

Item 1. Cover Page

Bain Capital Credit CLO Advisors, LP

200 Clarendon Street
Boston, MA 02116

Part 2A of Form ADV: Firm Brochure
March 2017



This brochure provides information about the qualifications and business practices of Bain Capital Credit CLO Advisors, 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 CLO Advisors, 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

Item 2 is not applicable.

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.....	5
Item 6. Performance-Based Fees and Side-By-Side Management.....	6
Item 7. Types of Clients.....	6
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9. Disciplinary Information.....	30
Item 10. Other Financial Industry Activities and Affiliations.....	30
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	44
Item 12. Brokerage Practices.....	45
Item 13. Review of Accounts.....	46
Item 14. Client Referrals and Other Compensation.....	47
Item 15. Custody.....	47
Item 16. Investment Discretion.....	47
Item 17. Voting Client Securities.....	47
Item 18. Financial Information.....	48
Item 19. Requirements for State-Registered Advisers.....	48

Item 4. Advisory Business

Bain Capital Credit CLO Advisors, LP (the “Adviser”), a Delaware limited partnership wholly owned by Bain Capital Credit, LP (“Bain Capital Credit”),¹ provides investment advisory services and collateral management services to issuers of collateralized loan obligations (“CLOs”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).²

The CLOs take long positions in portfolios consisting primarily of performing loans to corporate borrowers. As the collateral manager or investment adviser of each CLO, the Adviser identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each CLO.

The Adviser generally uses fundamental credit analysis to identify attractive investment opportunities and seeks strong risk adjusted returns, primarily in performing loans. The Adviser may also provide investment advice regarding investments in distressed loans, high yield bonds, derivative instruments (including interest rate swap, floor or cap agreements), equities, and other instruments. The CLOs use leverage through the issuance of debt securities. Use of leverage will increase the volatility of levered investments.

The Adviser provides investment advisory services to each CLO pursuant to separate investment and advisory, investment management or collateral management agreements (each, an “Advisory Agreement”). Investment advice is provided by the Adviser directly to each CLO and not individually to the investors in the CLOs. The Adviser may from time to time, subject to the terms of the applicable Advisory Agreement, delegate certain of its responsibilities under such Advisory Agreement to Bain Capital Credit and in connection with such arrangement may agree to reimburse Bain Capital Credit for certain of its expenses incurred in connection with providing such services and/or to assign to Bain Capital Credit a portion of the advisory fees and/or incentive fees payable to the Adviser by the applicable CLO. In addition, the Adviser entered into an agreement with Bain Capital Credit under which Bain Capital Credit will share certain employees with the Adviser. The costs of such shared employees will be allocated between the Adviser and Bain Capital Credit based on the relative amount of time that such employees devote to the business of the Adviser and Bain Capital Credit, respectively, as estimated in good faith by Bain Capital Credit. For additional information regarding the “Advisory Fees” and “Incentive Fees”, please see Items 5 and 6, respectively, below.

The terms of the advisory services to be provided to a CLO, including any restrictions on investments in certain types of assets, are established by the Adviser as modified by negotiations with investors in the applicable CLO, and are set forth in such CLO’s Advisory Agreement, the indenture governing the securities issued by such CLO, and/or other documentation received

¹ Bain Capital Credit is registered as an investment adviser with the SEC. Additional information about Bain Capital Credit is available in its Form ADV.

² As of the date of this Brochure, the Adviser currently provides investment advisory services to one CLO. Throughout this Brochure, as the context permits, “CLO” or “CLOs” refers to clients or future clients of the Adviser.

by each investor prior to investment in such CLO. Once invested in a CLO, investors cannot impose additional restrictions on the types of assets in which such CLO may invest.

The Adviser was formed in 2016 and is located in Boston. As of January 1, 2017, the Adviser manages approximately \$525,000,000 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

As compensation for investment advisory and collateral management services rendered to a CLO, the Adviser generally receives an advisory fee (each, an “Advisory Fee”), the amount of which is based on the amount of such CLO’s assets under management from time to time. Advisory Fees are generally payable by each CLO quarterly in arrears, to the extent of available funds, and are indirectly borne by the investors in such CLO. The fee structure described above may be modified from time to time.

Advisory Fees may differ from one CLO to another. In addition, the Adviser may from time to time enter into arrangements with certain equity investors in a CLO pursuant to which the Adviser may agree to remit, or to cause to be remitted, to such investors a portion of the Advisory Fees with respect to such CLO. The payment of Advisory Fees at varying rates (including varying effective rates based on a CLO’s assets under management) creates an incentive for the Adviser to disproportionately allocate time, services or functions to CLOs paying Advisory Fees at a higher rate, or to allocate investment opportunities to such CLOs. Please see Item 10 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

The precise amount of, and the manner, calculation and process for payment of, the Advisory Fees for each CLO are established by the Adviser and are set forth in such CLO’s Advisory Agreement, the indenture governing the securities issued by the CLO, and/or other documentation received by each investor prior to investment in such CLO.

Each CLO bears its own expenses, including but not limited to, taxes, all expenses relating to identifying, evaluating, investigating, valuing, structuring, monitoring, holding, settling, and servicing (including any such expenses incurred in connection with services performed by internal staff of the Adviser, its affiliates, and third party providers), tracking, hedging, harvesting, selling (or potentially selling) or purchasing (or potentially purchasing) investments and potential investments (whether or not completed), extraordinary expenses (such as litigation expenses), brokerage commissions, custody fees, interest expenses, finders’ fees, insurance premiums (including its pro rata share of expenses with respect to policies whose costs and benefits are expected to be shared with other CLOs sponsored by the Adviser or Bain Capital Credit), legal expenses including any such expenses incurred in connection with legal services performed by the internal Adviser staff or its affiliates and outside counsel), research expenses (*e.g.*, news and quotation subscriptions, market research and travel expenses in connection with evaluating, making and monitoring investments), other information technology expenses, valuation, accounting and tax preparation expenses, rating agency expenses, administrative expenses and other expenses associated with the operation of such CLO.

Each CLO also bears its organizational and offering expenses.

The above expenses may vary per CLO and are subject to the terms and conditions set forth in the applicable CLO's governing documents. In particular, pursuant to these documents, some CLOs may bear different expenses than other CLOs.

The Adviser 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 the CLOs pay.

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

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

Most CLOs pay incentive fees ("Incentive Fees"), the amount of which is based on cumulative returns to equity investors in the relevant CLO. Incentive Fees are indirectly borne by the investors in such CLO. The fee structure described above may be modified from time to time.

