations owed to the portfolio company. Liabilities incurred by the investment vehicles in connection with the disposition of interests in portfolio companies may cause Bain Capital Credit to call capital, recall distributions made to Bain Capital Credit Clients, or liquidate some or all of its investments prematurely at potentially significant discounts to fair value.

NAV Adjustments

Bain Capital Credit or the General Partner of a Bain Capital Credit Partnership may, under certain circumstances, restate the NAV of a Bain Capital Credit Client or a class of interests in respect of a prior period. In such event, subject to the Advisory Agreement or other analogous organizational document, Bain Capital Credit may adjust the NAV of the interests held by the affected investors (to the extent such investors remain so at the time of the restatement) and under certain circumstances as further provided in the Advisory Agreement or analogous organizational document, seek payment of certain amounts from former investors. If Bain Capital Credit elects, in its sole discretion, not to seek the payment of such amounts from a current or former investor or is unable to collect such amounts from a current or former investor, the NAV of the Bain Capital Credit Client will be less than it would have been had such amounts been collected. In such case, any corresponding restatement of and reduction in the NAV of the Bain Capital Credit Client will be borne by the remaining investors.

Potential Illiquidity of Investments

The market value of the investments of each Bain Capital Credit Client will fluctuate with, among other things, changes in market rates of interest, general economic conditions and economic conditions in particular industries, the condition of financial markets and the financial condition of the issuers of a Bain Capital Credit Client's investments.

In particular, major market upsets (including those caused by war, terrorism, or other world events), general market cessations, changes in interest rates, availability of credit, inflation rates, political and economic uncertainty, changes in laws (including laws relating to taxation of a Bain Capital Credit Client's investments), trade barriers, currency exchange rates and controls, government debt burdens and monetary and deficit policies, the relative volatility between investments or equity derivative risk, the participation by other investors in the financial markets, macroeconomic dislocations and revaluations, the effectiveness of a Bain Capital Credit Client's hedging and risk management strategies and extreme market conditions can affect the value of a Bain Capital Credit Client's investments. These factors may affect the level and volatility of investment prices and the liquidity of a Bain Capital Credit Client's investments. Volatility or illiquidity could impair a Bain Capital Credit Client's profitability or result in losses.

General fluctuations in the market prices of securities and economic conditions may reduce the availability of attractive investment opportunities for Bain Capital Credit Clients and may affect Bain Capital Credit Clients' ability to make investments and the value of the investments held by Bain Capital Credit Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in Bain Capital Credit Clients' investments. From time to time, periods of increased volatility in the public securities markets and/or a tightening of the credit markets may severely hamper the ability of companies to obtain financing for ongoing operations or expansions. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. During these periods, there can be no assurance when and if the market will become more liquid. The ability to realize investments depends on political, market and economic conditions at the time of such realizations. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of Bain Capital Credit Clients to buy, sell and partially dispose of their investments. Bain Capital Credit Clients may be adversely affected to the extent that they seek to dispose of any of their investments into an illiquid or volatile market, and a Bain Capital Credit Client may find itself unable to dispose of investments at prices that Bain Capital Credit believes reflect the fair value of such investments. The duration and ultimate effect of market conditions and whether such conditions may improve or worsen cannot be predicted.

In addition, the lack of an established, liquid secondary market for some of Bain Capital Credit Clients' investments may sometimes have an adverse effect on the market value of such investments and on Bain Capital Credit Clients' ability to dispose of them. Additionally, if Bain Capital Credit Clients' investments are subject to certain transfer restrictions this will contribute to illiquidity. Finally, assets of Bain Capital Credit Clients that are typically traded in a liquid market will likely become more illiquid if the applicable trading market tightens as a result of a significant macro-economic shock or for any other reason. Therefore, no assurance can be given that, if Bain Capital Credit is determined to cause the disposal of a particular such investment held by a Bain Capital Credit Client, it could dispose of such investment at the prevailing market price. Illiquidity adversely affects the price and timing of liquidation of Bain Capital Credit Clients' investments upon the redemption of an investor's interest, to pay expenses of Bain Capital Credit Clients or to pay the Advisory Fee.

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

If Bain Capital Credit, from time to time, possesses material, non-public information about a borrower or issuer or Bain Capital Credit is an affiliate of a borrower or an issuer, then such

information or affiliation will limit the ability of the applicable Bain Capital Credit Client to buy and sell investments.

Leveraged Investments

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

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

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

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

Reliance on Management of Portfolio Companies

Although Bain Capital Credit intends to invest in portfolio companies that have strong management teams and/or to assist in enhancing management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully. In addition, instances of fraud and other deceptive practices committed by the management team of portfolio companies in which a Bain Capital Credit Client has an investment may undermine Bain Capital Credit's due diligence efforts with respect to such companies. The success or failure of a portfolio company, including its compliance with applicable law, will depend to a significant extent on the portfolio company's management team.

Fraud

The value of investments made by Bain Capital Credit Clients may be adversely affected by material misrepresentation, omission, inaccuracy or incompleteness on the part of a borrower or the issuer. Such material misrepresentation, omission, inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of Bain Capital Credit Clients to enforce any security in respect of such loans.

Control Investments

It is expected that Bain Capital Credit Clients may obtain controlling interests in certain of the portfolio companies 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), or other types of liability in which the limited liability generally applicable to business ownership may be ignored. If any of these liabilities were to arise, Bain Capital Credit Clients could suffer a significant loss.

Non-Control Investments

Bain Capital Credit Clients expect to hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect their position in such portfolio companies. As a condition of making non-controlling investments in portfolio companies, Bain Capital Credit Clients may seek to obtain appropriate shareholder rights to protect the Bain Capital Credit Client's investment, but it may not necessarily pursue or obtain such rights in all cases. If the Bain Capital Credit Client does not have a controlling position or other shareholder rights to protect its interests, it is possible that a portfolio company could take actions that negatively impact the value of the Bain Capital Credit Client's investment or that prevent the Bain Capital Credit Client from disposing of its investment in the portfolio company. The mere fact that the General Partner disagrees with decisions made by other investors in a portfolio company likely will not trigger any particular ability of the Bain Capital Credit Client to dispose of its investment in such portfolio company, with the result that the value of the Bain Capital Credit Client's investment in a portfolio company may be materially impacted by the decisions of other investors.

Third Party Litigation

In addition to litigation relating to the bankruptcy process as described below under "Item 8: Risks—DIP Loans," Bain Capital Credit Clients' investment activities subject them to the normal risks

of becoming involved in litigation by third parties. This risk is somewhat greater where the relevant Bain Capital Credit Client exercises control or significant influence over a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the relevant Bain Capital Credit Client and would reduce net assets.

Investment in non-U.S. Issuers

Certain Bain Capital Credit Clients invest in the securities of non-U.S. issuers. On occasion, there is less information publicly available about a non-U.S. issuer than about a U.S. issuer, and non-U.S. issuers are generally not subject to accounting, auditing and financial reporting standards and practices comparable to those in the United States. In addition, with respect to certain countries, there is a possibility of expropriation, imposition of non-U.S. withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of a Bain Capital Credit Client, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Bankruptcy law and process in non-U.S. jurisdictions often differ substantially from that in the United States, which will often result in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain, while some other developing countries have no bankruptcy laws enacted, adding further uncertainty to the process for reorganization.

Emerging Market Risks

The risks of investments in non-U.S. markets described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of the U.S. and other developed markets. Disclosure and regulatory standards in many respects are less stringent than in the U.S. and other developed markets. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations may be inconsistent and subject to change without warning. In addition, custodial services and other costs relating to investments may be more expensive in emerging markets than in many developed markets, which could reduce a Bain Capital Credit Client's income from such investments. In many cases, governments of emerging market countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may adversely affect the liquidity and price of investments, regardless of the issuer's financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition

of withholding taxes on interest or dividend payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause Bain Capital Credit Clients to suffer a loss of any or all of their investments.

Potential Implications of Brexit

The decision made in the United Kingdom referendum of 23 June 2016 to leave the European Union has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. The extent and process by which the United Kingdom will exit the European Union, and the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the European Union are unclear at this stage and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. In addition, the decision made in the United Kingdom referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of a Bain Capital Credit Client and its investments to execute their respective strategies and to receive attractive returns. In particular, currency volatility may mean that the returns of a Bain Capital Credit Client and its investments are adversely affected by market movements and may make it more difficult, or more expensive, for a Bain Capital Credit Client to execute prudent currency hedging policies. Potential decline in the value of the British Pound and/or the Euro against other currencies, along with the potential downgrading of the UK's sovereign credit rating, may also have an impact on the performance of investments located in the United Kingdom or Europe. In light of the above, no definitive assessment can currently be made regarding the impact that Brexit will have on each Bain Capital Credit Client, its investments or its organization more generally.

In particular, currency volatility may mean that the returns of a Bain Capital Credit Client and its investments are adversely affected by market movements and may make it more difficult, or more expensive, for the Fund to execute prudent currency hedging policies. Potential decline in the value of the British Pound and/or the Euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of investments located in the United Kingdom or Europe.

Inflation

Certain countries in which Bain Capital Credit Clients 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. There can be no assurance that inflation will not become a serious problem in the future and thereby negatively affect Bain Capital Credit Clients' investment returns.

Environmental Risks

Bain Capital Credit Clients may face significant environmental liabilities in connection with the investments Bain Capital Credit Clients make in certain countries. The historical lack of environmental regulation in some of these countries has led to widespread pollution of air, ground and water resources. 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 Bain Capital Credit Clients are considering an investment. Bain Capital Credit Clients may experience material losses due to these risks.

Climate Change

Bain Capital Credit Clients may acquire investments that are located in areas which are subject to 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 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 Bain Capital Credit Clients' business and operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods or hurricanes); sea level rise; and extreme temperatures. As a result of these physical impacts from climate-related events, Bain Capital Credit Clients may be vulnerable to the following: risks of property damage to investments; indirect financial and operational impacts from disruptions to the operations of 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 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.

Potential Early Redemption of Some Investments

Some of the terms of debt instruments acquired or originated by a Bain Capital Credit Client will be subject to early prepayment options or similar provisions which, in each case, could result in a Bain Capital Credit Client realizing such instruments earlier than expected, sometimes with no or a nominal prepayment premium. This typically happens when there is a decline in interest rates, when the portfolio company's improved credit or operating or financial performance allows the refinancing of certain classes of debt with lower cost debt, or when the general credit market conditions improve. In the event a Bain Capital Credit Client receives proceeds from an investment earlier than it had anticipated, a Bain Capital Credit Client is often permitted to reinvest such proceeds, but there is no assurance that a Bain Capital Credit Client will be able to reinvest such

proceeds even where they are received during the investment period. On occasion, a Bain Capital Credit Client's inability to reinvest such proceeds will materially affect the performance of a Bain Capital Credit Client.

Limited Amortization Requirements

From time to time, Bain Capital Credit Clients will invest in debt that will typically have limited mandatory amortization and interim repayment requirements. A low level of amortization of any debt, over the life of the investment, will increase the risk that a portfolio company will not be able to repay or refinance the debt held by a Bain Capital Credit Client when it comes due at its final stated maturity.

High Yield Debt

From time to time, Bain Capital Credit Clients will invest in high yield debt, a substantial portion of which is rated below investment-grade by one or more nationally recognized statistical rating organizations or are unrated but, in Bain Capital Credit's opinion, of comparable credit quality to obligations rated below investment-grade, and have greater credit and liquidity risk than more highly rated debt obligations. High yield debt is generally unsecured and is often subordinate to other obligations of the obligor. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both will impair the ability of the obligor to make payment of principal and interest. Many issuers of high yield debt are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. In addition, issuers of high yield debt are often in poor financial condition, experiencing poor operating results, having substantial capital needs or negative net worth or facing special competitive or product obsolescence problems, and could include companies involved in bankruptcy or other reorganizations or liquidation proceedings. Certain of these securities will not be publicly traded, and in this circumstance, it will be difficult to obtain information as to the true condition of the issuers. Overall declines in the below investment-grade bond and other markets typically adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. High yield debt is often less liquid than higher rated securities. The market values of certain of this high yield debt will reflect individual corporate developments.

High yield debt is often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. High yield debt has historically experienced greater default rates than has been the case for investment-grade securities. Bain Capital Credit Clients also invest in equity securities issued by entities with unrated or below investment-grade debt.

High yield debt is also issued in the form of zero-coupon or deferred interest bonds, which are bonds which are issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest,

deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. These investments typically experience greater volatility in market value due to changes in the interest rates than bonds that provide for regular payments of interest.

Financially Troubled Companies

From time to time, Bain Capital Credit Clients invest in the obligations of companies that are financially troubled and that are either engaged in a reorganization or expect to file for bankruptcy. Investments in financially troubled companies involve significantly greater risk than investments in non-troubled companies, and the repayment of obligations of financially troubled companies is subject to significant uncertainties. Such companies generally are more vulnerable to real or perceived economic changes, political changes or adverse industry developments, and if their financial condition deteriorates, accurate financial and business information will generally be limited or unavailable. In addition, securities of such companies are typically thinly traded and there will likely be no established secondary or public market. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. There is no assurance that Bain Capital Credit will correctly evaluate the value of the assets collateralizing a Bain Capital Credit Client's loans or the prospects for a successful reorganization or similar action. Additionally, certain Bain Capital Credit Clients invest in the securities of financially troubled companies that are non-U.S. issuers. Such non-U.S. issuers will likely be subject to bankruptcy and reorganization processes and proceedings that are not comparable to those in the United States and that sometimes will be less favorable to the rights of lenders.

On occasion, a Bain Capital Credit Client will make investments that become distressed due to factors outside the control of Bain Capital Credit. There is no assurance that there will be sufficient collateral to cover the value of the loans and/or other investments purchased by a Bain Capital Credit Client or that there will be a successful reorganization or similar action of the company or investment which becomes distressed. In any reorganization or liquidation proceeding relating to a company in which a Bain Capital Credit Client invests, a Bain Capital Credit Client is in a position to lose its entire investment, to be required to accept cash or securities with a value less than a Bain Capital Credit Client's original investment and/or to be required to accept payment over an extended period of time. Under these circumstances, the returns generated from a Bain Capital Credit Client's investments will likely not compensate the investors in Bain Capital Credit Clients adequately for the risks assumed. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor will generally either have its claims subordinated, or disallowed, or be found liable for damage suffered by parties as a result of such actions. In addition, under circumstances involving a portfolio company's insolvency, payments to a Bain Capital Credit Client and distributions by a Bain Capital Credit Client to its investors is likely to be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Troubled company investments require active monitoring and, at times, require significant participation in business strategy or reorganization proceedings by Bain Capital Credit. In addition, involvement by Bain Capital Credit in a company's reorganization proceedings could result in the

imposition of restrictions limiting a Bain Capital Credit Client's ability to liquidate its position in the company.

