

**Item 1. Cover Page**

**Bain Capital Public Equity, LP**

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**Part 2A of Form ADV: Firm Brochure  
March 2020**



**This brochure provides information about the qualifications and business practices of Bain Capital Public Equity, 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 Public Equity, LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Item 2 is not applicable.

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

Bain Capital Public Equity, LP (“Bain Capital Public Equity”), a Delaware limited partnership wholly owned by Bain Capital, LP (“Bain Capital”), provides investment advisory services to pooled investment vehicles 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”), including: Brookside Capital Partners Fund, L.P. (“Fund I”), Bain Capital Public Equity Global Partners Fund, L.P. (“BCGPF”), Bain Capital Public Equity Global Long Equity Fund, L.P. (“GLEF”) and certain co- investment pooled vehicles (“Coinvest Funds”) (collectively with the Trading Fund (defined below) the “Public Equity Funds”). As the investment adviser of each Public Equity Fund, along with each Public Equity Fund’s general partner (“General Partners”),<sup>1</sup> Bain Capital Public Equity identifies investment opportunities, and participates in the acquisition, management, monitoring and disposition of investments, for each Public Equity Fund.

The primary focus of Bain Capital Public Equity’s investment advisory activity is advising the Public Equity Funds on investments in securities of publicly traded companies that offer opportunities to realize substantial long-term appreciation. From time to time, Bain Capital Public Equity may offer advice on investments in equities, short sales, performing and distressed bank loans, high yield bonds, structured products, credit based securities, swap transactions (including single stock swaps, basket swaps, index swaps, credit default swaps and contracts for differences), derivative instruments, options, commercial paper, currency hedging transactions, securities lending arrangements, repurchase agreements and other asset classes. Bain Capital Public Equity may also offer advice on investments in private companies and other transactions through private instruments. The Public Equity Funds offer limited partnership interest (“Interest”) to qualified persons, who, upon admission to the Public Equity Funds, will become limited partners (“Limited Partners”).

Bain Capital Public Equity provides investment advisory services to each of the Public Equity Funds and Brookside Capital Trading Fund, L.P. (the “Trading Fund”) pursuant to separate investment and advisory agreements (each, an “Advisory Agreement”). Investment advice is provided by Bain Capital Public Equity directly to the Public Equity Funds, subject to the direction and control of the General Partner of such Public Equity Fund and not individually to investors in the Public Equity Funds. The Trading Fund serves as a common investment vehicle for Fund I and BCGPF for global public securities.

Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Public Equity Fund and are set forth in the documentation received by each Limited Partner prior to investment in such Public Equity Fund.

Bain Capital Public Equity has been in business since 1996. As of December 31, 2019, Bain Capital Public Equity manages approximately \$1,828,854,000 of client assets, all of which is managed on a discretionary basis.

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<sup>1</sup> References to General Partner in relation to carried interest for purposes of this document include any Special Limited Partner for applicable Public Equity Funds.

## Item 5. Fees and Compensation

As compensation for investment advisory services rendered to the Public Equity Funds, Bain Capital Public Equity receives from applicable Public Equity Funds an annual management fee payable quarterly in advance. Personnel of Bain Capital Public Equity and its affiliates are largely exempt from paying management fees. Upon the termination of an Advisory Agreement, appropriate treatment, including, where applicable, returning prepaid management fees on a prorated basis, will be given to all fees collected in advance. Management fees paid by a Public Equity Fund are indirectly borne by the investors in such Public Equity Fund.

The precise amount of, and the manner and calculation of, the management fee for each Public Equity Fund is established by Bain Capital Public Equity and set forth in such Public Equity Fund's Advisory Agreement, governing documents and/or other documentation received by each investor prior to investment in such Public Equity Fund. The fee structures described above may be modified from time to time. Fees differ from one Public Equity Fund to another, as well as among investors in the same Public Equity Fund. In its sole discretion, Bain Capital Public Equity may waive or reduce management fees, including for certain Limited Partners.

The Public Equity Funds bear all of their organizational and operational expenses and obligations, which include the below. Please refer to the limited partnership agreement (or analogous organizational document) of the applicable Public Equity Fund for details regarding the practices of such Public Equity Fund.