Incentive Fees may differ from one CLO to another. In addition, the Adviser may from time to time enter into arrangements with certain equity investors in a CLO pursuant to which the Adviser may agree to remit, or to cause to be remitted, to such investors a portion of the Incentive Fees with respect to such CLO. The payment by some, but not all, CLOs of Incentive Fees or the payment of Incentive Fees at varying rates (including varying effective rates based on the past performance of a CLO) creates an incentive for the Adviser to disproportionately allocate time, services or functions to CLOs paying Incentive Fees or CLOs paying Incentive Fees at a higher rate, or to allocate investment opportunities to such CLOs. Please see Item 10 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

The precise amount of, and the manner, calculation and process for payment of, the Incentive Fees for each CLO are established by the Adviser and are set forth in such CLO's Advisory Agreement, the indenture governing the securities issued by the CLO and/or other documentation received by each investor prior to investment in such CLO.

Item 7. Types of Clients

The Adviser currently provides investment advisory services to CLOs. Investment advice is provided directly to the CLOs and not individually to investors in such CLO.

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

Minimum investment commitments are established for investors in the CLOs, which are no less than the legal eligibility requirements.

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

Methods of Analysis and Investment Strategies

The Adviser shares resources provided by Bain Capital Credit to formulate investment strategies, identify investment opportunities, and to analyze potential investments. The Adviser monitors investments based on an analytical approach that generally involves evaluating the following investment characteristics:

Idea Generation

The Adviser's professionals identify new investment opportunities generally through three avenues: first, through industry analysis and relative value screens conducted by the Adviser's investment professionals; second, through investment opportunities brought to the Adviser by its network of relationships including private equity sponsors, fundless sponsors, law firms, restructuring advisers, commercial and investment banks, the Adviser affiliates, and ventures with other investment advisers; and third, through the Adviser's proprietary sourcing efforts.

Company Evaluation

Market Definition. Traditionally, the first step in the Adviser'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 the Adviser'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, the Adviser'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). The Adviser 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, the Adviser 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, the Adviser typically scrutinizes the company's historical performance and prospects. This analysis centers around the company's sustainable margins and its quality of earnings. The Adviser 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. The Adviser 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, the Adviser 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. The Adviser 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. The Adviser 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. The Adviser 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 the Adviser's investment monitoring system. The Adviser'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, the Adviser 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, the Adviser 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. The Adviser manages portfolio risk by monitoring issuer and industry diversification, interest rate risk, currency risk and other risks applicable to the CLOs.

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

Risks

Investing in loans and debt and equity securities involves a substantial degree of risk. CLOs are in a position to lose all or a substantial portion of its investments, and investors in CLOs 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 loans or securities typically purchased by or for CLOs in connection with those strategies and methods, include the following:

Nature of CLO Investments

Competitive Environment

The business of investing in assets meeting CLOs' 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 CLOs, and thus these competitors may have advantages not shared by CLOs. Increased competition for, or a diminishment in the available supply of, investments suitable for CLOs 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 CLOs. Moreover, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. CLOs may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses, and the fees of other third party advisors.

Concentration of Investments

Except as set forth in its Advisory Agreement and the indenture governing its securities, a CLO is 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, CLO assets may not be diversified. Any such non-diversification would increase the risk of loss to a CLO if there was a decline in the market value of any security, category or asset class in which a CLO had invested a large percentage of its assets. If a large portion of the assets of a CLO is held in cash or similarly liquid form, such CLO's performance would likely be adversely affected. Investment in a non-diversified fund will generally entail greater risks than investment in a "diversified" fund.

Reliance on the Adviser

Investors in the CLOs will not have an opportunity to evaluate the relevant economic, financial or other information regarding specific investments made by the CLOs or the terms of any investment.

An investor in a CLO must rely upon the ability of the Adviser and its advisors in identifying and implementing investments. Accordingly, no investor should purchase securities issued by a CLO unless such investor is willing to entrust all aspects of the management of the CLO to the Adviser.

The success of a CLO is highly dependent on the financial and managerial expertise of the Adviser. Although the Adviser has attempted to foster a team approach to investing, the loss of key individuals employed by the Adviser (or by Bain Capital Credit, if the Adviser delegates any of its responsibilities under the Advisory Agreements to Bain Capital Credit) could have a material adverse effect on the performance of a CLO. In addition, a number of members of the professional staff of the Adviser or Bain Capital Credit are investors in, and are actively involved in managing the investment decisions of, other funds advised by the Adviser or its affiliates. Accordingly, the members of the professional staff of the Adviser will have demands on their time for the investment, monitoring and other functions of other funds advised by the Adviser or its affiliates.

Expedited Investment Decisions

Investment analyses and decisions by the Adviser will frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In these cases, the information available to the Adviser at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that could adversely affect an investment. In addition, the Adviser 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 CLOs' right of recourse against them in the event errors or omissions do occur.

Reinvestment Risk

Subject to certain limitations set forth in the indentures governing its securities, each CLO may generally reinvest any proceeds from its investments for a certain period following the closing date of such CLO. The objective of such reinvestment capability is to provide ongoing additional capital to potentially increase the total return from the investments to such CLO's equity investors. However, if the proceeds of a CLO's investments are reinvested, its investors' 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 such CLO, 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 amounts invested in the CLO by its investors.

Follow on Investment Risk

Following its initial investment in a portfolio company, the CLOs may decide to provide additional funds to such portfolio company. There is no assurance that the CLOs will make follow-on investments or that CLOs will have sufficient funds to make all or any of such investments. Any decision by the CLOs 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 the CLOs to

increase its participation in a successful portfolio company or the dilution of the CLOs' ownership in a portfolio company if a third party invests in the portfolio company.

Leverage

The CLOs will utilize leverage through the issuance of debt securities. Such use of leverage will increase the volatility of the investments in the CLO's portfolio. While the use of borrowed funds will increase returns to the CLOs' respective equity investors if the Adviser 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 the CLO 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 CLO than if such CLO was not so leveraged.

Repayment of Certain Distributions

The investment in a CLO made by any CLO investor is susceptible to risk of loss as a result of any liability of the applicable CLO. CLO investors may also 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.

Valuation

The Adviser may in certain cases value the investments owned by CLOs. The Adviser will exercise its discretion in seeking to value these investments in good faith. There is no actively traded market for some of the loans or securities or other investment products owned by CLOs. When estimating fair value, the Adviser 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 loans or 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 loans or securities and may differ from the prices at which such loans or securities are ultimately be sold. Third-party pricing information, including service providers, may not be available or used regarding certain assets. The Adviser may or may not value the investments consistently with how the same or similar investments are valued by Bain Capital Credit or other advisors affiliated with Bain Capital, LP ("Bain Capital"), which wholly owns Bain Capital Credit.

Trading Risk

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

While the Adviser endeavors to make its clients whole when trade errors occur, calculating the exact amount owed to a CLO involves discretion. The Adviser will seek to calculate the amount owed in good faith.