Bank Loans

The investments of a Bain Capital Credit Client at times include interests in loans originated by banks and other financial institutions. The loans invested in by a Bain Capital Credit Client may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or subordinated. Purchasers of bank loans are predominantly commercial banks, investment funds and investment banks. As secondary market trading volumes for bank loans increase, new bank loans are frequently adopting standardized documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in bank loan trading will provide an adequate degree of liquidity or that the market will not experience periods of significant illiquidity in the future. In addition, Bain Capital Credit Clients at times make investments in stressed or distressed bank loans which are often less liquid than performing bank loans. Bain Capital Credit Clients acquire interests in bank loans either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the institution participating out the interest, not with the borrower. In purchasing participations, a Bain Capital Credit Client generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and such Bain Capital Credit Client will not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, such Bain Capital Credit Client will assume the credit risk of both the borrower and the institution selling the participation.

Credit Default Swaps and Other Credit Derivatives

Bain Capital Credit Clients have in the past and may in the future make investments in credit default swaps, total rate of return swaps and other credit derivatives. These transactions generally provide for the transfer from one counterparty to another of certain credit risks inherent in the ownership of a financial asset such as a bank loan or a high yield debt security. Such risks include, among other things, the risk of default and insolvency of the obligor of such asset; the risk that the credit of the obligor or the underlying collateral will decline or that credit spreads for like assets will change (thus affecting the market value of the financial asset). The transfer of credit risk pursuant to a credit derivative will at times be complete or partial, and at times will be for the life of the related asset or for a shorter period. Credit derivatives are sometimes used as a risk management tool for a pool of financial assets, providing a Bain Capital Credit Client with the opportunity to gain exposure to one or more reference loans or other financial assets (each, a "reference asset") without actually owning such assets in order, for example, to reduce a concentration risk or to diversify a portfolio. Conversely, credit derivatives are sometimes used by a Bain Capital Credit Client to reduce exposure to an owned asset without selling it in order, for example, to maintain relationships with clients, to avoid difficult transfer restrictions, manage illiquid assets or hedge declining credit quality of the financial asset.

Credit default swaps, total rate of return swaps and other credit derivatives are subject to many of the same types of risks described below in “Item 8: Risks -- Interest Rate, Currency Exchange and Investment Risk Management.” For example, in each credit derivative transaction that a Bain Capital Credit Client is party to, it assumes the credit risk of the counterparty. In the event that a Bain Capital Credit Client enters into a credit derivative with a counterparty who subsequently becomes insolvent or becomes the subject of a bankruptcy case, the credit derivative will generally be terminated in accordance with its terms and such Bain Capital Credit Client’s ability to realize its rights under the credit derivative and its ability to distribute the proceeds could be adversely affected.

Credit default swaps, total rate of return swaps and other credit derivatives are a relatively recent development in the financial markets. Consequently, there are certain legal, tax and market uncertainties that present risks in entering into such credit default swaps, total rate of return swaps and other credit derivatives. There is currently little or no case law or litigation characterizing credit default swaps, total rate of return swaps or other credit derivatives, interpreting their provisions, or characterizing their tax treatment. In addition, additional regulations and laws typically apply to credit default swaps, total rate of return swaps or other credit derivatives that have not heretofore been applied. There can be no assurance that future decisions construing similar provisions to those in any swap agreement or other related documents or additional regulations and laws governing credit default swaps, total rate of return swaps or other credit derivatives will not have a material adverse effect on Bain Capital Credit Clients.

The use of leverage will significantly increase the sensitivity of the market value of the credit default swaps, total rate of return swaps or other credit derivatives to changes in the market value of the reference assets. The reference assets are subject to the risks related to the credit of the underlying obligors. These risks include the possibility of a default or bankruptcy of the obligors or a claim that the pledging of collateral to secure a loan constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the obligors or nullified under applicable law. See below in “Item 8: Risks -- Lender Liability Considerations and Equitable Subordination” and “Item 8: Risks -- Fraudulent Conveyance Considerations” for a description of these risks.

In addition, the U.S. regulatory agencies have adopted extensive regulation of the derivatives market pursuant to the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010. Such provisions could restrict the ability of Bain Capital Credit Clients to engage in derivatives transactions and/or increase the costs of such derivatives transactions, and there is a chance that Bain Capital Credit Clients will be unable to execute the investment strategy as a result. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental, regulatory and judicial action.

Priority of Repayment for Certain Investments

The characterization of a Bain Capital Credit Client’s investments as senior debt or senior secured debt does not mean that such debt will necessarily be repaid in priority to all other obligations of the businesses in which a Bain Capital Credit Client invests. Furthermore, debt and other liabilities incurred by non-guarantor subsidiaries of the borrowers of senior secured loans made by a Bain

Capital Credit Client are often structurally senior to the debt held by a Bain Capital Credit Client. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, the debt and other liabilities of such subsidiaries will generally be repaid in full before any distribution can be made to an obligor of the senior secured loans held by a Bain Capital Credit Client. Finally, portfolio companies will typically incur trade credit and other liabilities or indebtedness, which by their terms could provide that their holders are entitled to receive principal payments on or before the dates payments are due in respect of the senior secured loans held by a Bain Capital Credit Client.

Risks of Secured Loans

Bain Capital Credit Clients have in the past and may in the future invest in secured loans that are over-collateralized at the time of the investment, but such secured loans nonetheless may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. A Bain Capital Credit Client cannot guarantee the adequacy of the protection of a Bain Capital Credit Client's interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, a Bain Capital Credit Client cannot assure that claims will not be asserted that might interfere with enforcement of a Bain Capital Credit Client's rights. In addition, in the event of any default under a secured loan held directly by a Bain Capital Credit Client, a Bain Capital Credit Client will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the secured loan, which could have a material adverse effect on a Bain Capital Credit Client's cash flow from operations.

In the event of a foreclosure, there is a possibility that a Bain Capital Credit Client will assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to a Bain Capital Credit Client. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Exposure to Originated Investments

From time to time, a Bain Capital Credit Client will originate certain of its investments with the expectation of later syndicating a portion of such investment to other affiliated funds or third parties. Prior to such syndication, or if such syndication is not successful, such Bain Capital Credit Client's exposure to the originated investment will likely exceed the exposure that Bain Capital Credit intends for such Bain Capital Credit Client to have over the long-term or would have had had it purchased such investment in the secondary market rather than originating it.

Options

Bain Capital Credit has in the past and may in the future cause a Bain Capital Credit Client to buy or sell (write) both call options and put options (either exchange-traded, over-the-counter or issued

in private transactions), and when it writes options it does so on either a “covered” or an “uncovered” basis. Such options transactions are sometimes part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or other times is a form of leverage, in which the applicable Bain Capital Credit Client has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions the applicable Bain Capital Credit Client enters into.

When a Bain Capital Credit Client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, would result in a total loss of such Bain Capital Credit Client’s investment in the option (including commissions). A Bain Capital Credit Client could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (i.e., by buying the securities or buying options on them) on securities underlying put options. When a Bain Capital Credit Client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Theoretically, the risk is unlimited unless the option is “covered.” If it is covered, an increase in the market price of the security above the exercise price would cause the applicable Bain Capital Credit Client to lose the opportunity for gain on the underlying security, assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the applicable Bain Capital Credit Client might suffer as a result of owning the security. The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security’s price below the exercise price would cause the applicable Bain Capital Credit Client to lose some or all of the opportunity for profit on the “covering” short position, assuming such Bain Capital Credit Client sold short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss the applicable Bain Capital Credit Client might suffer in closing out its short position.

Risks Relating to CLOs/CLO Notes

- **Transferability.** CLO notes generally will have limited liquidity and are subject to substantial transfer restrictions. CLO notes are often illiquid investments and there is no established secondary market for the notes. There can be no assurance that any secondary market for any of the notes will develop, or if a secondary market does develop, that it will provide the holders of the notes with liquidity of investment or will continue for the life of the notes. Securities issued in securitizations transactions may experience high volatility and significant fluctuations in market value. Additionally, some potential buyers of such securities may view securitization products as an inappropriate investment, or may be unable to invest in them due to regulatory reasons, thereby reducing the number of potential buyers and/or potentially affecting liquidity in the secondary market.

- **More Stringent Investment Restrictions.** CLOs' indentures may restrict the type of investments that a manager may make more so than other investment vehicles. For example, indentures often limit investments in certain loan originations, the use of certain synthetic derivatives, and certain other types of investments. These limitations could adversely affect CLO Advisors' ability to manage its CLO Clients.
- **Priority of Payment/Waterfall.** As CLO note holders are paid according to priority, certain investors may see their interest and/or return deferred, reduced, or eliminated.
- **Mandatory Redemption.** If coverage tests are not met for certain note holders, interest payments may be used to redeem more senior notes. This could result in an elimination, deferral or reduction in the interest to certain other note holders. In addition, a mandatory redemption could result in CLO Advisors liquidating positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the collateral obligation sold. Similarly, a default or ratings confirmation failure also could lead to a redemption. In the event of an early redemption, the holders of certain notes may be repaid before other note holders.
- **Differential Rights.** CLOs typically grant certain investors – often the subordinated note holders – certain rights to re-price, reset, or redeem CLO notes if certain conditions are met. These rights may be exercised to the detriment of other note holders. In particular, certain note holders may have their interest proceeds or expected return deferred, reduced, and/or eliminated. *See also Item 10.*

Forward Trading

Forward contracts and options thereon, unlike futures contracts, generally are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading (to the extent forward contracts are not traded on exchanges) and “cash” trading are substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Bain Capital Credit will not cause Bain Capital Credit Clients to trade standardized forward contracts that are traded on regulated commodities exchanges. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such forward (and futures) trading to less than that which Bain Capital Credit would otherwise recommend, to the possible detriment of Bain Capital Credit Clients. Market illiquidity or disruption could result in major losses to Bain Capital Credit Clients.

Highly Volatile Instruments

The prices of the financial instruments in which Bain Capital Credit Clients can invest can be highly volatile. Price movements of instruments in which the assets of Bain Capital Credit Clients are 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 investments of Bain Capital Credit Clients also are subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

Equity Securities

Bain Capital Credit Clients expect to invest in equity securities. As with other investments that Bain Capital Credit Clients make, the value of equity securities held by a Bain Capital Credit Client 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 a Bain Capital Credit Client is more susceptible to moving up or down in a rapid or unpredictable manner.

Convertible Securities

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that convert into or exchange for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors typically also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the

conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security is generally subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Bain Capital Credit Client is called for redemption, such Bain Capital Credit Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the ability of such Bain Capital Credit Client to achieve its investment objective.

Investments in PIPES

Bain Capital Credit Clients may invest in privately sourced and structured convertible and equity-linked securities of public companies ("PIPES"). PIPES offer the opportunity for significant gains, but also involve a high degree of risk, including the complete loss of capital. Among these risks are the general risks associated with investing in companies operating at a loss or with substantial variations in operating results from period to period and investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense 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. Securities of any such portfolio company will likely be thinly traded and undercapitalized and will therefore be more sensitive to adverse business or financial developments. In the event that any such portfolio company is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of Bain Capital Credit Clients' investment in such portfolio investment could be significantly reduced or even lost entirely.

Privatizations

Bain Capital Clients may invest in state-owned enterprises that have been, or will be, transferred from government ownership to private ownership. There can be no assurance that any privatizations will be undertaken or, if undertaken, successfully completed. Changes in political or economic factors would result in changes in government policies towards privatization, and it is possible that governments may decide to return projects and companies to state ownership. In such scenarios, the level of compensation that would be provided to the private companies concerned cannot be accurately predicted, but could be substantially less than the amount invested in such companies.

New Sector in Certain Jurisdictions

Investing in distressed/special situation investments and non-performing loans is in its nascent stages in certain countries, and in this respect these types of investments are riskier than other more

established asset classes in those countries. Additionally, given the sector's relatively short history in certain countries, it may be difficult for an investor to assess the potential future performance, regulation, taxation and risks associated with expanding investments in this sector in those countries. In particular, private fund investing in certain countries may not currently be as heavily regulated as it is in the United States. As a result, these countries may be more likely to introduce new regulations during the term of the Fund.

Portfolio Purchases

Certain Bain Capital Credit Clients expect to invest in entire portfolios of assets (including but not limited to nonperforming loans) sold by hedge funds, business development corporations, regional commercial banks, large multinational banks, specialty finance companies and other types of financial firms. The performance of individual assets in such a portfolio will vary, and the return on Bain Capital Credit Clients' investments in an entire portfolio may not exceed the returns Bain Capital Credit Clients would have received had they purchased some, but not all, of the assets contained in such portfolio.

Risks of Multi-Step Transactions

From time to time, Bain Capital Credit Clients may choose to effect a transaction by means of a multistep acquisition (such as a portfolio acquisition structured in two parts). There can be no assurance that the remainder can be successfully acquired. This could result in Bain Capital Credit Clients having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

Government Influence

The governments of certain countries in which Bain Capital Credit Clients invest or seek to invest may participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy, such as telecommunications, banking and financial institutions, air and rail transportation, electrical power, steel and shipbuilding, and mining and natural resources. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions in the future could have significant effects on economic conditions in some of these countries, which could affect private sector companies and Bain Capital Credit Clients, as well as market conditions and the prices and yields of investments. As a result of the high degree of government influence, the risks from investing in such countries, including the risks of nationalization or expropriation of assets, may be heightened.

Investments in Undervalued Assets

Bain Capital Credit Clients often seek to invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued

assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

On occasion, Bain Capital Credit Clients will be required to hold undervalued assets for a substantial period of time with the expectation that the assets will appreciate in value, even though there is no assurance that such value appreciation will take place. Accordingly, there is a possibility that a Bain Capital Credit Client will be forced to sell such undervalued assets at a substantial loss. During this period, a portion of such Bain Capital Credit Client's funds would be committed to undervalued assets, thus possibly preventing such Bain Capital Credit Client from investing in other opportunities. In addition, a Bain Capital Credit Client could finance such purchases with borrowed funds and thus will have to pay interest on such funds during this waiting period. Finally, margin calls and other events related to such Bain Capital Credit Client's indebtedness could force such Bain Capital Credit Client to have to sell assets at prices that are less than their fair value.

Investments in Technology Start-Up and Similar Companies

Bain Capital Credit Clients may invest in technology start-up or similar companies. These businesses are often involved in new and often untested products, services and markets. Such investments may be subject to additional risks common among technology start-up companies, including risks related to (i) increased litigation, and significant costs associated therewith (including, potentially, litigation involving intellectual property and privacy), (ii) significant regulatory scrutiny, (iii) technology error, viruses, hacking or other failure, (iv) market saturation and an inability to grow its user base, (v) competition, including by competitors that create new and improved technology, (vi) unfavorable media coverage, (vii) an inability to effectively manage the rapid growth of its organization, (viii) expansion into unfamiliar jurisdictions, (ix) an inability to generate meaningful revenue (despite a significant user base), and (x) an inability to continue to adapt to changes and improve and upgrade technology.

Investments in the Energy Sector

Bain Capital Credit Clients 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 Bain Capital Credit Clients. 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 Bain Capital Credit Clients in this sector.