- (a) all out-of-pocket expenses incurred in connection with organizing, establishing and offering of a Public Equity Fund, the General Partner and any "Special Limited Partners" as defined in the applicable Public Equity Fund's organization documents (including legal and accounting expenses, filing fees and expenses, travel, accommodation and related expenses, printing costs or any other expenses incurred with respect to the offering) ("Organizational Expenses");
- (b) all investment-related expenses (including any such expenses incurred in connection with potential investments, whether or not completed), including: expenses relating to identifying, discovering, sourcing, developing (including any retainers, success and finder's fees and other compensation paid to contractors, senior advisors and sourcing and operating partners), evaluating, valuing, researching, investigating, structuring (including rating agency fees and expenses), diligencing, monitoring, maintaining, purchasing, making, holding, acquiring, registering (including notary and "gestoria" costs), selling (or potentially selling), or restructuring investments (whether or not completed, including broken deal and reverse break-up fees, liquidated damages, forfeited deposits, reverse termination fees or similar payments); all lodging, travel, transportation (including the use of charter, first class or business travel and taxis and car rentals and any other transportation), meals, and related expenses (including any of these incurred by an investment team or other member of the General Partner or Bain Capital Public Equity or their affiliates) incurred in connection with the Public Equity Funds' affairs, and with evaluating, making and monitoring investments; professional costs and expenses (including legal, compliance, tax, financial, accounting, actuarial, valuation, advisory and consulting/experts (including consultants or experts for industry-specific matters, due diligence, reference checks, sourcing or introductions and other similar costs)); brokerage commissions, hedging costs, expenses relating to short sales,

prime brokerage fees, financing costs and expenses, custodial expenses, clearing and settlement charges, private placement fees, syndication fees, solicitation fees, arranger fees, sales commissions, pricing and valuation fees (including appraisal fees), underwriting commissions and discounts, investment banking fees, advisory fees (including income-based repayments, receivership costs and similar fees and costs), and bank charges, and custodial, trustee, transfer agent, recordkeeping and other administrative costs; fees of third-party experts or consultants; and value-added taxes and taxes incurred in connection with investments;

- (c) all expenses of the Public Equity Funds incurred in connection with the ongoing operation and administration of the Public Equity Funds, including: any legal, tax, auditing, accounting and consulting fees, bookkeeping, record keeping and clerical services to the Public Equity Funds;
- (d) fees; taxes and expenses associated with the Public Equity Funds' audits and financial statements (including tax information, returns and elections), including fees and expenses associated with preparing, filing or distributing tax information, returns or elections and complying with any tax audit, investigation, settlement or review; expenses incurred in connection with the preparation and maintenance of the Public Equity Funds' books and records and account holder diligence; expenses incurred in connection with the preparation and delivery of wires and distributions, financial and other reports, circulars, forms, notices, valuations, investment summaries and other information (including courier and delivery expenses), including the cost of auditing reports; expenses incurred by General Partner or designee as tax matters representative in connection with the Public Equity Fund; and expenses incurred in connection with the dissolution and liquidation of the Public Equity Fund;
- (e) expenses and fees of any administrator, depository and/or custodian;
- (f) all research and data expenses (including news and quotation subscriptions, market research, costs of attending conferences and related reasonable travel expenses), information technology expenses (including technology service providers) and expenses related to acquiring, developing, implementing or maintaining related software;
- (g) all fees, expenses and costs in connection with any government and/or regulatory filings related to the Public Equity Funds or the offering of interests in the Public Equity Funds (including regulatory filings of Bain Capital Public Equity and its affiliates relating to the Public Equity Funds, including without limitation Form PF filings, but not, for the avoidance of doubt, filings solely related to the operation of Bain Capital Public Equity generally), and the costs of maintaining the Public Equity Funds;
- (h) all fees, costs and expenses of registration, qualification or exemption of the Public Equity Funds under any law or regulation, and any legal or regulatory compliance by the Public Equity Funds with any law or regulation, and related reports, disclosures, licenses, registrations or notifications; and all fees, costs and expenses related to any governmental inquiries, investigations or proceedings relating to the Public Equity Funds, including any judgments, settlements or fines;