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

Risks of Investments

General Market and Credit Risks of Debt Instruments

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 loans or debt 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 debt) 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. The Adviser expects that it will periodically experience imbalances in the interest rate sensitivities of CLOs’ assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, if the Adviser does not manage this risk effectively, then a CLO’s performance could be adversely affected. In addition, the CLOs’ investments may include subordinated or unsecured debt investments issued with a fixed yield, for which credit risk and interest rate risk are often greater than those generally applicable to other types of debt investments.

Since 2007, the credit markets have from time to time experienced periods of dislocation. The Adviser seeks to capitalize on opportunities created by market dislocations, 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 CLOs 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 competitive strength of

larger corporations, all of which generally contributes to illiquidity, which, in turn would adversely affect the price and timing of liquidation of the Adviser's investments.

Adverse Effect of Economic Conditions

CLOs and the companies in which CLOs 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 the CLOs. 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 CLOs, could prevent CLOs from successfully meeting their investment objectives and/or could require CLOs to dispose of investments at a loss while such unfavorable market conditions prevail.

Operating and Financial Risks of Investments

Companies in which CLOs 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 the Adviser 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.

Risks of Minority Positions

CLOs may hold minority positions in investments. While the CLOs may seek to get the appropriate governance and exit rights at the time of investment, there may be instances in which the CLOs 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 CLO's investment may depend on such majority controlled decisions, which decisions may not be consistent with a CLO's objectives.

Potential Illiquidity of Investments

The market value of the investments of each CLO 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 the CLO'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 CLO'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 CLO's hedging and risk management strategies and extreme market conditions can affect the value of a CLO's investments. These factors may affect the level and volatility of investment prices and the liquidity of a CLO's investments. Volatility or illiquidity could impair a CLO's profitability or result in losses.

General fluctuations in the market prices of loans and securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for the CLOs and may affect the CLOs' ability to make investments and the value of the investments held by the CLOs. Instability in the loan and securities markets and economic conditions generally may also increase the risks inherent in the CLOs' investments. The loan and securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by any tightening of the credit markets or ongoing financial turmoil in the future. It is unclear what the repercussions of this market turmoil would be. Moreover, it remains unknown whether any governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) would have a positive or negative effect on market conditions. 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 the CLOs to buy, sell and partially dispose of their investments. The CLOs 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 CLO may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted.

In addition, the lack of an established, liquid secondary market for some of the CLOs' investments sometimes have an adverse effect on the market value of such investments and on the CLOs' ability to dispose of them. Additionally, if the CLOs' investments are subject to certain transfer restrictions this will contribute to illiquidity. Finally, assets of CLOs 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 the Adviser is determined to cause the disposal of a particular such investment held by a CLO, it could dispose of such investment at the prevailing market price.

A portion of a CLO's investments may consist of securities that are subject to restrictions on resale by such CLO because they were acquired in a "private placement" transaction or because such CLO is deemed to be an affiliate of the issuer of such securities. Generally, a CLO 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 CLO 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 the Adviser, from time to time, possesses material, non-public information about a borrower or issuer or the Adviser is an affiliate of a borrower or an issuer, then such information or affiliation will limit the ability of the applicable CLO to buy and sell investments.

Fraud

The value of investments made by the CLOs 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 the CLOs to enforce any security in respect of such loans.

Third Party Litigation

In addition to litigation relating to the bankruptcy process as described below under "Item 8: Risks—DIP Loans," the CLOs' investment activities subject them to the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where the relevant CLO 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 CLO and would reduce net assets.

Investment in non-U.S. Issuers

Certain CLOs invest in the loans or 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 be 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 CLO, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of loans or 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 loan and 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 loan and securities markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the loan and 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 loan and 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 CLO's income from such loans and securities. 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 loans and securities, 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 the CLOs to suffer a loss of any or all of their investments.

Potential Implications of Brexit

The recent decision made in the British referendum 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 decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the global markets. This mid to long term uncertainty may have an adverse effect on the world economy generally and on the ability of CLOs and its investments to execute their respective strategies and to receive attractive returns.

In particular, currency volatility may mean that the returns of the CLOs and its investments are adversely affected by market movements and may make it more difficult, or more expensive, for the CLOs 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 portfolio companies or investments located in the United Kingdom or Europe.

Inflation

Certain countries in which the CLOs 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 the CLO's investment returns.

Environmental Risks

CLOs may face significant environmental liabilities in connection with the investments it makes 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 the CLOs are considering an investment. CLOs may experience material losses due to these risks.

Potential Early Redemption of Some Investments

Some of the terms of loans acquired by a CLO will be subject to early prepayment options or similar provisions which, in each case, could result in a CLO realizing such loans 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 CLO receives proceeds from an investment earlier than it had anticipated, a CLO is often permitted to reinvest such proceeds, but there is no assurance that a CLO will be able to reinvest such proceeds even where they are received during such CLO's reinvestment period. On occasion, a CLO's inability to reinvest such proceeds will materially affect the performance of a CLO.

Limited Amortization Requirements

From time to time, CLOs 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 CLO when it comes due at its final stated maturity.

Bank Loans

The investments of a CLO will consist primarily of interests in loans originated by banks and other financial institutions. The loans invested in by a CLO 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 (including CLOs) 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, that the current period of illiquidity will not persist or worsen and that the market will not experience periods of significant illiquidity in the future. CLOs may 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 CLO 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 CLO will not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, such CLO will assume the credit risk of both the borrower and the institution selling the participation.

Priority of Repayment for Certain Investments

The characterization of a CLO'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 CLO invests. Furthermore, debt and other liabilities incurred by non-guarantor subsidiaries of the borrowers of senior secured loans held by a CLO are often structurally senior to the debt held by a CLO. 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 CLO. 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 CLO.

Risks of Secured Loans

CLOs 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 CLO cannot guarantee the adequacy of the protection of a CLO'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 CLO cannot assure that claims will not be asserted that might interfere with enforcement of a CLO's rights. In addition, in the event of any default under a secured loan held directly by a CLO, a CLO 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 CLO's cash flows. 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.

High Yield Debt

From time to time, CLOs may 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 the Adviser'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 be 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 debt, and high yield debt has recently experienced periods of volatility. 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.

CLOs may investment in high yield debt 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 that provide for regular payments of interest.

Equity Securities

CLOs may invest from time to time in equity securities. As with other investments that the CLOs may make, the value of equity securities held by a CLO 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.

Financially Troubled Companies

From time to time, CLOs 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 the Adviser will correctly evaluate the value of the assets collateralizing a CLO's loans or the prospects for a successful reorganization or similar action. Additionally, certain CLOs 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 CLO will make investments that become distressed due to factors outside the control of the Adviser. There is no assurance that there will be sufficient collateral to cover the value of the loans and/or other investments purchased by a CLO 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 CLO invests, a CLO is in a position to lose its entire investment, to be required to accept cash or securities with a value less than a CLO'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 CLO's investments will likely not compensate the investors in the CLOs 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 CLO and distributions by a CLO 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 the Adviser. In addition, involvement by the Adviser in a company's reorganization proceedings could result in the imposition of restrictions limiting a CLO's ability to liquidate its position in the company.