Investments in the Industrial/Distribution Industries

The industrial and distribution industries Bain Capital Credit Clients may invest in encounter competition in all areas of their businesses. Customers increasingly demand more technologically advanced and integrated products. To remain competitive, Bain Capital Credit Clients may need to invest continuously in research and development, manufacturing, marketing, client service and support and distribution networks. In the event of technological advance and a significant shift in the character of the market's demand, or if certain products become technologically obsolete, the performance of a Bain Capital Credit Client's investment may be materially adversely affected.

Investments in the Commodities Sector

Bain Capital Credit Clients expect to make certain investments in and relating to the commodities sector. Commodities are assets that have tangible properties, such as oil, metals and agricultural products. Commodity prices can be extremely volatile and are influenced by many factors, including changes in overall market movements; real or perceived inflationary trends; commodity index volatility; changes in interest rates or currency exchange rates; population growth and changing demographics; nationalization, expropriation, or other confiscation; international regulatory, political, and economic developments (e.g., regime changes and changes in economic activity levels); government trade, fiscal, monetary, and exchange control programs and policies; developments affecting a particular industry or commodity, such as drought, flood, or other weather conditions, livestock disease, trade embargoes, competition from substitute products, transportation bottlenecks or shortages, fluctuations in supply and demand, and tariffs; and the inherent volatility of the marketplace. In addition, U.S. and non-U.S. governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly.

Actions of and changes in governments, and political and economic instability, in commodity-producing and -exporting countries may affect the production and marketing of commodities. In addition, commodity-related industries throughout the world are subject to greater political, environmental, and other governmental regulation than many other industries. Changes in government policies and the need for regulatory approvals may adversely affect the products and services of companies in the commodities industries. For example, the exploration, development, and distribution of coal, oil, and gas in the United States are subject to significant federal and state regulation, which may affect rates of return on coal, oil, and gas and the kinds of services that the federal and state governments may offer to companies in those industries. In addition, compliance with environmental and other safety regulations has caused many companies in commodity-related industries to incur production delays and significant costs. Government regulation may also impede the development of new technologies. The effect of future regulations affecting commodity-related industries cannot be predicted.

Investments in Industries Related to Natural Resources

Bain Capital Credit Clients expect to invest in assets related to the natural resources sector, and would be exposed to adverse developments, including adverse price movements, affecting issuers in the natural resources sector. In addition, the prices of securities issued by companies in the natural resources sector may be more volatile than those of securities of companies in other industries. Some of the commodities used as raw materials or produced by these companies are subject to broad price fluctuations as a result of industry wide supply and demand factors.

Companies in the natural resources sector often have limited pricing power over supplies or for the products they sell, which can affect their profitability. Companies in the natural resources sector also may be subject to special risks associated with natural or man-made disasters. In addition, the natural resources sector can be especially affected by political and economic developments, government regulations including changes in tax law or interpretations of law, energy conservation, and the success of exploration projects. Specifically, the natural resource sector can be significantly affected by import controls, worldwide competition, changes in consumer sentiment and spending, and can be subject to liability for, among other things, environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

Investments in the Metals and Mining Industry

Bain Capital Credit Clients expect to invest in assets related to the metals and mining industry. The profitability of companies in the metals and mining industry is related to, among other things, worldwide metal prices, and extraction and production costs. Worldwide metal prices may fluctuate substantially over short periods of time. In addition, metals and mining companies may be significantly affected by changes in global demand for certain metals, economic developments, energy conservation, exchange rates, the success of exploration projects, interest rates, economic conditions, tax treatment, government regulation and intervention, and world events in the regions that the companies to which a Fund has exposure operate (e.g., expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and repatriation of capital, military coups, social unrest, violence and labor unrest). Metals and mining companies may also be subject to the effects of competitive pressures in the metals and mining industry.

Investments in the Shipping Industry

Bain Capital Credit Clients expect to invest in maritime and maritime-related assets, and therefore may be subject to the risks posed by the shipping industry in general, including: the burdens of ownership of maritime and maritime-related assets; local, national and international economic and political conditions; developments in international trade and changes in seaborne and other transportation patterns; changes in the tourism and holiday travel market; the financial condition of charterers, pool operators, buyers and sellers of maritime-related assets; changes in interest rates and the availability of debt financing which may render the sale or refinancing of maritime and maritime-related assets difficult or impracticable; laws and regulations and fiscal and monetary policies; environmental issues, including accidents, contamination or pollution; changes in tax policies and rates; changes in energy and commodities prices; exposure to emerging markets and politically unstable regions and countries; embargoes and strikes; port and canal closures; cargo and property losses or damage; maritime disasters including collisions, groundings or capsizings or incidents relating to design failures of a vessel; natural disasters, weather patterns, storms, and climate changes; the risk of an explosion, fire or flooding; political unrest or the interference of government agencies or political bodies, armed conflicts and war; acts of piracy; terrorist events; and other factors which are beyond the reasonable control of Bain Capital Credit Clients. The nature, timing and degree of changes in shipping industry conditions are unpredictable. In addition, maritime and maritime-related assets are subject to long-term cyclical trends that give rise to significant volatility in values in terms of charter rates, profitability and, consequently, vessel values. The time lag in the shipping industry between orders and deliveries heighten this cyclicity.

Certain significant fixed expenditures associated with purchasing maritime and maritime-related assets (such as third-party borrowings, taxes and maintenance costs) may stay the same or increase even when circumstances cause a reduction in returns from maritime and maritime-related assets. In addition, because of the international nature of the shipping industry, the governing law or laws with respect to the interpretation of contracts and the enforcement of remedies may be uncertain or conflicting, making it difficult for an investor to enforce its rights.

Investments in the Media Industry

Bain Capital Credit Clients expect to invest in media-related assets. Companies in the media industry may encounter distressed cash flows due to the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology. Media companies are subject to risks that include cyclicalities of revenues and earnings, a potential decrease in the discretionary income of targeted individuals, changing consumer tastes and interests, competition in the industry and the potential for increased state and federal regulation. Advertising spending is an important source of revenue for media companies. During economic downturns, advertising spending typically decreases and, as a result, media companies tend to generate less revenue.

Investments in the Telecommunications Industry

Bain Capital Credit Clients may make infrastructure-related investments in the telecommunications sector including sharing economy applications, vertical integration applications, and emerging internet services. Investment opportunities in the telecommunications sector are driven largely by consumer demand, technological advances, and improvements in data collection and storage. Changes in the development and proliferation of new technologies, data transmission and/or consumer demand, as well as changes in the prevailing global economy, may adversely affect a Bain Capital Credit Client's ability to identify and consummate attractive infrastructure-related investments in the telecommunications sector.

Investments in Consumer-related Industries

Consumer-related industries are typically very competitive and are characterized by a crowded field of competitors. Although there may not be high barriers to entry, long-term market success is subject to a number of factors, many of which lie outside the control of Bain Capital Credit Clients. Consumer spending may be disproportionately affected by adverse economic conditions, and consumer spending patterns in the emerging economies in which Bain Capital Credit Clients intend to invest may be difficult to predict. In addition, investments may face competition from a number of other, more established market participants, including global companies with much greater financial, marketing, and other resources. In either case, a Bain Capital Credit Client's investment results may be affected in a materially adverse manner.

Investments in the Healthcare Industry

The biotechnology, genetic/genomic testing and cancer therapeutic fields are highly competitive. Tests and therapies that are developed are characterized by rapid technological change. Investment competitors include venture capital-funded biotechnology companies, public and private pharmaceutical companies, universities, and public and private research institutions. In recent years, there have been numerous advances in technologies relating to the diagnosis and treatment of various cancer types. A number of other companies have cancer therapies and drug candidates in various stages of pre-clinical or clinical development, some of which may be commercialized in the near future, and the success of other cancer-treating drugs may diminish the need and marketability for treatments that may be developed.

Investments in Mortgage-Related Assets

Bain Capital Credit Clients may make certain investments in mortgage-related assets. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, such investments may exhibit additional volatility. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Bain Capital Credit Client because a Bain Capital Credit Client will have to reinvest that money at the lower prevailing interest rates.

Residential Mortgage-Backed Securities

Residential Mortgage-Backed Securities (“RMBS”) represent an interest in a pool of residential mortgage loans. Investing in RMBS involves the general risks typically associated with investing in traditional fixed-income securities (including interest rate and credit risk) and certain additional risks and special considerations (including the risk of principal prepayment and the risk of investing in real estate). Typically, when market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments also occur on occasion on a scheduled basis or due to foreclosure. Typically, when market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancings and prepayments generally slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of RMBS is usually more pronounced than it is for other types of fixed-income securities.

The risks of investing in RMBS reflect the risks of investing in real estate securing the underlying loans, including the effect of local and other economic conditions, the ability of tenants to make payments, and the ability to attract and retain tenants. Some RMBS are backed by non-conforming mortgage loans, which are mortgage loans that do not qualify for purchase by government-sponsored agencies, such as Fannie Mae and Freddie Mac because of credit characteristics. Accordingly, such mortgage loans are likely to experience higher rates of delinquency, foreclosure and loss than mortgage loans originated in accordance with Fannie Mae or Freddie Mac underwriting guidelines.

Investments in Non-Performing Loans

Bain Capital Credit Clients' investments are expected to include investments in non-performing and sub-performing loans which often involve workout negotiations, restructuring and the possibility of foreclosure. These processes are often lengthy and expensive. In addition, Bain Capital Credit Clients' investments will likely include securities and debt obligations of financially distressed issuers, including companies involved in bankruptcy or other reorganization and liquidation proceedings. As a result, Bain Capital Credit Clients' investments may be subject to additional bankruptcy related risks, and returns on such investments may not be realized for a considerable period of time.

Short Sales

Bain Capital Credit is authorized to invest in, or short, public securities for certain Bain Capital Credit Clients. Such investments involve a high degree of risk. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, Bain Capital Credit will cause a Bain Capital Credit Client to engage in short sales only where it believes the value of the security will decline between the date of the sale and the date such Bain Capital Credit Client is required to return the borrowed security. The making of short sales exposes a Bain Capital Credit Client to the risk of liability for the market value of the security that is sold, an unlimited risk due to the lack of an upper limit on the price to which a security rises. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase. Bain Capital Credit Clients also take short positions in securities through various derivative products. These derivative products will typically expose such Bain Capital Credit Client to similar economic risks as if it had shorted the security directly.

Distressed Investments

Bain Capital Credit Clients are also generally authorized to invest in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments and the amount of any recovery is typically affected by the relative seniority of a Bain Capital Credit Client's investment in the capital structure of the issuer. In addition, distressed investments are more likely to be challenged as fraudulent conveyances and amounts paid on those investments will be subject to avoidance as a preference under certain circumstances.

DIP Loans

The investments of certain Bain Capital Credit Clients consist of interests in loans issued by companies that are in bankruptcy. These investments are highly risky, as there are a number of significant risks inherent in the bankruptcy process. First, many events in a bankruptcy are the product of contested matters and adversarial proceedings and are beyond the control of the creditors. While creditors are generally given an opportunity to object to significant actions,

there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of a Bain Capital Credit Client. Second, the effect of a bankruptcy filing on a company will generally adversely and permanently affect the company. There is a chance that the company will lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. If for this or any other reason the proceeding is converted to liquidation, the liquidation value of the company will likely not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investment can be adversely affected by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court and until it ultimately becomes effective. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high. Although DIP loans, in some circumstances, possess priority over administrative expenses, this is not always the case, and when it is not the case, administrative expenses will typically be paid out of the debtor's estate prior to any return to creditors. For example, if a proceeding involves protracted or difficult litigation, or turns into a liquidation, substantial assets will likely be devoted to administrative costs. Fifth, bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that a Bain Capital Credit Client's influence with respect to the class of securities it owns can be lost by increases in the number and amount of claims in that class or by different classification and treatment. Sixth, in the early stages of the bankruptcy process it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. Seventh, especially in the case of investments made prior to the commencement of bankruptcy proceedings, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions. Eighth, certain claims that have priority by law (for example, claims for taxes) may be quite significant. Ninth, amounts previously paid to a Bain Capital Credit Client may be challenged as fraudulent conveyances or preferences as part of a bankruptcy proceeding.

Bain Capital Credit Clients may invest in the securities and obligations issued by companies that are financially distressed and are expected by Bain Capital Credit to commence bankruptcy proceedings or undertake out-of-court restructurings, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. While these loans are subject to the risks inherent in the bankruptcy process as DIP loans, they are typically riskier than DIP loans because they do not possess certain protections, such as priming liens, typically afforded to DIP loans. It is more likely that a creditor making an investment made prior to the commencement of bankruptcy proceedings will be deemed to have exercised "domination and control" over a debtor and consequently lose ranking and priority. In addition, investments in pre-filing companies are more likely to be challenged as fraudulent conveyances and amounts paid on the investment will likely be subject to avoidance as a preference under certain circumstances.

Structured Products

Bain Capital Credit has in the past and will in the future cause certain Bain Capital Credit Clients to invest in structured products, including assets typically referred to as CLO debt and CLO equity.

These investments will typically consist of equity or subordinated debt securities issued by a private investment fund that invests, on a leveraged basis, in the bank loan, high yield debt or other asset groups. A Bain Capital Credit Client's investments in structured products will be subject to a number of risks, including risks related to the fact that the structured products will be leveraged. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor in the equity or subordinated debt securities issued by a structured product. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product and a complete loss of the Bain Capital Credit Client's investment therein. In addition, if the particular structured product is invested in a security in which the Bain Capital Credit Client is also invested, this would tend to increase the Bain Capital Credit Client's overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative basis. Bain Capital Credit Clients may invest in other funds or structured products sponsored by Bain Capital Credit or other affiliates. Typically, a Bain Capital Credit Client's interest in any such fund would be subject to the terms and conditions of such fund, including fees and carried interest, except to the extent the general partner of, or Bain Capital Credit or the affiliated adviser of, such fund has, in its sole discretion, waived all or a portion of such fees and carried interest with respect to such fund or structured product.

The value of an investment in a structured product will depend on the investment performance of the assets in which the structured product invests and will therefore be subject to all of the risks associated with an investment in those assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other credits of the issuer of such asset or nullified under applicable law. The Bain Capital Credit Client will not own such assets directly and will therefore not benefit from general rights applicable to the holders of assets, such as the right to indemnity and the rights of setoff, or have voting rights with respect to such assets, and in such cases, all decisions related to such assets, including whether to exercise certain remedies, will be controlled by the structured product. Structured products are a relatively recent development in the financial markets. Consequently, there are certain tax and market uncertainties that present risks relating to investing in structured products.

Mezzanine Debt

The mezzanine investments in which certain Bain Capital Credit Clients intend to invest are typically contractually or structurally subordinate to senior indebtedness of the applicable company, or effectively subordinated as a result of being unsecured debt and therefore subject to the prior repayment of secured indebtedness to the extent of the value of the assets pledged as security. In some cases, the subordinated debt held by a Bain Capital Credit Client will be subject to the prior repayment of different classes of senior debt that is "layered" ahead of the debt held by a Bain Capital Credit Client. In the event of financial difficulty on the part of a portfolio company, such class or classes of senior indebtedness ranking prior to the debt held by a Bain Capital Credit Client, and interest thereon and related expenses, must first be repaid in full before any recovery will be had on a Bain Capital Credit Client's mezzanine or other subordinated investment. Subordinated investments are characterized by greater credit risks than those associated with the

senior or senior secured obligations of the same issuer. In addition, under certain circumstances the holders of the senior indebtedness will have the right to block the payment of interest and principal on a Bain Capital Credit Client's mezzanine investment and to prevent a Bain Capital Credit Client from pursuing its remedies on account of such non-payment against the company. Further, in the event of any debt restructuring or workout of the indebtedness of any company, the holders of the senior indebtedness will likely control the creditor side of such negotiations.