Investments in the Energy Sector

CLOs expect to make certain investments in and relating to the energy sector. The operations of energy companies are subject to many risks inherent in the transporting, processing, storing, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such

commodities, including, without limitation: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and farm equipment, leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons, and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, and may result in the curtailment or suspension of their related operations, any and all of which could result in lower than expected returns to the CLOs. In addition, the energy sector has experienced significant volatility at times, which may occur in the future, and which could negatively affect the returns on any investment made by the CLOs in this sector.

Investments in the Industrial/Distribution Industries

Companies in which the CLOs may invest in the industrial and distribution industries encounter competition in all areas of their businesses. Customers increasingly demand more technologically advanced and integrated products. To remain competitive, such companies 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 the CLOs' investments in such companies may be materially adversely affected.

Investments in the Commodities Sector

CLOs 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

CLOs expect to invest in loans or securities 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 loans or securities issued by companies in the natural resources sector may be more volatile than those of loans or 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

CLOs expect to invest in loans or securities 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 CLO 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

CLOs expect to invest in maritime and maritime-related loans or securities, 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 the CLOs and the companies in which they invest. 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 a portfolio company to enforce its rights under such contracts.

Investments in the Media Industry

CLOs expect to invest in media-related loans or securities. 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 cyclicity 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

CLOs 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 the CLO'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 the CLOs and the companies in which they invest. Consumer spending may be disproportionately affected by adverse economic conditions, and consumer spending patterns in the emerging economies in which the CLOs may 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, the CLO'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. The success of drugs and therapies developed by competitors of the companies in which the CLOs invest may diminish the need and marketability for treatments that may be developed by such portfolio companies.

Distressed Investments

CLOs 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 CLO'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 the CLOs may 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 CLO. 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 CLO's influence with respect to the class of loans or 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 CLO may be challenged as fraudulent conveyances or preferences as part of a bankruptcy proceeding. See below in "Item 8: Risks -- Fraudulent Conveyance and Preference Considerations."

CLOs may hold loans or securities issued by companies that are financially distressed and are expected by the Adviser 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.

Risk Surrounding New Opportunities

The Adviser from time to time considers additional investment opportunities, including but not limited to, advising new CLOs and/or advising different types of investment vehicles. In addition, the Adviser 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 the Adviser.

Widening Risk

For reasons not necessarily attributable to any of the risks set forth herein, there is a possibility that the prices of the loans, securities and other financial assets in which the CLOs 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

The Adviser may cause certain CLOs to invest in companies that are in the process of exiting, or that have recently exited, the bankruptcy process. Post-reorganization loans and securities typically entail a higher degree of risk than investments in loans and securities that have not undergone a reorganization or restructuring. Moreover, post-reorganization loans and securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If an evaluation by the Adviser of the anticipated outcome of an investment situation should prove incorrect, the relevant CLO 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 the CLOs’ investments, a CLO 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 the CLOs’ and their affiliates’ investments, a CLO could be subject to claims from creditors of an obligor that such CLO’s investments issued by such obligor should be equitably subordinated. Many of the investments of the CLOs will involve investments in which the applicable CLO would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the investments of a CLO could arise without the direct involvement of such CLO.

If a CLO purchases debt of an affiliate in the secondary market at a discount, (i) a court might require such CLO to disgorge profit it realizes if the opportunity to purchase such debt at a discount

should have been made available to the issuer of such debt or (ii) such CLO might be prevented from enforcing such debt at its full face value if the issuer of such debt 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 CLO, by virtue of such CLO'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 CLO) 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 CLO'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 CLO and its affiliates and any contractual arrangement between the borrower, on the one hand, and such CLO 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 CLO) or from subsequent transferees of such payments, including investors in CLOs.

Participation on Creditors' Committees

From time to time, the Adviser may participate on behalf of a CLO on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Adviser may seek to negotiate on behalf of a CLO directly with the debtors with respect to restructuring issues. If the Adviser does join a creditors' committee on behalf of a CLO, 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 CLO in such proceedings. By participating on such committees, the Adviser will likely be deemed to have duties to other creditors represented by the committees, which might thereby expose the CLOs to liability to such other creditors who disagree with the actions.

On occasion, the Adviser will also be provided with material non-public information that would typically restrict the Adviser's ability to trade in the company's securities on a CLO's behalf. While the Adviser and the CLOs intend to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, the Adviser may trade in the company's securities on a CLO'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 CLO to incur significant legal fees and potential losses.

Market Disruption Risk and Terrorism Risk

The military operations of the United States and its allies, the instability in various parts of the world and the prevalence of terrorist attacks throughout the world could have significant adverse effects on the global economy. In addition, certain illnesses spread rapidly and have the potential to significantly affect the global economy. Terrorist attacks, in particular, may exacerbate some of the foregoing risk factors. A terrorist attack involving, or in the vicinity of, a company in which CLOs invests may result in a liability far in excess of available insurance coverage. The Adviser cannot predict the likelihood of these types of events occurring in the future nor how such events may affect CLOs.

Interest Rate, Currency Exchange, and Investment Risk Management

While under no obligation to do so, certain CLOs may be authorized to use various investment strategies to hedge interest rate or currency exchange risks, and the Adviser 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. CLOs may use any or all such types of interest rate hedging transactions and currency hedging transactions at any time and no particular strategy will dictate the use of one transaction rather than another. The Adviser 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 the CLOs will engage in hedging transactions will depend upon a number of factors and variables, including market conditions. Accordingly, there can be no assurance that the CLOs will engage in hedging transactions at any given time or from time to time, or that such transactions, if available, will be effective.

Although the Adviser intends to cause CLOs 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 CLO had an interest rate hedging transaction or currency hedging transaction not been utilized, in which case it would have been better had such CLO 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 CLO 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 CLO's hedging arrangements that are undertaken through brokers, banks or other organizations will subject the CLO 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 CLO would have any recourse in such event of non-payment.

Contingent Liabilities

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

Business and Regulatory Risks of Private Investment CLOs

Legal, tax and regulatory changes could occur during the term of a CLO that may adversely affect a CLO. The regulatory environment for private investment funds and other investment vehicles is evolving, and there is a possibility that changes in the regulation of securities regulations will adversely affect the value of fund interests, including by adversely affecting the value of investments held by a CLO and the ability of a CLO 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 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 CLO 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 the CLOs 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, the CLOs, the Adviser and/or third party service providers to the CLOs may adversely impact the CLOs. For instance, cyber-attacks may interfere with the processing of transactions, impact the CLOs' ability to value their assets, cause the release of private information or confidential information of the CLOs, impede trading, cause reputational damage, and subject the CLOs to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The CLOs may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. The CLOs could be negatively impacted as a result. While the CLOs or the CLOs' service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the CLOs invest, which could result in material adverse consequences for such issuers, and may cause the CLOs' investment therein to lose value.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Affiliated Advisors

The Adviser's parent, Bain Capital Credit, is a registered investment adviser that uses fundamental credit analysis to identify attractive investment opportunities and seeks strong risk-adjusted returns, primarily in credit products and fixed-income investments. BCSF Advisors, LP is a subsidiary of Bain Capital Credit and serves as the investment manager to a Business Development Company.