Many issuers of mezzanine debt are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. In addition, many issuers of mezzanine debt are in poor financial condition, experiencing poor operating results, having substantial capital needs or negative net worth or facing special competitive or product obsolescence problems, and sometimes include companies involved in bankruptcy or other reorganizations or liquidation proceedings. Adverse changes in the financial condition of an issuer, general economic conditions, or both, typically impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer. Some mezzanine debt securities are not publicly traded, and therefore it will be difficult to obtain information as to the true condition of the issuers. Finally, the market values of certain of this mezzanine debt reflect individual corporate developments.

Mezzanine debt investments will also be in the form of zero-coupon or deferred interest bonds, which are bonds which are issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. These investments typically experience greater volatility in market value due to changes in the interest rates than bonds that provide for regular payments of interest.

Investments in Real Estate

Certain Bain Capital Credit Clients may make certain investments in real estate. Income from, and the value of, Bain Capital Credit Clients' real estate investments may be adversely affected by a number of factors that are generally applicable to most real estate. For example, real estate investments are relatively illiquid and, therefore, will tend to limit Bain Capital Credit Clients' ability to vary their real estate portfolios promptly in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by Bain Capital Credit Clients will not decrease in the future or that Bain Capital Credit Clients will recognize full value for any real estate investment that the Fund is required to sell for liquidity reasons. In addition, the ability of Bain Capital Credit Clients to realize anticipated rental and interest income on equity and debt real estate investments will depend, among other factors, on the financial reliability of the tenants and borrowers, the location and attractiveness of the properties in which they invest, the supply of comparable space in the areas in which their properties are located, and general economic conditions. Other real estate risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability of property relative to demand,

changes in costs and terms of mortgage loans, energy prices, changes in the relative popularity of properties, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of Bain Capital Credit.

Additionally, Bain Capital Credit Clients may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by Bain Capital Credit Clients will reduce the cash available for distribution and may require Bain Capital Credit Clients to fund deficits resulting from the operation of a property. No assurance can be given that Bain Capital Credit Clients will have funds available to make such repairs or improvements. These factors and any others that would impede Bain Capital Credit Clients' ability to respond to adverse changes in the performance of its real estate assets could significantly affect their financial condition and operating results.

Investments in Pass-Through Companies

It is possible that Bain Capital Credit Clients' investments may be structured as partnerships, limited liability companies or other pass-through entities. Bain Capital Credit may cause investors in a Bain Capital Credit Partnership to hold their interests in a pass-through investment directly or indirectly through an entity that is taxable as a corporation for U.S. federal income tax purposes, including through an AIV structure in which only certain Classes of Shares hold such investment through such an entity. In such circumstances, it is possible that the returns on such investment for investors generally (including but not limited to investors holding Classes investing through an AIV structure that does not include an entity taxable as a corporation for U.S. federal income tax purposes) will be lower than such returns would have been if investors had held such pass-through investment directly as a result of reductions in proceeds on sale, liabilities for taxes or otherwise. If an AIV structure is formed for the benefit of one or more investors (and/or any limited partners of any Parallel Vehicle), the costs of utilizing any such AIV structure, including taxes, may be borne solely by the investors in the relevant Classes, or by all investors, as determined by Bain Capital Credit.

Investments in Senior Direct Lending

Certain Bain Capital Credit Clients may make investments in the senior debt of companies directly. Such investments are often negotiated directly with the company itself, with a private equity sponsor, or with another third party, as applicable. As a result, these investments are not broadly syndicated to a large, diverse group of lenders by a financial institution in the manner of bank loans, high yield bonds, or other similar assets in which Bain Capital Credit Clients invest. Bain Capital Credit Clients may be the only lenders or part of a small, concentrated group of lenders invested in this part of the company's capital structure. These investments are generally highly illiquid. There is a risk that Bain Capital Credit Clients may not be able to sell or otherwise dispose of these assets or that any such disposition may be on terms that are not favorable to the applicable Bain Capital Credit Clients.

Unitranche Loans

Certain Bain Capital Credit Clients may make investments in unitranche loans to companies. These investments are a hybrid type of financing which combines traditional senior and subordinated debt into one asset using an interest rate somewhere between the senior and subordinated interest rates that would ordinarily exist. Such loans are typically made to middle market companies. An investment in a unitranche loan has a higher risk of economic loss or default than senior debt, and unitranche lenders do not typically benefit from the priority of repayment available to senior debt investors. Companies with unitranche loans in their capital structure, furthermore, may be structured so because they cannot obtain financing through a more traditional senior and subordinated structure. These investments are therefore inherently more risky than similar companies with a more traditional capital structure, and Bain Capital Credit Clients therefore incur a greater risk of economic loss in making these investments.

Risk Surrounding New Opportunities

Bain Capital Credit from time to time considers additional investment opportunities, including but not limited to, advising new Clients and/or advising different types of investment vehicles. In addition, Bain Capital Credit from time to time considers expanding into different geographic locations. The consideration of new investment opportunities and geographic expansion presents additional risk to investors with Bain Capital Credit.

Widening Risk

For reasons not necessarily attributable to any of the risks set forth herein, there is a possibility that the prices of the securities and other financial assets in which Bain Capital Credit Clients invest will decline substantially. In particular, purchasing assets at what appear to be “undervalued” levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It is not possible to predict, or to hedge against, such “spread widening” risk.

Exit Financing

Bain Capital Credit causes certain Bain Capital Credit Clients to invest in companies that are in the process of exiting, or that have recently exited, the bankruptcy process. Post-reorganization securities typically entail a higher degree of risk than investments in securities that have not undergone a reorganization or restructuring. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If an evaluation by Bain Capital Credit of the anticipated outcome of an investment situation should prove incorrect, the relevant Bain Capital Credit Client could experience a loss.

Lender Liability Considerations and Equitable Subordination

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in

creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of Bain Capital Credit Clients' investments, a Bain Capital Credit Client could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of the other creditors of such borrower, there is a strong possibility that a court will elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Because of the nature of certain of Bain Capital Credit Clients' and their affiliates' investments, a Bain Capital Credit Client could be subject to claims from creditors of an obligor that such Bain Capital Credit Client's investments issued by such obligor should be equitably subordinated. Some of the investments of Bain Capital Credit Clients will involve investments in which the applicable Bain Capital Credit Client would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the investments of a Bain Capital Credit Client could arise without the direct involvement of such Bain Capital Credit Client.

If a Bain Capital Credit Client purchases debt securities of an affiliate in the secondary market at a discount, (i) a court might require such Bain Capital Credit Client to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (ii) such Bain Capital Credit Client might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt.

Fraudulent Conveyance and Preference Considerations

Various federal and state laws enacted for the protection of creditors often will apply to the purchase of investments by a Bain Capital Credit Client, by virtue of such Bain Capital Credit Client's role as a creditor with respect to the borrowers under such investments. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to the incurring of such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of the borrower or could allow the borrower to recover amounts previously paid by the borrower to the creditor (including to a Bain Capital Credit Client) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer of an investment, payments made on a Bain Capital Credit Client's investment could be subject to avoidance as a "preference" if made within a certain period of time (sometimes as long as one year)

before insolvency depending on a number of factors, including the amount of equity of the borrower owned by the Bain Capital Credit Client and its affiliates and any contractual arrangement between the borrower, on the one hand, and such Bain Capital Credit Client and its affiliates, on the other hand. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. Generally, however, a borrower would be considered insolvent at a particular time if the sum of its debts was greater than all of its assets at a fair valuation or if the then-present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its then-existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether a borrower was insolvent after giving effect to the incurrence of the loan or that, regardless of the method of evaluation, a court would not determine that the borrower was “insolvent” upon giving effect to such incurrence.

In general, if payments on an investment are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Bain Capital Credit Client) or from subsequent transferees of such payments, including investors in Bain Capital Credit Funds.

Participation on Creditors’ Committees

From time to time, Bain Capital Credit will participate of behalf of a Bain Capital Credit Client on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or Bain Capital Credit will seek to negotiate on behalf of a Bain Capital Credit Client directly with the debtors with respect to restructuring issues. If Bain Capital Credit does join a creditors’ committee on behalf of a Bain Capital Credit Client, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to the applicable Bain Capital Credit Client in such proceedings. By participating on such committees, Bain Capital Credit will likely be deemed to have duties to other creditors represented by the committees, which might thereby expose Bain Capital Credit Clients to liability to such other creditors who disagree with the actions.

On occasion, Bain Capital Credit will also be provided with material non-public information that would typically restrict Bain Capital Credit’s ability to trade in the company’s securities on a Bain Capital Credit Client’s behalf. While Bain Capital Credit and Bain Capital Credit Clients intend to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, Bain Capital Credit may trade in the company’s securities on a Bain Capital Credit Client’s behalf while engaged in the company’s restructuring activities. Such trading creates a risk of litigation and liability that has the potential to cause the Bain Capital Credit Client to incur significant legal fees and potential losses.

Event-Driven Special Situations

Bain Capital Credit Clients, from time to time, invest in “event-driven” special situations such as recapitalizations, spinoffs, corporate and financial restructurings, litigation or other catalyst-orientated situations. Investments in such securities are often difficult to analyze, and a Bain Capital

Credit Client could be incorrect in its assessment of the downside risk associated with an investment, thus resulting in a significant loss. Although Bain Capital Credit intends to utilize appropriate risk management strategies, such strategies cannot fully insulate Bain Capital Credit Clients from the risks inherent in their planned activities. Moreover, in certain situations, Bain Capital Credit will be unable to, or will choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

Interest Rate, Currency Exchange and Investment Risk Management

While under no obligation to do so, certain Bain Capital Credit Clients are authorized to use various investment strategies to hedge interest rate or currency exchange risks, and Bain Capital Credit may enter into hedging arrangements with a broker, a bank, or other financial organizations. Such strategies in general are usually intended to limit or reduce investment risk but can also be expected to limit or reduce the potential for profit. The hedging arrangements seek to establish other positions designed to gain from those same fluctuations in order to moderate the decline in the values of the interest rate or currency exchange. Techniques and instruments change over time as new instruments and strategies are developed or regulatory changes occur. Bain Capital Credit Clients generally 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. Bain Capital Credit may determine in its sole discretion not to hedge against certain risks, and certain risks may exist that cannot be hedged and the decision as to when and to what extent Bain Capital Credit Clients will engage in hedging transactions will depend upon a number of factors and variables, including market conditions. Accordingly, there can be no assurance that Bain Capital Credit Clients will engage in hedging transactions at any given time or from time to time, or that such transactions, if available, will be effective.

Although Bain Capital Credit intends to cause Bain Capital Credit Clients to engage in any interest rate hedging transactions and currency hedging transactions only for hedging purposes and not for speculation, 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 a Bain Capital Credit Client had an interest rate hedging transaction or currency hedging transaction not been utilized, in which case it would have been better had such Bain Capital Credit Client 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 relevant Bain Capital Credit Client 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. Additionally, a Bain Capital Credit Client's hedging arrangements that are undertaken through brokers, banks or other organizations will subject the Bain Capital Credit Client to the risk of default or insolvency of such organizations. In such event, there can be no assurance that any money advanced to such organizations would be repaid or that the Bain Capital Credit Client would have any recourse in such event of non-payment.

Bain Capital Credit Clients have in the past and may in the future enter into certain hedging and short sale transactions for the purpose of protecting the market value of an investment made by such Bain Capital Credit Client for a period of time without having to currently dispose of such investment. Such defensive hedge transactions are generally entered into when a Bain Capital Credit Client is legally restricted from selling an investment or when Bain Capital Credit otherwise determines that it is advisable to decrease its exposure to the risk of a decline in the market value of an investment. Such defensive hedging transactions often expose the relevant Bain Capital Credit Client to the counterparty's credit risk. There also can be no assurance that Bain Capital Credit will accurately assess the risk of a market value decline with respect to an investment or will advise or cause a Bain Capital Credit Client to enter into an appropriate defensive hedge transaction to protect against such risk. Furthermore, Bain Capital Credit Clients are in no event obligated to enter into any defensive hedge transaction.

Bain Capital Credit Clients, from time to time, employ various investment programs including the use of derivatives, short sales, swap transactions, currency hedging transactions, securities lending agreements and repurchase agreements. There can be no assurance that Bain Capital Credit will adopt any particular program or strategy or that, if adopted any such investment program will be undertaken successfully.

Contingent Liabilities

Bain Capital Credit Clients, from time to time, incur contingent liabilities in connection with an investment. For example, such Bain Capital Credit Client will acquire a revolving credit or delayed draw term facility that has not yet been fully drawn or will originate or make a secondary purchase of a revolving credit facility. If the borrower subsequently draws down on the facility, the applicable Bain Capital Credit Client will be obligated to fund the amounts due which amounts are required to be funded after the termination of the Bain Capital Credit Client investment period. Bain Capital Credit Clients often incur numerous other types of contingent liabilities. There can be no assurance that a Bain Capital Credit Client will adequately reserve for its contingent liabilities and that such liabilities will not have an adverse effect on a Bain Capital Credit Client.

Business and Regulatory Risks of Private Investment Funds

Legal, tax and regulatory changes could occur during the term of a Bain Capital Credit Client that may adversely affect a Bain Capital Credit Client. The regulatory environment for private investment funds and other investment vehicles is evolving, and there is a possibility that changes in securities regulations will adversely affect the value of fund interests, including by adversely affecting the value of investments held by a Bain Capital Credit Client and the ability of a Bain Capital Credit Client to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, the Commodity Futures Trade Commission ("CFTC"), other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by domestic and foreign government and judicial action. The effect of any future regulatory change on a Bain Capital Credit Client could be substantial and adverse.

Cyber Security Risk

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 Bain Capital Credit Clients 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. Successful cyber-attacks against, or security breakdowns of, Bain Capital Credit Clients, the respective General Partners (as applicable), Bain Capital Credit, Bain Capital Credit Clients' custodian and/or other third party service providers may adversely impact Bain Capital Credit Clients. For instance, cyber-attacks may interfere with the processing of transactions, impact Bain Capital Credit Clients' ability to value its assets, cause the release of private information or confidential information of Bain Capital Credit Clients, impede trading, cause reputational damage, and subject Bain Capital Credit Clients to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Bain Capital Credit Clients may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. Bain Capital Credit Clients could be negatively impacted as a result. While Bain Capital Credit Clients or Bain Capital Credit Clients' 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 Bain Capital Credit Clients invest, which could result in material adverse consequences for such issuers, and may cause Bain Capital Credit Clients' investment therein to lose value.

Item 9. Disciplinary Information

In relation to certain equity ownership reports that were inadvertently filed late in 2010 and thereafter in amendments, Bain Capital Credit, LP, in September 2014, voluntarily agreed, without admitting any wrongdoing, to pay a \$68,000 penalty as part of a settlement with the SEC. Under Section 13(d) of the Securities Exchange Act of 1934 and related rules, any person who has acquired beneficial ownership of more than 5% of certain equity securities must file, within 10 days, a disclosure statement with the SEC, and must amend its filings when material changes occur. There is no state of mind requirement for Section 13(d) reporting requirements, and the inadvertent failure to timely file a required report constitutes a violation. The filings were made with respect to equities held in Bain Capital Credit's Special Situations business. The SEC considered that Bain Capital Credit took remedial steps and recognized its cooperation in the matter. The penalty was paid by Bain Capital Credit and was not borne by any Bain Capital Credit Clients or investors in any Bain Capital Credit Client.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various entities serve as general partners of Bain Capital Credit Partnerships. One of several limited liability companies serves as the general partner or in a similar capacity of the general partner of each Bain Capital Credit Partnership.

Affiliated Advisers

Bain Capital Credit currently has affiliated advisers based in the U.S., many of which focus primarily on a different area of investment management, although such areas overlap from time to time (such advisers, 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:

- Bain Capital Credit CLO Advisors, LP, which provides investment advisory services and collateral management services to issuers of CLOs;
- 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 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 Ventures, LP, the venture capital arm of Bain Capital, which focuses on seed through late-stage growth equity investing in software, hardware, information, healthcare and technology-driven business services companies;
- BCSF Advisors, LP, which serves as the investment manager to a BDC and an interval fund, and may in the future advise or sub-advise other investment vehicles, including registered investment companies; and
- Boylston Advisors, LP, 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 Advisors, LP related persons also serve as the general partners to investment vehicles whose primary purpose is to invest in, or co-invest with, investment funds managed by Bain Capital Credit and other Affiliate Advisers for the benefit of employees and former employees of Bain Capital and its affiliates. Boylston is also registered as a Commodity Trading Advisor (“CTA”) with the 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 Bain Capital Credit and its affiliates manage.

In addition to the U.S. Affiliate Advisers, Bain Capital Private Equity (Europe), LLP, Bain Capital Credit, Ltd., and Bain Capital Investments (Europe), Ltd., are affiliates of Bain Capital Credit and are licensed as investment advisers with the United Kingdom Financial Conduct Authority (the “European Affiliate Advisers”). Bain Capital Credit (Australia), Pty. Ltd. is licensed and regulated by the Australian Securities and Investments Commission (together with the U.S. Affiliate Advisers and the European Advisers as the “Affiliate Advisers”). The non-Bain Capital Credit Affiliate Advisers’ investment activities are conducted independently, but the Affiliate Advisers may provide an extensive personal network and access to vertical industry expertise. On occasion, the Bain Capital Credit Clients may also benefit from attractive non- traditional investment opportunities from Affiliate Advisers.

Bain Capital has established other non-investment advisory related entities which 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.

Conflicts of Interest

The discussion below reflects both historical and current practices of Bain Capital Credit and Bain Capital Credit Clients and practices vary among Bain Capital Credit Clients. Please refer to the governing and/or disclosure documents of the applicable Bain Capital Credit Clients for details regarding these practices.

As a diversified investment firm, Bain Capital and its affiliates, including Bain Capital Credit, engage in a broad range of activities, including investment activities for their own account (such as co-investment vehicles) and for the account of other investment funds or accounts and provide advisory, management and other services to funds and operating companies.

The funds and accounts managed by the Affiliate Advisers are referred to as “Related Clients.” In the ordinary course of conducting its activities, the interests of a Bain Capital Credit Client will, on occasion, conflict with the interests of Bain Capital Credit, o t h e r Bain Capital Credit Clients, Related Clients or their respective affiliates.

Resolution of Conflicts

Bain Capital Credit and each of the other Affiliate Advisers will deal with all conflicts of interest using its best judgment, but in its sole discretion. When conflicts arise between a Bain Capital Credit Client and Related Clients, Bain Capital Credit will represent the interests of the Bain Capital Credit Client, and the other participating Affiliate Adviser will represent the interests of the other Related Client it advises. In resolving conflicts, Bain Capital Credit and the other Affiliate Advisers will generally consider various factors, including the interests of the course of dealing among Bain Capital Credit Clients and the Related Clients. From time to time, Bain Capital Credit and the Affiliate Advisers may determine to refer certain conflicts of interest to Bain Capital’s

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

When conflicts arise between a Bain Capital Credit Client and another Bain Capital Credit Client, Bain Capital Credit will resolve the conflict. In doing so, it will generally consider various factors, including the interests of such Bain Capital Credit Client and the other Bain Capital Credit Client with respect to the immediate issue and/or with respect to the longer term course of dealing among Bain Capital Credit Clients. In the case of all conflicts involving a Bain Capital Credit Client, Bain Capital Credit’s determination as to which factors are relevant, and the resolution of such conflicts will be made in Bain Capital Credit’s sole discretion. There can be no assurance that Bain Capital Credit will be able to resolve all conflicts in a manner that is favorable to each Bain Capital Credit Client.

While Bain Capital Credit has procedures in place designed to mitigate conflicts of interest among Bain Capital Credit Clients and other Related Clients, there can be no guarantee that these procedures will be successful.

Sources of Conflicts of Interest

There are numerous perceived and actual conflicts of interest among and between Bain Capital Credit, the Affiliate Advisers, other Related Clients and Bain Capital Credit Clients. The conflicts of interest that may be encountered by a Bain Capital Credit Client include those discussed below, although such discussion does not describe all of the conflicts that may be faced by such Bain Capital Credit Client. Other conflicts are discussed 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 arise.

Conflicts Relating to the General Partner, Bain Capital Credit and Certain Affiliate Advisers

Bain Capital Credit Personnel

Personnel responsible for managing Bain Capital Credit Clients have responsibilities with respect to other funds or accounts managed by Bain Capital Credit, BCSF Advisors, LP, and/or Bain Capital Credit CLO Advisors, LP, including funds and accounts that are raised in the future. Under resource sharing agreements, Bain Capital Credit has agreed to provide resources to BCSF Advisors, LP, and Bain Capital Credit CLO Advisors, LP, which will enable them to fulfill their obligations under the applicable Advisory Agreements. The resource sharing agreements provide that Bain Capital Credit will make available to BCSF Advisors, LP, and Bain Capital Credit CLO Advisors, LP, experienced investment professionals and access to the resources of Bain Capital Credit for purposes of evaluating, negotiating, structuring, closing and monitoring investments.

Substantial time will be spent by such officers and employees monitoring the investments of other vehicles managed by Bain Capital Credit, BCSF Advisors, LP, and Bain Capital Credit CLO Advisors, LP.

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

Advisory Services to Portfolio Companies

The other Affiliate Advisers often perform a variety of services for actual or prospective portfolio companies or other deal-related investment vehicles of the Affiliate Advisers, including financial, operational and transactional services (such as advice and consulting in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions), as well as management consulting services ("Additional Services") for, and will receive compensation from (and expenses reimbursed by), a number of entities, which may include entities in which the Bain Capital Credit Funds have interests. In connection with performance of the Additional Services, such Affiliate Adviser typically enters into a management agreement with the entity to which the Additional Services are provided. The terms of these management agreements may vary but they often extend for a significant period of time (e.g. five to ten years or more) and 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 the Bain Capital Credit Client's investment in such portfolio company. The appropriate fees for certain advisory services is determined by such Affiliate Adviser providing such Additional Services, following negotiation with management of such entity receiving such Additional Services and other investors, in consultation with lenders, prior to the investment in a portfolio company being closed. The starting point for such fee is typically based on the relevant operating metric for the such entity (e.g., EBITDA or revenue) which the Affiliate Adviser believes are indicative proxies 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 Additional Services, a conflict will exist in determination of any such fees and other related terms in the applicable management agreement with such entities. Bain Capital Credit does not participate in the negotiation or approval of these arrangements, and these fees will not be shared with Bain Capital Credit or Bain Capital Credit Clients.

The Affiliate Advisers have existing and potential advisory and other relationships with a significant number of portfolio 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 Bain Capital Credit Client has invested, competitors, suppliers or customers of the company. On occasion, an Affiliate Adviser will

recommend or cause such a third party to take actions that are adverse to a Bain Capital Credit Client or companies in which it has invested.

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 have in the past and may in the future include entities in which Bain Capital Credit Clients have interests. These fees will not be shared by Bain Capital Credit Clients or the limited partners of Bain Capital Credit Funds.

Personnel of Affiliate Advisers invest in one or more Bain Capital Credit Funds. Conflicts will arise to the extent such personnel manage other funds, the interests of which conflict with those of the Bain Capital Credit Funds.

Incentive Allocation and Valuations

Bain Capital Credit and/or the General Partner of a Bain Capital Credit Partnership generally is entitled to carried interest under the terms of the Partnership Agreement. Bain Capital Credit is also entitled to an incentive fee under the terms of its collateral management agreements with CLOs. The existence of carried interest and/or the incentive fee could create an incentive for Bain Capital Credit to make more speculative investments than it would otherwise make in the absence of performance-based compensation. Bain Capital Credit values the investments held by Bain Capital Credit Clients. If these valuations are incorrect, the amount and timing of the payment of carried interest could be incorrect. In addition, the method of calculating the carried interest could result in conflicts of interest between Bain Capital Credit, on the one hand, and the investors in Bain Capital Credit Clients on the other hand, with respect to the management, disposition, and valuation of investments. Bain Capital Credit also may have an incentive to hold on to investments that have poor prospects of improving in order to receive ongoing management fees and a larger carried interest.

The process of valuing securities for which reliable market quotations are not available or used is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. In addition, the applicable General Partner may or may not value the investments consistently with how the same or similar investments are valued by the General Partners of the other Related Clients. Bain Capital Credit may have an incentive to value an asset internally rather than subject to a third party valuation agent.

The payment by Bain Capital Credit Clients of carried interest at varying rates may create an incentive for Bain Capital Credit to disproportionately allocate time, services or functions to Bain Capital Credit Clients paying carried interest at a higher rate.

Conflicts Relating to the Purchase and Sale of Investments

Allocation of Investment Opportunities

Bain Capital Credit and its subsidiaries sponsor and manage various investment vehicles, and Bain Capital Credit expects to form new investment vehicles in the future. Bain Capital Credit seeks to allocate investment opportunities among Bain Capital Credit Clients in a manner consistent with its fiduciary obligations and overall fairness principles. In determining which Bain Capital Credit Clients will participate in investment opportunities, Bain Capital Credit seeks to act in the best interests of each of the Bain Capital Credit Clients, and to place the interests of Bain Capital Credit Clients above those of Bain Capital Credit and its affiliates. Bain Capital Credit Clients have generally vested the authority to make investment decisions in the sole discretion of Bain Capital Credit (including the relevant General Partners) and this authority is, in turn, delegated to particular portfolio managers for various strategies employed at Bain Capital Credit. Bain Capital Credit's Credit Committee is generally responsible for approving investments that are appropriate for investment by the Bain Capital Credit Clients. Portfolio managers then make allocation decisions to and among their Clients. The portfolio managers, in consultation with the Credit Committee and other investment professionals, exercise discretion in determining which approved investments are suitable for their particular strategies and Bain Capital Credit Clients.

Bain Capital Credit seeks to provide fair and equitable treatment — in good faith and to the extent reasonably possible — to Bain Capital Credit Clients sharing similar investment mandates and guidelines. However, because of differences in account size, cash consideration, tax restrictions, regulatory restrictions, liquidity, the existence of predecessor and successor vehicles, the existence of vehicles with multi-strategy mandates, and other considerations, it is expected that not all Bain Capital Credit Clients pursuing a similar strategy will participate in every investment opportunity. There also are certain circumstances, including when a new offering is oversubscribed in the market and Bain Capital Credit receives a smaller than preferred allocation, that Bain Capital Credit may determine consistent with its fiduciary duty that the transaction should not be allocated to every investment vehicle. Bain Capital Credit shall not make investment allocation determinations based on the amount or structure of any compensation that could be realized by Bain Capital Credit or its affiliates.

1940 Act Funds and other Bain Capital Credit Clients can invest alongside each other in certain circumstances when doing so is consistent with their investment strategy as well as applicable law and SEC staff interpretations. In addition, certain 1940 Act Funds and other Bain Capital Credit Clients can invest alongside each other pursuant to exemptive relief granted by the SEC, most recently amended on 22 March, 2018. This exemptive relief enumerates various conditions that need to be followed by the participating investment vehicles. In some circumstances, due to regulatory considerations related to the 1940 Act, the 1940 Act Funds may not be considered eligible Bain Capital Credit Clients for allocation purposes. As a result, the 1940 Act Funds may not be able to participate in as many investments as the non-1940 Act Funds. In limited circumstances, non-1940 Act Funds also may not be able to participate in an investment if 1940 Act Funds are participating. Similarly, there may be certain circumstances in which 1940 Act and non-1940 Act vehicles participate in the same transaction and — due to subsequent events — cannot participate in additional transactions in the same issuer. Conflicts also may arise if the 1940 Act vehicles hold different securities in an issuer's capital structure.

In addition, Bain Capital Credit currently has, and may in the future, enter into joint venture arrangements with third parties which could require it to split investment allocations with those third parties. While Bain Capital Credit believes such arrangements present Bain Capital Credit Clients with additional opportunities that may otherwise not have been present, Bain Capital Credit Clients could receive a smaller allocation of the applicable investment than if it had pursued the investment opportunity without a third party. In limited circumstances, Bain Capital Credit also may allocate investments to prospective investment vehicles that are imminently closing. Such allocations could limit or reduce investment opportunities for existing Bain Capital Credit Clients.

Allocation of Investment Opportunities Among Affiliate Advisers

Affiliated Advisers also sponsor and manage various investment vehicles, and expect to form additional vehicles in the future. From time to time, other Related Clients will invest in assets eligible for purchase by a Bain Capital Credit Client. The investment policies, fee arrangements, carried interest, investments owned by employees of Bain Capital Credit or the other Affiliate Advisers, and other circumstances of such Bain Capital Credit Client, often vary from those of other Related Clients. These relationships are likely to present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to the Bain Capital Credit Client.

Subject to any requirements of the governing instruments of Bain Capital Credit Clients and other Related Clients, opportunities for investments will be allocated between a Bain Capital Credit Client and other Related Clients in a manner that Bain Capital Credit and the other Affiliate Advisers, as well as the Related Clients' respective general partners, believe in their sole discretion to be appropriate given factors they believe to be relevant. Such factors will generally include, but not be limited to, the investment objectives, geography, nature of the target's business, scale, transaction sourcing, liquidity, diversification, lender covenants and other limitations of Bain Capital Credit Clients and other Related Clients, and the amount of capital each then has available for such investment, any exclusive rights to investment opportunities that may have been granted to other Bain Capital Credit Clients or Related Clients, the expected duration of the investment in light of the term of the other Bain Capital Credit Clients and the other Related Clients, regulatory and tax considerations (including those related to the 1940 Act), the degree of risk arising from an investment, the expected investment return and such other factors as Bain Capital Credit and Bain Capital deems to be appropriate. In general, while investments sourced by an Affiliate Adviser that are appropriate for Related Clients advised by such Affiliate Adviser will first be made available to such other Related Clients, Bain Capital Credit and the other Affiliate Advisers have substantial discretion in allocating investment opportunities. The foregoing methodology for allocation of investment opportunities will likely vary over time and will be on a case-by-case basis.