In addition, the Adviser currently has other affiliated advisers based in the U.S., each of which focuses primarily on a different area of investment management, although such areas overlap from time to time (such advisers, the "U.S. Affiliate Advisors"). Each U.S. Affiliate Advisor is registered as an investment adviser with the SEC. The U.S. Affiliate Advisors currently include:

- 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 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;

- 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 coinvest with, investment funds managed by Affiliate Advisors for the benefit of employees and former employees of Bain Capital and its affiliates;

- Bain Capital Double Impact, LP, which focuses on equity investing in impact- or mission-oriented companies and more traditional businesses with positive impact products and services; and

- Bain Capital Life Sciences, LP, which focuses on investing in biopharmaceutical, medical device, diagnostics and enabling life science technology companies.

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

In addition to the U.S. Affiliate Advisors, Bain Capital Private Equity (Europe), LLP, Bain Capital Credit, Ltd., and Bain Capital Investments (Europe), Ltd., are affiliates of the Adviser and are licensed as investment advisers with the United Kingdom Financial Conduct Authority (the “European Affiliate Advisors”). Bain Capital Credit (Australia), Pty. Ltd., is also an affiliate of the Adviser and is regulated by the Australian Securities and Investments Commission (together with the U.S. Affiliate Advisors and the European Affiliate Advisors, the “Affiliate Advisors”).

Each of the non-Bain Capital Credit Affiliate Advisors’ investment activities are conducted independently, but the non-Bain Capital Credit Affiliate Advisors may provide an extensive personal network and access to vertical industry expertise. On occasion, a CLO managed by the Adviser may also benefit from attractive non- traditional investment opportunities from Affiliate Advisors.

Bain Capital has established other non-investment advisory related entities which are affiliates of the Affiliate Advisors. These entities do not provide investment advisory services and have been organized primarily to provide services incidental to the services of the Affiliate Advisors.

Conflicts of Interest

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

As a diversified investment firm, Bain Capital and its affiliates, including the Adviser and its parent, 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 Advisors are referred to as “Related Clients.” In the ordinary course of conducting its activities, the interests of a CLO will, on occasion, conflict with the interests of the Adviser, other CLOs, Bain Capital Credit, Related Clients or their respective affiliates.

Resolution of Conflicts

Each of the other Affiliate Advisors and the Adviser will deal with all conflicts of interest using its best judgment, but in its sole discretion. When conflicts arise between a CLO and Related Clients, the Adviser will represent the interests of the CLO, and the other participating Affiliate Advisor will represent the interests of the other Related Client it advises. In resolving conflicts, the Adviser and the other Affiliate Advisors will generally consider various factors, including the interests of the funds and accounts they advise in the context of both the immediate issue at hand and the longer term course of dealing among the CLOs and the other Related Clients. From time to time, the Adviser and the Affiliate Advisors may determine to refer certain conflicts of interest to Bain Capital’s Allocation Committee (the “Allocation Committee”), comprised of senior Bain Capital personnel, for review and resolution, particularly in situations where the Adviser and the Affiliate Advisors 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 CLO and another CLO, the Adviser will resolve the conflict. In doing so, it will generally consider various factors, including the interests of such CLO and the other CLO with respect to the immediate issue and/or with respect to the longer term course of dealing among the CLOs. In the case of all conflicts involving a CLO, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts will be made in the Adviser’s sole discretion. There can be no assurance that the Adviser will be able to resolve all conflicts in a manner that is favorable to a CLO.

Mitigating Factors

The following factors may alleviate, but will not eliminate, conflicts of interest among a CLO and other Related Clients:

- A CLO will not make or sell any investment or take any action unless the Adviser believes that such action considered solely from the viewpoint of such CLO is beneficial for such CLO;
- The Adviser seeks to allocate trades among CLOs in a fair manner, taking into account among other things, investment guideline differences between each CLO, and the circumstances of each CLO (such as tax, regulatory, or cash considerations) at the time an investment opportunity is presented;
- The Adviser and the other Affiliate Advisors have adopted written policies establishing information “walls” designed to limit communication between business units. These policies seek to restrict the transfer of confidential information between these business units, subject

to certain exceptions provided in the policies. These policies also establish procedures for communications among personnel of different business units to guard against unlawful and inappropriate disclosure of material, nonpublic information.

Sources of Conflicts of Interest

There are numerous perceived and actual conflicts of interest among and between the Adviser, the Affiliate Advisors, Related Clients and the CLOs managed by the Adviser. The conflicts of interest that may be encountered by a CLO include those discussed below, although such discussion does not describe all of the conflicts that may be faced by such CLO. 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 Adviser and Certain Affiliate Advisors

Adviser Personnel

Personnel responsible for managing the CLOs have responsibilities with respect to other funds or accounts managed by the Adviser and Bain Capital Credit, including funds and accounts that are raised in the future. Under a resource sharing agreement, Bain Capital Credit has agreed to provide the Adviser with the resources necessary to fulfill their obligations under the applicable collateral management agreements. The resource sharing agreement provides that Bain Capital Credit will make available 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 such other funds or accounts. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

Advisory Services to Portfolio Companies

The other Affiliate Advisors often perform a variety of services for actual or prospective portfolio companies or other deal-related investment vehicles of the Affiliate Advisors, 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 (the “Other Services”) for, and will receive compensation from (and expenses reimbursed by), a number of entities, which may include entities in which the CLOs have interests. In connection with performance of the Other Services, such Affiliate Adviser typically enters into a management agreement with the entity to which the Other 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 relevant fund's investment in such portfolio company. The appropriate fees for certain advisory services is determined by such Affiliate Adviser providing such Other Services, following negotiation with management of such entity receiving such Other Services and other investors, in consultation with lenders, 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 Other Services, a conflict will exist in determination of any such fees and other related terms in the applicable management agreement with such entities. The Adviser does not participate in the negotiation or approval of these arrangements, and these fees will not be shared with the Adviser or the CLOs.

The Affiliate Advisors 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 CLO has invested, such as competitors, suppliers or customers of a company in which the CLO has invested. On occasion, an Affiliate Advisor will recommend or cause such a third party to take actions that are adverse to a CLO or companies in which it has invested.

The other Affiliate Advisors 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 Advisor and who, from time to time, receive payments from such Affiliate Advisor 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 the CLOs have interests. These fees will not be shared with the CLOs or the CLOs' investors.

Certain personnel of Affiliate Advisors are likely to invest, directly or indirectly, in one or more CLOs. Conflicts will arise to the extent such personnel manage other funds, the interests of which conflict with those of the CLOs.

Incentive and Advisory Fees

The Adviser generally is entitled to an Incentive Fee from the CLOs. The existence of the Incentive Fee could create an incentive for the Adviser to cause a CLO to make more speculative investments than it would otherwise make in the absence of performance-based compensation. The Adviser also may have an incentive to hold on to investments that have poor prospects of improving in order to receive ongoing Advisory Fees.

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. The Adviser may have an incentive to value an asset internally rather than subject to a third party valuation agent.

The payment by CLOs of Advisory Fees and Incentive Fees at varying rates may create an incentive for the Adviser to disproportionately allocate time, services or functions to CLOs paying fees at a higher rate.

Conflicts Relating to the Purchase and Sale of Investments

Allocation of Investment Opportunities

Bain Capital Credit and its subsidiaries (including the Adviser) sponsor and manage various investment vehicles, and they expect to form new investment vehicles in the future. They seek to allocate investment opportunities among their clients in a manner consistent with their fiduciary obligations and overall fairness principles. In determining which clients will participate in investment opportunities, they seek to act in the best interests of each client, and to place the interests of each client above those of Bain Capital Credit and its subsidiaries (including the Adviser).

Bain Capital Credit and its subsidiaries (including the Adviser) seek to provide fair and equitable treatment — in good faith and to the extent reasonably possible — to clients sharing similar investment mandates and guidelines. However, because of differences in account size, cash consideration, tax restrictions, regulatory restrictions, liquidity, and other considerations, it is expected that not all clients (including CLOs) pursuing a similar strategy will participate in every investment opportunity. Strategies are rarely identical. Bain Capital Credit and its subsidiaries (including the Adviser) 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.

Affiliated Advisors also sponsor and manage various investment vehicles, and expect to form additional vehicles in the future. From time to time, Related Clients will invest in assets eligible for purchase by a CLO managed by the Adviser. The investment policies, fee arrangements, incentive compensation, investments owned by employees of the Adviser or the other Affiliate Advisors, and other circumstances of such CLO, 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 CLO. Subject to any requirements of the governing instruments of the CLOs and other Related Clients, opportunities for investments will be allocated between a CLO and other Related Clients in a manner that the Adviser and the other Affiliate Advisors, as well as the Related Clients' respective general partners (if applicable), 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 the CLOs 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 CLOs or Related Clients, the expected duration of the investment in light of the term of the other CLOs and the other Related Clients, regulatory and tax considerations (including those related to the Investment Company Act), the degree of risk arising from an investment, the expected investment return and such other factors as the Adviser and Bain Capital deems to be appropriate. In general, while investments sourced by an Affiliate Advisor that are appropriate for

Related Clients advised by such Affiliate Advisor will first be made available to such other Related Clients, the Adviser and the other Affiliate Advisors 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.

The Adviser also reserves the right to make independent decisions with regard to when a CLO should purchase and sell investments, and the other Affiliate Advisors reserve similar rights with respect to the Related Clients that they advise. As a result, from time to time, a CLO 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 CLO has invested in opportunities that other Related Clients have declined, and likewise, a CLO has declined to invest in opportunities in which other Related Clients have invested.

Investment in a CLO by Related Clients

Certain Related Clients will invest in a CLO managed by the Adviser. The Adviser will, from time to time and in its sole discretion, provide the Affiliate Advisor of any such Related Clients certain information about the applicable CLO'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 Advisor 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, the Adviser will waive a portion of the Advisory Fees and/or Incentive Fees that would otherwise be payable to it by a CLO, with respect to Related Clients that are investors in such CLO. From time to time, the Related Clients will own equity in issuers of the loans to be held by a CLO, which will create a conflict of interest if the loans become distressed.

Investments Alongside CLOs and the Other Related Clients

Conflicts also arise when a CLO managed by the Adviser makes investments in conjunction with an investment made by Related Clients or in a transaction where another Related Client has already made an investment (including the investment by the CLOs in a loan made to a Bain Capital portfolio company). Investment opportunities have in the past and may in the future be appropriate for a CLO 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 the Adviser and/or other Affiliate Advisors control the structure of a transaction and its capitalization. For example, where a CLO is investing in debt instruments, it will have an interest in structuring debt instruments 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 becomes 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 held by a CLO or another Related Client. In addition, a conflict

will arise in allocating an investment opportunity if the potential target could be acquired by another CLO or a portfolio company of another CLO. There can be no assurance that the return on a CLO's investments will not be less than the returns obtained by other Related Clients participating in the transaction. Employees and related persons of the Adviser and the other Affiliate Advisors 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 Advisor will determine all matters relating to structuring transactions and capitalizing portfolio companies, including the amount and terms of investment opportunities 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 CLOs and as between CLOs 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 CLOs will, from time to time, make co-investments in transactions sourced by Bain Capital Private Equity, LP, Bain Capital Ventures, LP, and/or Bain Capital Public Equity, LP. When such a Related Client makes a private equity and other investment, the applicable Co-Investment Advisor 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 advised by a Co-Investment Advisor will generally reimburse such Co-Investment Advisor for expenses incurred by such Co-Investment Advisor in connection with its performance of services for such portfolio company. Although a Co-Investment Advisor 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 Advisor, on the one hand, and, to the extent such CLO co-invests in the transaction, the CLO on the other hand, because the amounts of such fees and reimbursements are often substantial and the CLO will not share in such fees and reimbursements.

Co-Investment Opportunities

Additionally, Bain Capital Credit or the Adviser will, from time to time, permit or establish certain investment vehicles through which certain CLOs, Related Clients, their respective affiliates and/or the Adviser's employees, or other persons invest alongside one or more CLOs in one or more investment opportunities. Such vehicles, referred to herein as "co-investment vehicles," generally are created to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable CLO that is invested in that investment opportunity subject to legal, regulatory, tax or other similar considerations. Such co-investment vehicles generally do not pay management fees or carried interest.

The allocation of such co-investment opportunities will be in proportion to the commitments of such CLO or Bain Capital Credit client, or such other method as determined by the Adviser (or Bain Capital) Credit in its sole discretion and generally involve different terms and fee structures. In these cases, although the Adviser will seek to act in the best interest of the CLOs, it might be alleged that CLOs received a smaller investment allocation in the particular issuer than it otherwise might have received if the Adviser had not provided the third party with the co-investment opportunity. Additionally, non-binding acknowledgments of interest in co-investment

opportunities do not require the Adviser to notify the recipients of such acknowledgments if there is a co-investment opportunity.