Bain Capital Credit also reserves the right to make independent decisions with regard to when a Bain Capital Credit Client should purchase and sell investments, and the other Affiliate Advisers reserve similar rights with respect to the Related Clients that they advise. As a result, from time to time a Bain Capital Credit Client will be purchasing an investment at a time when another Related Client is selling the same or a similar investment, or vice versa. In the past and possibly in the future a Bain Capital Credit Client has invested in opportunities that other Related Clients have declined,

and likewise, a Bain Capital Credit Client has declined to invest in opportunities in which other Related Clients have invested.

Investment in a Bain Capital Credit Partnership by Related Clients

Certain Related Clients will invest in a Bain Capital Credit Partnership as limited partners. Bain Capital Credit will, from time to time and in its sole discretion, provide the Affiliate Adviser of any such Related Clients certain information about the applicable Bain Capital Credit Partnership'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 Client with respect to hedging its long exposure to certain investment sectors and geographies, and not for the purpose of making any other investment recommendations to such Related Client or for any other purpose and it must agree not to disclose such information to any other person.

From time to time, a Bain Capital Credit Partnership will waive advisory fees and performance allocations, if applicable, with respect to Related Clients that are limited partners in such Bain Capital Credit Partnership. On occasion, Affiliate Advisers will receive advisory fees and performance allocations from the Related Clients. From time to time, the Related Clients will own equity in issuers of the loans to be held by a Bain Capital Credit Client, which will create a conflict of interest if the loans become distressed.

Investments Alongside Bain Capital Credit Clients and the Other Related Clients

Conflicts also arise when a Bain Capital Credit Client makes investments in conjunction with an investment made by other Related Clients, or in a transaction where another Related Client has already made an investment (including the investment by Bain Capital Credit Clients in the initial syndication of a loan made to a Related Client portfolio company). Investment opportunities have in the past and may in the future be appropriate for a Bain Capital Credit Client and certain Related Clients at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts also arise in determining the terms of investments, especially where Bain Capital Credit and/or other Affiliate Advisers control the structure of a transaction and its capitalization. For example, if a Bain Capital Credit Client is investing in debt securities, it will have an interest in structuring debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than another Related Client, as an equity owner, may desire and conflicts will arise if the debt securities become distressed. Another Related Client that holds an equity interest in a portfolio company may have a conflict of interest in recommending that such portfolio company take, or refrain from taking, certain actions with respect to debt securities held by a Bain Capital Credit Client or another Related Client. In addition, a conflict will arise in allocating an investment opportunity if the potential target could be acquired by another Bain Capital Credit Client or a portfolio company of another Bain Capital Credit Client. There can be no assurance that the return on a Bain Capital Credit Client's investments will not be less than the returns obtained by other Related Clients participating in the transaction. Employees and related persons of Bain Capital Credit and the other Affiliate Advisers have made or may make large capital investments in or alongside certain other Related Clients, and

therefore will have additional conflicting interests in connection with joint investments. Each Affiliate Adviser will determine all matters relating to structuring transactions and capitalizing portfolio companies, including the amount and terms of securities and allocation of securities among the involved Related Clients, using its best judgment considering all factors it deems relevant, but in its sole discretion. The allocation of securities as among Bain Capital Credit Clients and as between Bain Capital Credit Clients and other Related Clients will likely be affected by a fund's stage in its life cycle.

Co-Investments Alongside the Other Related Clients

Certain Bain Capital Credit Clients will, from time to time, make co-investments in transactions sourced by Bain Capital Private Equity, LP, Bain Capital Ventures, LP, Bain Capital Public Equity, LP, Bain Capital Double Impact, Bain Capital Life Sciences, Bain Capital Real Estate, or other Affiliate Advisers. When such a Related Client makes a private equity and other investment, the applicable Co-Investment Adviser will often perform management, advisory, investment banking, financial advisory and other services for, and will receive fees from, actual or prospective portfolio companies. Additionally, a portfolio company of a Bain Capital Credit Client advised by a Co-Investment Adviser will generally reimburse such Co-Investment Adviser for expenses incurred by such Co-Investment Adviser in connection with its performance of services for such portfolio company. Although a Co-Investment Adviser receives these fees and reimbursements from actual or prospective portfolio companies, the opportunity to earn these fees creates a conflict of interest between the Co-Investment Adviser, on the one hand, and, to the extent such Bain Capital Credit Client co-invests in the transaction, the Bain Capital Credit Client on the other hand, because the amounts of such fees and reimbursements are often substantial and the Bain Capital Credit Client will not share in such fees and reimbursements.

Third Party Co-Investment Opportunities

Bain Capital Credit anticipates that co-investment opportunities will arise with respect to future Bain Capital Credit Clients' investments. The availability and amount of co-investment opportunities with respect to any particular Bain Capital Credit Client investment is initially dependent on the determination of the appropriate amount of the investment that should be allocated to the applicable Bain Capital Credit Client. Where the size of the investment opportunity exceeds the amount allocated to such Bain Capital Credit Client, the amount of such excess that can be offered as a co-investment opportunity may be limited by, among other things, the amount allocated to co-sponsors, strategic investors or other persons whose investment was influential in obtaining or closing the investment, or who provide a benefit or potential benefit to the potential portfolio company which may include certain limited partners (collectively, "Co-Underwriters"). Co-Underwriters are generally expected to be involved from the beginning of the investment process, share in due diligence costs and invest alongside the applicable Bain Capital Credit Client. To the extent that, after the foregoing considerations, Bain Capital Credit has a co-investment opportunity to offer, Bain Capital Credit intends to offer the remaining opportunity, in its sole discretion, to limited partners or other investors who have indicated to Bain Capital Credit and/or an affiliate an

interest in participating in syndicated co-investment opportunities and/or any Related Clients (each, a “Co-Investor” and collectively, the “Co-Investors”).

Notwithstanding any side letters or other similar arrangements, no investor in a Bain Capital Credit Client has a right to participate in or 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 Bain Capital Credit. Such co-investment opportunities are typically offered to some and not other Bain Capital Credit Client investors, in the sole discretion of Bain Capital Credit, and Bain Capital Credit Client investors 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 a co-investment opportunity at the same time as the Bain Capital Credit Clients, or purchase such interests from the applicable Bain Capital Credit Clients after such Bain Capital Credit Clients have consummated their investment in the co-investment opportunity (also known as a post-closing sell-down or transfer).

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, Bain Capital Credit considers some or all of a wide range of factors, which may include, but are not limited to, the following:

- Bain Capital Credit’s evaluation of the potential Co-Investor’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-Investor;
- Bain Capital Credit’s perception of the ability of that potential Co-Investor (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Bain Capital Credit Clients without harming or otherwise prejudicing such Bain Capital Credit Clients, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Whether Bain Capital Credit 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 Bain Capital Credit Clients or future Bain Capital Credit Clients, Bain Capital Credit, the Affiliate Advisers or the applicable co-investment opportunity;
- Bain Capital Credit’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 Bain Capital Credit;
- Bain Capital Credit’s evaluation of whether the profile or characteristics of the potential Co-Investor may have a positive or negative impact on the viability, prospects or terms of the proposed investment opportunity and the ability of the applicable Bain Capital Credit Client to take advantage of such opportunity (for example, if the potential Co-Investor is involved in the same industry as a prospective portfolio company in which a Bain Capital Credit Client wishes to invest, or if the identity of the potential Co-Investor, or the jurisdiction in

which the potential co-investor is based, may affect the terms, structure, or cause other issues with respect to a Bain Capital Credit Client's participation in such investment opportunity);

- Bain Capital Credit's evaluation of whether the investment opportunity may subject the potential portfolio company, the Bain Capital Credit Clients 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 Bain Capital Credit 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.

Bain Capital Credit's exercise of its discretion in allocating investment opportunities among the applicable Bain Capital Credit Clients and the Co-Investors may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While Bain Capital Credit 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 Bain Capital Credit Client'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 Bain Capital Credit may be subject, discussed herein, did not exist.

Co-investment opportunities will generally be made available through limited partnerships or other entities formed and controlled by Bain Capital Credit or its affiliates. The terms of any such co-investment will be set by Bain Capital Credit in its discretion, subject to acceptance by each potential Co-Investor, and may include preferable terms and conditions offered only to one or more Co-Investors (including terms and conditions offered only to Co-Underwriters). Bain Capital Credit or its affiliates may charge Co-Investors a carried interest and/or a management fee with respect to an investment in a co-investment vehicle. However, even if a carried interest and/or a management fee is charged, the amount of such carried interest and/or fee will generally be less than the amounts borne by investors with respect to an investment by a Bain Capital Credit Client. Further, Bain Capital Credit Clients generally are expected to have a higher expense ratio than the expense ratio associated with any particular co-investment. In particular, if a prospective Bain Capital Credit Client investment fails to complete, the costs associated with investigating and pursuing such investment will be borne by such Bain Capital Credit Client, notwithstanding that if such investment were completed, a portion of such investment would be taken up by Co-Investors. Accordingly, investors that participate in co-investments may have significantly higher net returns from their investments than those that do not, or cannot, so participate.

A Bain Capital Credit Client may sell down an interest in its investments to Co-Investors at fair market value. Subject to the applicable limited partnership agreements (or analogous organizational documents), Bain Capital Credit may charge a Co-Investor (such as an investor or a third party) interest costs for the time period between the closing of the applicable Bain Capital Credit Clients' investment to the date of the transfer of interests in such portfolio company to the applicable Co-Investor. In addition, in the event Bain Capital Credit determines to offer an investment opportunity to Co-Investors, there can be no assurance that Bain Capital Credit will be successful in offering

such co-investment opportunity to any potential Co-Investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on terms and conditions that will be preferable for a Bain Capital Credit Client or that expenses incurred by a Bain Capital Credit Client with respect to the syndication of the co-investment will not be substantial. In the event that Bain Capital Credit is not successful in offering a co-investment opportunity to potential Co-Investors, in whole or in part, such Bain Capital Credit Client will consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make a Bain Capital Credit Client more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Bain Capital Credit Client which is not syndicated to Co-Investors as originally anticipated could significantly reduce such Bain Capital Credit Client's overall investment returns.

Investment in Other Bain Capital Credit Clients

Bain Capital Credit Clients have in the past and may in the future invest in other funds or structured products sponsored by Bain Capital Credit or other Affiliate Advisers. A Bain Capital Credit Client's interest in any such fund or structured product would be subject to the terms and conditions of such fund or product, including fees, carried interest and other Incentive Fees, provided that the general partner of, and the Affiliate Adviser to, such fund or product, may in their sole discretion waive all or a portion of such fees, carried interest and Incentive Fees with respect to the Bain Capital Credit Client.

Bain Capital Credit, its advisory affiliates, or one or more Bain Capital Credit Clients may also invest in one or more classes of notes of Bain Capital Credit managed CLOs. Such investment could create an incentive for Bain Capital Credit to cause the CLO to take, or to refrain from taking, certain actions that could be adverse to the interests of certain holders of CLO notes. Such actions may include, but are not limited to, causing or not causing a CLO to reset, refinance or reprice, or redeem.

Allocation of Fees and Expenses

The appropriate allocation among Bain Capital Credit Clients of expenses and fees generated in the course of evaluating and making investments often will not be clear, especially where more than one Bain Capital Credit Client participates. For instance, if a Bain Capital Credit Client and another Bain Capital Credit Client or Related Client are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Bain Capital Credit Clients or Related Clients (such as expenses of common counsel and other professionals) will be made in good faith. When Bain Capital Credit and the other Affiliate Advisers incur expenses that were related to the Bain Capital Credit Client and/or other Related Clients, they will typically allocate such expenses among all Bain Capital Credit Clients and other Related Clients eligible to reimburse expenses of the applicable nature. In general, Bain Capital Credit and each other affected 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 Bain Capital Credit that are deemed inappropriate and rejected for investment by Bain Capital Credit Clients have in the past and may in the future be offered to the Affiliate Advisers for investment by the Related Clients or for investment directly by Affiliated Adviser personnel. The Related Clients or Affiliated Adviser personnel will, for some investments, benefit from the evaluation and due diligence undertaken by Bain Capital Credit on behalf of Bain Capital Credit Clients. In such circumstances, the Related Clients and/or Affiliated Adviser personnel that have invested will be allocated the expenses, as determined in good faith by the applicable General Partners of the Related Clients, incurred by Bain Capital Credit and/or the Related Clients as they relate to such investment.

It is possible that Related Clients and/or Affiliate Advisers may benefit from research materials initially procured in the course of evaluating potential investments on behalf of Bain Capital Credit Clients without agreeing to share expenses with Bain Capital Credit Clients for such research materials.

Multiple Levels of Fees & Expenses

A Bain Capital Credit Client may invest in a pooled investment vehicle that is advised by a third party manager, including registered investment companies (“Underlying Fund”). In such a case, the Bain Capital Credit Client could bear not only the direct management fees and other expenses associated with their investment vehicle, but also the expenses and fees associated with the investment in the Underlying Fund. While often such fees and expenses are offset in accordance with Bain Capital Credit Client documents, investors could be charged by both the Underlying Fund and Bain Capital Credit.

The valuation of a Bain Capital Credit Client’s investment in an Underlying Fund in many cases will be based on information provided by the third party managers of the Underlying Funds. Certain securities in which the Underlying Funds invest may not have a readily ascertainable market price and will be valued by the third party managers of the Underlying Funds or their administrators. In this regard, a third party manager may face a conflict of interest in valuing the securities, as its value will affect the third party manager’s compensation, both with respect to fixed asset-based fees, as well as performance-based fees and allocations. Such compensation may be based on calculations of realized and unrealized gains made by the third party manager without independent oversight. In addition, Bain Capital Credit Clients do not control any of the third party managers, their choice of investments, or any other of their investment decisions.

Affiliated Servicing Businesses

Affiliates of Bain Capital Credit and portfolio companies of Bain Capital Credit Clients and Related Clients are engaged in loan and other asset servicing businesses. In connection with their activities, such servicing businesses may receive certain fees, including, arranger, brokerage, placement, syndication, solicitation or underwriting, agency, origination, sourcing, structuring, collateral management, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, and other fees received as part of such servicing businesses. Such fees may be charged in various ways, including on an arms’ length basis. Bain Capital Credit Clients, Bain Capital Credit Clients’ portfolio companies or its investments expect to engage such servicing businesses and Bain Capital Credit Clients would bear the fees of such servicing businesses. None

of these fees will be applied to reduce the Advisory Fee or other fees payable by Bain Capital Credit Clients or any of their investments or otherwise directly or indirectly benefit Bain Capital Credit Clients. Such fees will be borne by Bain Capital Credit Clients, portfolio companies or by the Bain Capital Credit Clients' investments, as applicable. These items may vary per Bain Capital Credit Client and are subject to the applicable offering materials, agreements, and governing documents of each Bain Capital Credit Client.