In the event Bain Capital Credit or the Adviser determines to offer an investment opportunity co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a 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 the terms and conditions that will be preferable for the CLO or that expenses incurred by the applicable CLO with respect to the syndication of the co-investment will not be substantial. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the applicable CLO, consequently, will likely hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the applicable CLO more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the applicable CLO which is not syndicated to co-investors as originally anticipated could significantly reduce the applicable CLO's overall investment returns.

Allocation of Fees and Expenses

The appropriate allocation among CLOs of expenses and fees generated in the course of evaluating and making investments often will not be clear, especially where more than one CLO participates. For instance, if a CLO and another CLO or Related Client are considering making an investment that is not consummated, allocation of the expenses generated for the account of such CLOs or Related Clients (such as expenses of common counsel and other professionals) will be made in good faith. When the Adviser and the other Affiliate Advisors incur expenses that were related to the CLO and/or other Related Clients, they will typically allocate such expenses among all CLOs and other Related Clients eligible to reimburse expenses of the applicable nature. In general, the Adviser and each other affected Affiliate Advisor will participate in the resolution of all such matters using its best judgment, considering all factors it deems relevant, but in its sole discretion.

Investments sourced and evaluated by the Adviser that are deemed inappropriate and rejected for investment by CLOs have in the past and may in the future be offered to the Affiliate Advisors for investment by the Related Clients or for investment directly by Affiliated Advisor personnel. The Related Clients or Affiliated Advisor personnel will, for some investments, benefit from the evaluation and due diligence undertaken by the Adviser on behalf of CLOs. In such circumstances, the Related Clients and/or Affiliated Advisor personnel that have invested will be allocated the expenses, as determined in good faith by the applicable general partners or Affiliated Advisors of the Related Clients, incurred by the Adviser and/or the Related Clients as they relate to such investment.

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

Diverse Interests of the CLOs

The CLOs, and their respective investors, may have conflicting investment, tax and other interests with respect to the investments made by the CLOs. Conflicts of interest may arise in connection with decisions made by the Adviser, including with respect to the nature or structuring of investments. The structure of investments may differ among the CLOs, and any such structuring may be more beneficial to one CLO and its investors than to another CLO. For instance, the manner in which a particular investment is structured may produce tax results that are favorable to a CLO, but not to another CLO. In selecting investments appropriate for the CLOs and in structuring those investments, although the Adviser may elect for one or more of the CLOs to decline to participate, the Adviser will generally consider the investment objectives of the CLOs as a whole, rather than the investment, tax or other objectives of the CLOs and their respective investors separately.

Cross Transactions

From time to time, the Adviser will cause a CLO to purchase investments from, or sell investments to, another CLO or another Related Client. Such transactions could create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a CLO may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Related Client by selling underperforming assets to another Related Client. Additionally, in connection with such transactions, the Adviser (i) might have significant investments, or intentions to invest, in the CLO or Related Client that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment. The Adviser and its affiliates may receive management or other fees or profits in connection with their management of the relevant CLOs or Related Clients involved in such a transaction. The Adviser will only cause a CLO to engage in such transactions if it determines that the terms and conditions of such transactions are at least equivalent to the CLO as the terms it would obtain in a comparable arm's length transaction with a third party. The valuation of loans or other assets to be transferred from a CLO or Related Client to another CLO or Related Client also involves inherent conflicts of interest for the Adviser and its affiliates.

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 loan or security from, or sell a loan or security to, a client (what is commonly referred to as a "principal transaction"), the Adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of CLOs or on occasions otherwise, the Adviser and its affiliates from time to time engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act and the Investment Company 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 CLO 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 CLO has made an investment in a company in which another Related Client has also invested, particularly where a CLO or other Related Clients invest in different types of loans or 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 Advisors at both the equity and debt levels could inhibit strategic information exchanges among other creditors. In certain circumstances, the other CLOs 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. The Adviser and each other Affiliate Advisor 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.

Recapitalization Transactions

From time to time, a CLO 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. The Adviser and each other Affiliate Advisor 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.

Proxy Voting

The Adviser intends to vote proxies on behalf of the CLOs either in accordance with management recommendations, or otherwise in the best interests of the CLOs, taking into account such factors as it deems relevant in its sole discretion. Conflicts of interest may arise in voting proxies if a CLO holds different interests in a company than other investment vehicles managed by the Adviser or its affiliates.

Missing Follow On Investments

Investments to finance follow-on acquisitions are a regular part of the business of the CLOs 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 CLO 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 CLO 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. The Adviser and each other Affiliate Advisor 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.

Debt Investments

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

Private Placements

At times, a portion of a CLO's investments will consist of securities that are subject to restrictions on resale by such CLO because they were acquired in a "private placement" transaction or because such CLO is deemed to be an affiliate of the issuer of such securities. Generally, a CLO 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 CLO 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 CLO directly or indirectly controls or is under common control with issuers of securities held by such CLO, 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 CLO 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 Advisors have an incentive to recommend the products or services of certain investors in other CLOs or Related Clients or their related businesses to other CLOs or Related Clients or their portfolio companies, even though they may not necessarily be the best available to other CLOs or Related Clients or the portfolio companies.

The Adviser and the general partners and advisers of the other Related Clients will, from time to time, utilize the services of investors and their affiliates on an arm's length basis, as they deem appropriate.

Other Conflicts of Interest

Legal Counsel

The CLOs and other Related Clients will generally engage common legal counsel and other advisors to represent all of the CLOs and Related Clients in a particular transaction, including a transaction in which the Clients have conflicting interests because they are investing in different loans or securities of a single portfolio company. In the event of a significant dispute or divergence of interest between a CLO and other Related Clients, such as in a work-out or other distressed situation, separate representation may become desirable, in which case the Adviser and the other Affiliate Advisors 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 CLOs and other Related Clients could be investors in certain CLOs and Related Clients, and could also represent one or more portfolio companies or investors of the Related Clients. Additionally, the Adviser and CLOs and the portfolio companies may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and CLOs and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by CLOs and/or the portfolio companies.

Side Letters

The Adviser may enter into certain side letter arrangements with certain investors in a CLO providing such investors with a right to receive a portion of the Advisory Fee and/or Incentive Fees that would otherwise be payable to the Adviser by such CLO.

Procurement

There may be situations in which the Adviser is in a position of facilitating or otherwise making available portfolio company services and, as a result, certain portfolio companies of a CLO 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. The Adviser 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, the Adviser 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 CLOs

The CLOs and other Related Clients have tax exempt, taxable, U.S., foreign and other investors, whereas most members most members of the Adviser 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 CLOs. 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 Related Client, the Adviser and the Affiliate Advisors will consider the investment and tax objectives of the applicable Related Client, not the investment, tax and other objectives of any investor individually.

Access to Information

At times, the Adviser may provide a specific CLO investor with certain information not available to other CLO investors. Additionally, the Adviser or its affiliates may establish separate accounts with portfolios significantly similar to those of the CLOs. Consequently, the relevant separate account client will have access to information about such portfolio holdings before investors in the CLOs.