Cross Transactions

From time to time, Bain Capital Credit will cause a Bain Capital Credit Client to purchase investments from, or sell investments to, another Bain Capital Credit Client. Such transactions could create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Bain Capital Credit Client may not receive the best price otherwise possible, or Bain Capital Credit might have an incentive to improve the performance of one Bain Capital Credit Client by selling underperforming assets to another Bain Capital Credit Client. Additionally, in connection with such transactions, Bain Capital Credit (i) might have significant investments, or intentions to invest, in the Bain Capital Credit Client that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment. Bain Capital Credit and its affiliates may receive management or other fees or profits in connection with their management of the relevant Bain Capital Credit Clients involved in such a transaction. Conflicts will also arise in connection with loans or other assets originated by a Bain Capital Credit Client and sold to other Bain Capital Credit Clients. On occasion, a Bain Capital Credit Client will sell a portion of any loans or other assets originated by a Bain Capital Credit Client; thus, a Bain Capital Credit Client's initial participation in such loans or other assets will be greater than it would have been if such a Bain Capital Credit Client did not expect to ultimately sell part of such loans or other assets to another Bain Capital Credit Client. To the extent a Bain Capital Credit Client purchases loans or other assets in order to sell a portion, a Bain Capital Credit Client will bear the risk of changes in the value of such loans or other assets during the period it holds such loans or other amounts and the amount of capital available to a Bain Capital Credit Client to pursue other investment opportunities will be reduced. The valuation of loans or other assets to be transferred from a Bain Capital Credit Client to other Bain Capital Credit Clients involves inherent conflicts of interest for Bain Capital Credit, including but not limited to, assets that may be illiquid or hard to value. In addition, certain 1940 Act Funds may participate in cross transactions provided certain conditions are met and that these conditions are consistent with SEC guidance.

Principal Transactions

Section 206 under 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 client (what is commonly referred to as a "principal transaction"), Bain Capital Credit must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with Bain Capital Credit's management of Bain Capital Credit Clients or on occasions otherwise, Bain Capital Credit and its affiliates from time to time engage in principal transactions. Bain Capital Credit has established certain policies and procedures to comply with the requirements of the Advisers Act and the 1940 Act as they relate to principal

transactions, including, among other things, that disclosures required by Section 206 of the Advisers Act be made to the applicable Bain Capital Credit Client regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Conflicts Relating to Existing Investments

Affiliated Investments

Further conflicts will arise once a Bain Capital Credit Client has made an investment in a company in which another Related Client has also invested, particularly where a Bain Capital Credit Client or other Related Clients invest in different types of securities. For example, questions have in the past and may in the future arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. 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 work-out or restructuring, raise conflicts of interest. The involvement of Affiliate Advisers at both the equity and debt levels could inhibit strategic information exchanges among other creditors. In certain circumstances, the other Bain Capital Credit Clients or the other Related Clients will be prohibited from exercising voting or other rights, and will be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Bain Capital Credit Client or other Related Clients may or may not provide such additional capital, and if provided the Bain Capital Credit Client and each other Related Client will supply such additional capital in such amounts, if any, as determined by Bain Capital Credit and the other relevant Affiliate Advisers in their sole discretion. Bain Capital Credit 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 boards or investment committees of the participating Related Clients.

Proxy Voting

Bain Capital Credit intends to vote proxies on behalf of Bain Capital Credit Clients either in accordance with management recommendations, or otherwise in the best interests of Bain Capital Credit Clients, taking into account such factors as it deems relevant in its sole discretion. Conflicts of interest may arise in voting proxies if a Bain Capital Credit Client holds different interests (e.g., long vs. short) in a company than other Bain Capital Credit Clients.

Follow-on Investments

Investments to finance follow-on acquisitions are a regular part of the business of the Bain Capital Credit Clients and Related Clients. Follow-on investments present conflicts of interest, including determination of the equity component and other terms of the new financing, and, if the Bain Capital Credit Client or Related Client making the follow-on investment has not previously invested in the relevant portfolio company, raise the risk of using such other Related Client's assets to support positions taken by other Related Clients. In addition, from time to time, a Bain Capital Credit Client will participate in releveraging and recapitalization transactions involving portfolio companies in which other Related Clients have invested or will invest. Recapitalization transactions

will present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than 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. Bain Capital Credit 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 respective advisory boards or investment committees of the participating Related Clients.

Equity Investments

Bain Capital Credit Clients and/or other Related Clients in many cases will own a significant or controlling percentage of the common equity of a portfolio company which, depending upon the amount of equity owned by it, any relevant contractual arrangements between such portfolio company and the participating funds, and other relevant factual circumstances, could result in an extension to of bankruptcy preference periods with respect to payments made to a Bain Capital Credit Client and/or subordination of its claims to other creditors and/or recharacterization of debt claims into equity claims. In addition, because of their equity ownership, representation on the boards of directors, and/or contractual rights, there is a risk that Bain Capital Credit Clients and other Related Clients will be thought to control, participate in the management of or influence the conduct of portfolio companies. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a Bain Capital Credit Client to claims by a portfolio company, its security holders, its creditors or governmental agencies.

Debt Investments

If a Bain Capital Credit Client purchases debt securities of an affiliate in the secondary market at a discount, (a) a court might require the Bain Capital Credit Client to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities, or (b) the Bain Capital Credit Client might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

Private Placements

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

Indentures

If a Bain Capital Credit Client directly or indirectly controls or is under common control with issuers of securities held by such Bain Capital Credit Client, which were issued under an indenture qualified under the Trust Indenture Act of 1939 (the “Trust Indenture Act”), especially where another Related Client is deemed to control the issuer of the securities, then the securities held by the Bain Capital Credit Client would be required by the Trust Indenture Act to be disregarded for the purposes of determining whether the holders of the required principal amount of such issuer’s securities have concurred in certain directions or consents.

Incentive to Recommend Affiliate Products

The Affiliate Advisers have an incentive to recommend the products or services of certain investors in other Bain Capital Credit Clients or Related Clients or their related businesses to other Bain Capital Credit Clients or Related Clients or their portfolio companies, even though they may not necessarily be the best available to other Bain Capital Credit Clients or Related Clients or the portfolio companies.

The General Partner of a Bain Capital Credit Partnership and the General Partners of the other Related Clients will, from time to time, utilize the services of limited partners and their affiliates on an arm’s length basis, as they deem appropriate.

Capital Structure

Bain Capital Credit Clients may invest in multiple parts of an issuer’s capital structure, including different tranches or types of debt instruments issued by the company. From time to time, one or more Bain Capital Credit Clients may own assets in a different part of the capital structure than one or more other Bain Capital Credit Clients. Conflicts could arise when these companies go into bankruptcy, undergo a restructuring, or experience any other type of credit event as Bain Capital Credit Clients could have differing incentives and objectives during a negotiation process. In particular, if Bain Capital Credit Clients are more heavily invested in one part of the capital structure than another, then Bain Capital Credit may be incentivized to negotiate in the best interest of these Clients, to the potential detriment of those Bain Capital Credit Clients invested in a separate part of the company’s capital structure.

Other Conflicts of Interest

Legal Counsel

The Related Clients will generally engage common legal counsel and other advisers to represent all of the Related Clients in a particular transaction, including a transaction in which the Clients 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 a Bain Capital Credit Client and other Related Clients, such as in a work-out or other distressed situation, separate representation may become desirable, in which case Bain Capital Credit and the other Affiliate Advisers may hire separate counsel in their sole discretion, and in litigation and other circumstances, separate representation may be required. Partners of the law firms engaged to represent the Related Clients are investors in certain Related Clients, and could also represent one

or more portfolio companies or limited partners of the Related Clients. Additionally, Bain Capital Credit and Bain Capital Credit Clients and the portfolio companies may engage other common service providers. In such circumstances, there may be a conflict of interest between Bain Capital Credit, on the one hand, and Bain Capital Credit Clients and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Bain Capital Credit may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by Bain Capital Credit Clients and/or the portfolio companies.

Side Letters

Bain Capital Credit, its affiliates, and/or the applicable General Partner of a Bain Capital Credit Partnership, without any further act, approval or vote of any investor in a Bain Capital Credit Partnership or Bain Capital Credit Client, often enter into certain side letter or similar arrangements with certain investors in a Bain Capital Credit Partnership providing such investors with different or preferential rights or terms, including (i) different economic, adviser revenue sharing, and/or other rights (including a most favored nation right to receive the same rights or arrangements offered to other investors that made an equal or lower capital commitment to the Bain Capital Credit Partnership, subject to certain exceptions, including the right to appoint a representative to the Advisory Board, as applicable, consents to the use of confidential information, additional reporting obligations, agreements to refrain from disclosing the names or marks of certain investors, rights based on particular circumstances of an investor and any rights established in favor of another investor that invests in the Bain Capital Credit Partnership as a part of a larger investment program or managed account with Bain Capital); (ii) certain investors receiving information more frequently than, or not otherwise provided to, investors in the Bain Capital Credit Partnership generally; (iii) the ability of certain investors to provide selected confidential information to regulators or other recipients; (iv) modifications to an investor's subscription agreement (or other similar agreement); (v) agreements to permit representatives of certain investors to serve on the Advisory Board of the Bain Capital Credit Partnership, if applicable; (vi) the right to be offered a co-investment opportunity; (vii) the reduction or elimination of an investor's capital commitment; (viii) the termination of an investor's interest in the Bain Capital Credit Partnership; (ix) consent rights; (x) arrangements with respect to waivers of certain obligations, including indemnification obligations set forth in an investor's subscription agreement (or other similar agreement); (xi) agreements by Bain Capital Credit or the General Partner to refrain from exercising certain remedies or taking certain actions against an investor (including in connection with a default by such investor), if any law, rule or regulation applicable to such investor prohibits such investor from agreeing to permit Bain Capital Credit or such General Partner to exercise such remedies or take such actions; and (xii) any other matter deemed appropriate by Bain Capital Credit, the Bain Capital Credit Partnership or the General Partner. Except as otherwise agreed with an investor, Bain Capital Credit or Bain Capital Credit Clients are not required to disclose the terms of side letter arrangements with other investors.

Procurement

There may be situations in which Bain Capital Credit is in a position of facilitating or otherwise making available portfolio company services and, as a result, certain portfolio companies of a Bain

Capital Credit Client may be counterparties or participants in agreements, transactions or other arrangements with the portfolio companies of the Related Client. Such arrangements may involve favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. Bain Capital Credit could be eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and, to the extent permitted by applicable law, including ERISA, any discounted amounts will not be subject to offsets against the advisory fee or otherwise shared with the fund investors. In recommending the services of a portfolio company, Bain Capital Credit has a conflict of interest in maintaining the goodwill between it and the portfolio company and facilitating or otherwise making available products or services of one portfolio company, even though such products or services may not necessarily be the best available for other portfolio companies. The benefits received by a portfolio company providing a service may be greater than those received by another portfolio company receiving such service.

Diverse Investor Base of Bain Capital Credit Clients

Bain Capital Credit Clients and other Related Clients have tax exempt, taxable, U.S., foreign and other investors, whereas most members of the General Partner and of the Bain Capital Credit Partnerships and the General Partners of the other Related Clients and most members of Bain Capital Credit are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax exempt investors, conflicts among the interests of U.S. and non-U.S. investors, and conflicts between the interests of investors and management with regard to the Bain Capital Credit Clients. For these reasons, among others, decisions have in the past and may in the future be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Bain Capital Credit Client and/or Related Client, Bain Capital Credit and the Affiliate Advisers will consider the investment and tax objectives of the applicable Bain Capital Credit Client and/or Related Client, not the investment, tax and other objectives of any investor individually.

Access to Information

The partnership agreements permit the General Partners to withhold information from certain limited partners in certain circumstances. For instance, certain information will generally be withheld from limited partners that are subject to the U.S. Freedom of Information Act or similar requirements. The General Partners will at times elect to withhold certain information to such limited partners for reasons relating to the General Partners' public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

At times, the Bain Capital Credit Funds will provide for the right to receive certain additional information not available to other investors. Additionally, Bain Capital Credit may establish separate accounts with portfolios significantly similar to those of the Bain Capital Credit Funds. Consequently, the relevant separate account client will have access to information about such portfolio holdings before investors in the Bain Capital Credit Funds.

Investment Advisory Board

Certain Bain Capital Credit Clients have established an Advisory Board. Members of the Advisory Board (the “AB Members”) may have direct or indirect interests in the activities of Bain Capital Credit and its affiliates or in investments and instruments, in some cases similar to those in which the Investment Adviser seeks to invest on behalf of Bain Capital Credit Clients. An AB Member is under no obligation to act in the best interests of the Bain Capital Credit Clients as a whole. This will result in potential conflicts of interest. In addition, AB Members generally receive information regarding the proposed investment activities of Bain Capital Credit Clients that is not generally available to the public or other limited partners of Bain Capital Credit Clients. There will be no obligation on the part of any AB Member to make available for use by Bain Capital Credit Clients any information or strategies known to or developed by it and, in certain cases, they will be prohibited from doing so.

Consent by the Advisory Board to any matter determined by the Investment Adviser to require the consent of Bain Capital Credit Clients under the Advisers Act, or to any other matter presented to the Advisory Board by the Investment Adviser for consent, shall be deemed to constitute the consent of Bain Capital Credit Clients. Each Limited Partner is deemed to have consented to the delegation to the Advisory Board of any such consent otherwise required of Bain Capital Credit Clients. In certain cases, consent of members of the Advisory Board will be deemed to be given in a particular case if the members do not expressly object to or disapprove a transaction for which Advisory Board consent is being sought.

Certain members of Bain Capital Credit Clients’ advisory board are, or in the future may be, officers or directors of, or otherwise affiliated with, limited partners of or investors in the Related Clients. The General Partner of a Bain Capital Credit Partnership and the General Partners of other Related Clients (if applicable) will, from time to time, utilize the services of Separate Account Clients or limited partners of or investors in the Related Clients and their affiliates on an arm’s length basis, as they deem appropriate.

Material, Non-Public Information; Trading Restrictions

From time to time, Bain Capital Credit or another Affiliate Adviser will come into possession of material, non-public information, and such information may limit the ability of the Bain Capital Credit Client to buy and sell investments. Bain Capital generally maintains “ethical walls” between its capital markets businesses (including Bain Capital Credit) and its private businesses. Although Bain Capital currently maintains these ethical walls which reduce the likelihood that Bain Capital Credit will be deemed to possess material, non-public information possessed by other Affiliate Advisers, there is no guarantee that Bain Capital will maintain ethical walls for the life of the Bain Capital Credit Client. Furthermore, Bain Capital Credit 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 sole discretion taking into account all factors it deems relevant in the collective interest of Bain Capital Credit and the other Affiliate Advisers. In such cases, Bain Capital Credit Clients and other Related Clients 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 the Bain Capital Credit Client to buy and sell investments. In addition, Bain Capital Credit 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 Bain Capital Credit Client. Moreover, sometimes Bain Capital Credit will receive confidential information on an issuer that a Bain Capital Credit Client holds, which may then restrict the Bain Capital Credit Client and cause the asset to become illiquid. In some circumstances, Bain Capital Credit may not pursue an opportunity because doing so may restrict the Bain Capital Credit Client, and this may conflict with the interests of other Bain Capital Credit Clients.

In addition to the above, Bain Capital Credit and the other Affiliate Advisers may establish protocols and controls to facilitate the ability of specific personnel to cross ethical walls more frequently or by default for certain companies when these personnel are not primarily involved in the trading of public securities. Such protocols and controls may result in an increased risk of restriction in one or more issuers and therefore a more limited ability of Bain Capital Credit Clients to buy and sell investments.

Bain Capital Credit generally treats any information received by one member of Bain Capital Credit as distributed to all members of Bain Capital Credit. However, consistent with its fiduciary duties, there are certain limited circumstances in which Bain Capital Credit establishes internal information barriers in which some Bain Capital Credit personnel may be walled off from other Bain Capital Credit employees. The establishment of these temporary barriers are designed to ensure Bain Capital Credit is maximizing its fiduciary duty with respect to each Bain Capital Credit Client.

Conflicts Related to Plan Assets

One or more Bain Capital Credit Clients or other Related Clients may hold “plan assets” subject to ERISA. With respect to those plan assets, if any, Bain Capital Credit and certain affiliates may be classified as “fiduciaries” under ERISA. ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. As a result, a Bain Capital Credit Client will be restricted from entering into certain transactions if the investment would violate ERISA with respect to the Bain Capital Credit Client or such other Related Clients, or will be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to the Bain Capital Credit Client or such other Related Clients.

Different conflicts exist with respect to investments in different Bain Capital Credit Clients.

Conflicts Related to Carry Law Changes

U.S. and non-U.S. laws have been changing, and may continue to change, the tax treatment of “profits interests” or “carried interest,” in ways that may be adverse to investors in certain Bain Capital Credit Clients. Bain Capital Credit or the General Partner of a Bain Capital Credit Partnership may have certain rights to amend the Advisory Agreement (or other analogous organizational document) to mitigate such adverse consequences. Furthermore, Bain Capital Credit and the General Partner of a Bain Capital Credit Partnership may take these potential adverse consequences into account in their management and operation of Bain Capital Credit Clients. In

addressing these adverse consequences, the interests of Bain Capital Credit may diverge from the interests of investors in a Bain Capital Credit Client.

Affiliated Broker-Dealer Conflicts of Interest

Bain Capital Distributors is a member of the Bain Capital group and is therefore affiliated with Bain Capital Credit and the Bain Capital Credit Clients. Furthermore, certain employees of Bain Capital Distributors are also employees of Bain Capital Credit. To the extent Bain Capital Distributors offers interests in a Bain Capital Credit Partnership to investors and receives compensation therefor, Bain Capital Distributors relations with such Bain Capital Credit Partnership, and its relations with the Bain Capital group generally, may conflict with the interests of the investors in such Bain Capital Credit Partnership.

Please contact the Bain Capital Credit 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

Bain Capital Credit 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, derivative instruments, and certain registered investment vehicles with which Bain Capital Credit and its subsidiaries has entered into a sub-advisory relationship. 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 lists, 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 Bain Capital Credit Clients and to ensure personnel do not engage in “front-running” of the Bain Capital Credit Clients’ 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 copy of the Code of Ethics is available to Bain Capital Credit Clients, prospective clients, limited partners and prospective limited partners during the investment due diligence process. A copy may be obtained by contacting the Bain Capital Credit Compliance Department.

Related Person Investment

For further detail regarding circumstances in which Bain Capital Credit or a related person (a) recommends to clients, or buys or sells for client accounts, securities in which Bain Capital Credit or a related person has a material financial interest, (b) invests in the same securities that Bain Capital Credit 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 Bain Capital Credit or a related person buys or sells the same securities for Bain Capital Credit's own (or the related person's own) account, as well as related conflicts of interest, please see Code of Ethics above.

In addition, Bain Capital Credit's personnel may buy securities in transactions offered to but rejected by Bain Capital Credit Clients. Such transactions are subject to the policies and procedures set forth in Bain Capital Credit's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Bain Capital Credit Clients. If Bain Capital Credit personnel have made large capital investments in or alongside the Bain Capital Credit Clients, 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

In choosing broker-dealers for execution of securities transactions, Bain Capital Credit, or a related person of Bain Capital Credit, 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 securities, 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.

Bain Capital Credit receives research, statistical and quotation services, data, information and other services and materials that assist Bain Capital Credit in the performance of its investment advisory responsibilities from broker-dealer firms that execute transactions for Bain Capital Credit Clients. Where such services are provided, Bain Capital Credit may agree to compensate such broker-dealer or third party in either "hard" dollars (directly paid by Bain Capital Credit, although certain Advisory Agreements and Sub-Advisory Agreements permit some or all of such costs to be borne by the relevant Bain Capital Credit Client), "soft dollars" (commission generated) or some combination of the two. A broker-dealer providing such research services will at times receive a commission that is in excess of the amount of commission another broker-dealer would have received for effecting that transaction provided Bain Capital Credit determines in good faith that such commission was reasonable in relation to the value of the research and brokerage services provided by the broker-dealer. Any such research service could be broadly useful and of value to Bain Capital Credit in rendering investment advice to all or a significant portion of the Bain Capital Credit Clients, or could be relevant and useful for the management of one Bain Capital Credit Client's account or only a few Bain Capital Credit Clients' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer through which the research service was

provided. Bain Capital Credit will only make securities transactions that it in good faith believes are in the best interest of the Bain Capital Credit Client. A conflict of interest exists when a broker-dealer provides such research services, however, as Bain Capital Credit will have an incentive to favor such broker-dealer over others that charge lower commissions. Bain Capital Credit will also consider broker-dealers commission rates or spreads as compared to other market participants when determining the reasonableness of commission rates and spreads received by a broker dealer.

Directed Brokerage

If a Separate Account Client requests or directs Bain Capital Credit to place transactions for its separate account with one or more specified broker-dealers (“Directed Brokerage”), then Bain Capital Credit will accept Directed Brokerage arrangements only if certain conditions are satisfied including, that the Separate Account Client’s directions are furnished in writing and that Bain Capital Credit has informed the Separate Account Client in writing that the use of directed brokerage arrangements will at times deprive the Separate Account Client of benefits that might otherwise be obtained by aggregating the Separate Account Client’s order with orders for other Bain Capital Credit Clients and, as a result, will likely cause the Separate Account Client to pay a higher commission rate or to receive less favorable execution than if Bain Capital Credit had discretion to select the broker or to negotiate the commission rate.

Aggregation of Trades

Bain Capital Credit aggregates the orders of more than one Bain Capital Credit Client for the purchase or sale of the same security or loan. Portfolio managers and traders often employ this practice because larger transactions generally enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. In such cases, Bain Capital Credit generally aggregates trade orders for securities and loans so that each participating Bain Capital Credit Client will receive the average price for each execution of a transaction.

When aggregating trades, Bain Capital Credit follows its written procedures, which generally provide that such allocation is made on a pro rata basis based on order size among participating Bain Capital Credit Clients.⁵ Certain exceptions will, however, be made in such allocation provided that such exceptions are to ensure that accounts are treated in a fair and equitable manner, taking into account each Bain Capital Credit Client’s best interests and to prevent any favoring or disfavoring of any Bain Capital Credit Client or group of Bain Capital Credit Clients, and that such allocation is consistent with Bain Capital Credit’s fiduciary duties, its duty of best execution and on contractual obligations. Nonetheless, Bain Capital Credit Clients could be, and have been, excluded from trade allocations if their allocation falls below a security’s minimum denomination. Similarly, some exceptions to pro rata may be undertaken to deal with odd lots, rounding, security minimums, regulatory restrictions, mandate restrictions, or other circumstances that may occur from time to time. In some situations, including certain follow-on transactions or amendments, Bain Capital Credit may consider a vehicle’s pre-existing holdings in determining the final trade

⁵ In some circumstances, due to regulatory considerations related to the 1940 Act, the 1940 Act Funds may not be considered eligible Bain Capital Credit Clients for allocation purposes. These same considerations could, in limited circumstances, result in certain non-1940 Act Funds also not being considered eligible Bain Capital Credit Clients.

allocation. Circumstances also may arise when Bain Capital Credit needs to reallocate a trade to another Bain Capital Credit Client after its initial allocation but before the settlement date. Generally, a trade will be reallocated to another Bain Capital Credit Client only if the latter had a pre-existing interest. The security is typically reallocated at the original transaction price. Bain Capital Credit's Compliance Department generally reviews reallocations. For additional information regarding the allocation of investments among Bain Capital Credit Clients and Clients of the non-Bain Capital Credit Affiliated Advisers, please see Item 10 above.

If an order for more than one Bain Capital Credit Client for a publicly traded security cannot be executed, allocation shall be made based on Bain Capital Credit's procedures for allocation of investment opportunities, as described in Item 10 above.

Item 13. Review of Accounts

Oversight and Monitoring

Bain Capital Credit continually reviews and analyzes its existing positions to attempt to identify issues early on and to take action where necessary. Bain Capital Credit's large investment team and industry-based organization is structured to produce in-depth credit analysis and allow for rapid response to developing situations. The industry teams and Bain Capital Credit's investment committee then review certain investments in a formal setting periodically. Each industry analyst updates buy/sell recommendations on a periodic basis and all credit work is shared throughout Bain Capital Credit. The industry teams also normally produce detailed investment reviews and financial models on every investment on a periodic basis.

The portfolio of investments of each Bain Capital Credit Client is reviewed by a team of investment professionals. The team generally includes Managing Directors and other investment professionals of Bain Capital Credit.

Reporting

Investors in the Bain Capital Credit Funds other than the CLOs and 1940 Act Funds typically receive, among other things, a copy of audited financial statements of the relevant Bain Capital Credit Fund within 120 days after the fiscal year end of such Bain Capital Credit Fund. Bain Capital Credit and the General Partner of a Bain Capital Credit Fund will, from time to time, in their sole discretion, provide additional information upon request relating to such Bain Capital Credit Fund to one or more limited partners of such Bain Capital Credit Funds as it deems appropriate.

Investors in Bain Capital Credit Funds (except for the 1940 Act Funds and CLOs) will receive regular reporting updates through quarterly letters, investor meetings and other materials provided on the investor website.

Investors in the CLOs typically receive, from the relevant trustee and among other things, quarterly reports detailing the aggregate principal balance of such CLO's portfolio of assets and the interest and other proceeds received by such CLO from such assets and available for distribution to

investors, the aggregate outstanding amount of such CLO's outstanding debt and details regarding certain expenses incurred by such CLO.

Separate Account Clients and 1940 Act Funds generally negotiate reporting requirements specific to their account. In the event of individually negotiated terms for Separate Accounts Clients and 1940 Act Funds, Bain Capital Credit will provide the reporting mutually agreed to by the parties as evidenced in their Advisory Agreement.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to Bain Capital Credit by non-clients, including a description of related conflicts of interest, please see Item 10 above. In addition, Bain Capital Credit and its related persons will, in certain instances, receive discounts on products and services provided by portfolio companies.

From time to time Bain Capital Credit may utilize placement agents (including Bain Capital Credit's affiliated limited purpose broker dealer, Bain Capital Distributors, LLC) to assist in raising capital from prospective investors.

Item 15. Custody

Bain Capital Credit has determined that it has custody of Bain Capital Partnerships' assets for purposes of the Advisers Act as Bain Capital Credit is a related person of the General Partner of each such Bain Capital Credit Partnership. It is the policy of Bain Capital Credit to comply with the Advisers Act requirements in respect of the assets of any such Bain Capital Credit Partnership. Bain Capital Credit will conduct all business operations in such a way that it will not physically hold such Bain Capital Credit Partnership's securities or funds; instead, assets of such Bain Capital Credit Partnership will be preserved in the safekeeping of qualified custodians. In addition, limited partners of certain Bain Capital Credit Partnerships receive account statements directly from a qualified custodian. In certain other instances, Bain Capital Credit, in addition to the account statements sent by a qualified custodian, provides account statements directly to the limited partners of the Bain Capital Credit Partnerships. Limited partners of the Bain Capital Credit Partnerships should compare the account statements received from Bain Capital Credit with the account statements received from the qualified custodian.

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

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

Bain Capital Credit provides investment management services to each Separate Account Client's separate account in accordance with the terms and conditions of the Advisory Agreement. The terms of these documents are generally established at the time of the formation of the applicable separate account and are the result of negotiations with the applicable Separate Account Client.

Bain Capital Credit provides collateral management services to each CLO in accordance with the terms and conditions of such Collateral Management Agreement or Sub-Advisory Agreement, as applicable, and other related documents of each such CLO. The terms of the Sub-Advisory Agreements, including any restrictions on activities, were established at the time that Bain Capital Credit began providing investment advisory services to the Sub-Advisory Funds. The terms of the Advisory Agreements and other related documents of each CLO that is not a Sub-Advisory Fund were generally established at the time of the formation of the applicable CLO and are the result of negotiations with certain potential investors in the applicable CLO.

With respect to the 1940 Act Funds, Bain Capital Credit provides investment advisory services in accordance with the relevant Fund's investment policies and restrictions, as stated in such Fund's then-current prospectus and statement of additional information.

Item 17. Voting Client Securities

Bain Capital Credit intends to vote proxies or similar corporate actions in accordance with the best interests of the applicable Bain Capital Credit Client, taking into account such factors as it deems relevant in its sole discretion. Upon receipt of a proxy request, Bain Capital Credit's operations department contacts the senior investment professional responsible for the issuer. The senior investment professional reviews the information, determines what is in the best interests of the Bain Capital Credit Client and ensures the vote is completed in a timely manner.

Bain Capital Credit'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. Conflicts of interest will arise from time to time in relation to proxy voting requirements. Bain Capital Credit shall monitor all proxies for any potential conflicts of interest. If a material conflict of interest arises, Bain Capital Credit will determine what is in the best interests of the relevant Bain Capital Credit Client and will seek to take appropriate steps to eliminate any such conflict.

A detailed summary of Bain Capital Credit's proxy voting policies and procedures are available to limited partners and prospective limited partners of a Bain Capital Credit Fund during the

investment due diligence process, a copy of which may be obtained by Bain Capital Credit's Operations Department.

Existing Bain Capital Credit Clients may obtain copies of relevant proxy logs, identifying how proxies were voted in connection with a Bain Capital Credit Client, and copies of proxy voting policies and procedures upon written request to: Bain Capital Credit, LP, 200 Clarendon Street, Boston, MA 02116. Attn: Compliance Department.

Item 18. Financial Information

Item 18 is not applicable to Bain Capital Credit.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to Bain Capital Credit.