Material, Non-Public Information; Trading Restrictions

From time to time, the Adviser or another Affiliate Advisor will come into possession of material, non-public information, and such information may limit the ability of the CLO to buy and sell investments. Although Bain Capital currently maintains "ethical walls" which reduce the likelihood that the Adviser will be deemed to possess material, non-public information possessed by other Affiliate Advisors, there is no guarantee that Bain Capital will maintain "ethical walls" for the life of the CLO. Furthermore, the Adviser and the other Affiliate Advisors 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 the Adviser and the other Affiliate Advisors. In such cases, the CLOs 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 Advisors will at times limit the ability of the CLO to buy and sell investments. In addition, the Adviser will from time to time be restricted by contract from using confidential information that it, or another Affiliate Advisor, has for the benefit of a CLO. Moreover, sometimes the Adviser will receive confidential information on an issuer that a CLO holds, which may then restrict the CLO and cause the asset to become illiquid. In some circumstances, the Adviser may not pursue an opportunity because doing so may restrict the CLO, this may conflict with the interests of other CLOs.

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

Conflicts Related to Plan Assets

One or more CLOs or other Related Clients may hold "plan assets" subject to ERISA. With respect to those plan assets, if any, the Adviser 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 CLO will be restricted from entering into certain transactions if the investment would violate ERISA with respect to the CLO 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 CLO or such other Related Clients.

Different conflicts exist with respect to investments in different CLOs.

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

Code of Ethics

The Adviser has adopted a Code of Ethics policy for its personnel. The Policy describes personnel standard of conduct and fiduciary duties and limits personal trading by its personnel and their immediate family/household members in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Personnel must report every account that they or their immediate family member use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions and have copies of trade confirmations and periodic account statements sent by their broker to the Compliance Department. Controlled trading by personnel and their immediate family/household members is prohibited in a wide range of securities that appear on restricted lists and confidential watch 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 the CLOs and to ensure personnel do not engage in "front-running" of the CLOs' 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 the CLOs. A detailed summary of the Code of Ethics is available to prospective clients during the investment due diligence process. A copy may be obtained by contacting the Adviser's Compliance Department.

Related Person Investment

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

In addition, the Adviser's personnel may buy securities in transactions offered to but rejected by the CLOs. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the CLOs. If the Adviser's personnel have made large capital investments in or alongside the CLOs, 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 purchases or sales of loans or securities, the Adviser, or a related person of the Adviser, considers various relevant factors, including without limitation, pricing terms offered by the broker-dealer, the ability of the broker-dealer to deliver prompt and reliable execution, the size and type of the transactions, the nature and character of the market for the loans or 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.

The Adviser receives research, statistical and quotation services, data, information and other services and materials that assist the Adviser in the performance of its investment advisory responsibilities from broker-dealer firms that execute transactions for CLOs. Where such services are provided, the Adviser may agree to compensate such broker-dealer or third party in either "hard" dollars (generally paid by the relevant CLO), "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 the Adviser 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 the Adviser in rendering investment advice to all or a significant portion of the CLOs, or could be relevant and useful for the management of one CLO's account or only a few CLOs' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer through which the research service was provided. The Adviser will only make purchase and sale transactions that it in good faith believes are in the best interest of the CLO. A conflict of interest exists when a broker-dealer provides such research services, however, as the Adviser will have an incentive to favor such broker-dealer over others that charge lower commissions. The Adviser 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.

Bain Capital Credit and its subsidiaries (including the Adviser) often aggregate trades pursuant to formal written procedures, which generally provide that such allocation is made on a pro rata basis based on order size among participating investment vehicles. 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 investment vehicle's best interests and to prevent any favoring of or discriminating against any investment vehicle, and that such allocation is consistent with the Adviser's fiduciary duties, its duty of best execution and on contractual obligations. In addition, CLOs could be, and have been, excluded from trade allocations if their allocation falls below a loan or security's minimum denomination. Similarly, some exceptions to pro rata may be undertaken to deal with odd lots, rounding, regulatory restrictions, mandate restrictions or other circumstances that may occur from time to time. Circumstances also may arise when the Adviser needs to reallocate a trade to another CLO after its initial allocation but before the settlement date. Generally, a trade will be reallocated to another CLO only if the latter had a pre-existing order. The security is typically reallocated at the original transactions price. The Adviser's Compliance Department generally reviews allocations. For additional information regarding the allocation of investments among CLOs and clients of the non-Adviser Affiliated Advisors, please see Item 10 above.

Aggregation of Trades

Bain Capital Credit and its subsidiaries (including the Adviser) aggregate (or bunch) the orders of more than one investment vehicle 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, the Adviser (along with Bain Capital Credit and its other subsidiaries) generally aggregates trade orders for securities and loans so that each participating CLO or other Related Client will receive the average price for each execution of a transaction.

If an order for more than one CLO for a publicly traded loan or security cannot be executed, allocation shall be made based on the Adviser's procedures for allocation of investment opportunities, as described in Item 10 above.

Item 13. Review of Accounts

Oversight and Monitoring

The Adviser continually reviews and analyzes its existing positions to attempt to identify issues early on and to take action where necessary. The Adviser'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 the credit 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 the Adviser. 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 CLO is reviewed by a team of investment professionals. The team generally includes Managing Directors and other investment professionals of the Adviser.

Reporting

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.

Item 14. Client Referrals and Other Compensation

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

The Adviser from time to time will use placement agents and finders to assist with identifying potential investors.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

The Adviser provides investment advisory and collateral management services to each of the CLOs pursuant to the Advisory Agreement of such CLO. Investment advice is provided by the Adviser directly to the CLOs and not individually to investors in the CLOs. Any restrictions on investments in certain types of assets are set forth in the documentation received by each investor prior to investment in such CLO, 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.

Item 17. Voting Client Securities

The Adviser intends to exercise the voting rights of the CLOs with respect to their respective assets in accordance with the best interests of the applicable CLO, taking into account such factors as it deems relevant in its sole discretion. Upon receipt of a voting request, the Adviser'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 CLO and ensures the vote is completed in a timely manner.

The Adviser's voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular vote, that the vote is not improperly influenced by the conflict. Conflicts of interest will arise from time to time in relation to voting requirements. The Adviser shall monitor all voting requests for any potential conflicts of interest. If a material conflict of interest arises, the Adviser will determine what is in the best interests of the relevant CLO and will seek to take appropriate steps to eliminate any such conflict.

A detailed summary of the Adviser's voting policies and procedures are available to investors and prospective investors of a CLO through the Adviser's Compliance Department.

Existing CLOs may obtain copies of relevant voting logs and copies of voting policies and procedures upon written request to: Bain Capital Credit CLO Advisors, LP, 200 Clarendon Street, Boston, MA 02116. Attn: Compliance Department.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.