- (i) all expenses related to advisory committee meetings (including reasonable travel, accommodation, meal, or similar expenses), other out-of-pocket expenses of the advisory committee (including costs and expenses of any legal counsel retained by the advisory committee) and costs and expenses incurred in relation to obtaining consents or approvals of the Limited Partners or the advisory committee;
- (j) any costs, losses, damages or other expenses relating to any warranties or indemnities given by the Public Equity Funds in relation to any investments, including where a claim has been made in respect of such warranties or indemnities;
- (k) all costs of all subsidiaries, special purpose vehicles and other vehicles through which the Public Equity Funds make, hold or propose to make or hold investments, including costs associated with establishing, managing and administering such entities (including board of director expenses, corporate governance and secretarial expenses, fees and expenses associating with accounting, tax and financial services, reporting and cash handling fees and expenses, fees and expenses incurred in connection with audits and regulatory compliance, such as the Foreign Account Tax Compliance Act (“FACTA”) and central bank reporting), and winding up and dissolving such entities;
- (l) all costs and expenses incurred in connection with the preparation of amendments to the limited partnership agreement or other documentation of the Public Equity Funds;
- (m) the management fee and the incentive fee;
- (n) costs and expenses of administering side letters entered into with Limited Partners (including the process of distributing and implementing applicable elections pursuant to any “most-favored nations” clauses in side letters);
- (o) all out-of-pocket expenses incurred in connection with the collection of amounts due to the Public Equity Funds from any person;
- (p) all expenses incurred in connection with the obtaining and maintaining of insurance policies by or on behalf of investments of the Public Equity Funds, the General Partners, Bain Capital Public Equity and their affiliates and the advisory committee with respect to the applicable Public Equity Fund, including the allocable portion of any insurance policies that provide the General Partner and/or Bain Capital Public Equity with coverage covering multiple funds, personnel or liabilities, including with respect to the Public Equity Funds;
- (q) all costs and expenses incurred in connection with a purchase, sale, assignment, pledge or transfer of a Limited Partner’s interest in the Public Equity Funds (but only to the extent not paid by the applicable purchaser or Limited Partner, assignee, pledgee or transferee, as the case may be);
- (r) any taxes, or any expenses, penalties, liabilities or government charges directly or indirectly imposed or required to be paid or withheld by the Public Equity Funds, the General Partner or Bain Capital Public Equity or any affiliate thereof with respect to the Public Equity Funds

or any partner, including any interest, additions to tax, penalties or related expenses and expenses in connection with tax proceedings;

- (s) all expenses incurred in connection with any proceeding involving the Public Equity Funds (including the cost of any investigation, prosecution, defense and preparation) and the amount of any judgment or settlement paid in connection therewith;
- (t) any other extraordinary expenses of the Public Equity Funds; and
- (u) all indemnification obligations and any other indemnity, contribution, or reimbursement obligations of the Public Equity Funds with respect to any person, whether payable in connection with a proceeding involving the Public Equity Funds or otherwise.

For the avoidance of doubt, the foregoing are considered “Fund Expenses” whether incurred directly by the Public Equity Funds or by the General Partners, Bain Capital Public Equity or any of their affiliates, on behalf of the Public Equity Funds. In addition, in the General Partners’ sole discretion, the Public Equity Funds may bear all or a portion of the organizational or other expenses of a feeder fund during the first year of operation. The Bain Capital Public Equity pays its normal operating expenses (such as compensation expenses related to its personnel, including salaries, bonuses and fringe benefits, the fees and expenses associated with recruiting and training its staff and consultants, rent, utilities, office expenses, information technology and other real estate-related expenses, travel expenses not related to a transaction, and other similar items and related overhead expenses of Bain Capital Public Equity), which may be paid out of the management fee.

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

The appropriate allocation of fees and expenses among the Public Equity Funds and any other persons or entities that may invest or co-invest with the Public Equity Funds in one or more investments is determined by the General Partners and the general partners (or similar governing entity) of such other funds or accounts that invest alongside the Public Equity Funds in good faith and in a manner consistent with the limited partnership agreements (or analogous organizational documents) of such other investing entities. There may be no other entity that has agreed to share expenses with the Public Equity Funds if the investment is not consummated, with the result that the applicable Public Equity Fund may bear all of the expenses relating to that potential investment (including potentially additional costs associated with a potential co-investment), notwithstanding that other funds or third parties may have benefitted from the opportunity to review, investigate and otherwise assess that potential investment.

To the extent the Public Equity Funds are deemed to hold “plan assets,” Organizational Expenses and Fund Expenses borne by the Public Equity Funds will include only those expenses permitted to be borne by the Public Equity Funds pursuant to the U.S. Employee Retirement Income Security



Act of 1974, as amended.

The Public Equity Funds amortizes its initial Organizational Expenses over such time period as is permitted by U.S. generally accepted accounting principles, as determined by the General Partner in its sole discretion.

Public Equity Fund expenses may be reduced through the use of “soft” or commission dollars (see Item 12 below). Public Equity Funds have also in the past borne and may, in the future bear, any other fees or expenses incurred by Bain Capital Public Equity or the Public Equity Funds in connection with Public Equity Funds’ operations that are not specifically set forth above as being paid by Bain Capital Public Equity.

Additionally, please see Item 6 below regarding “incentive allocation” that the Public Equity Funds may pay.

The Public Equity Funds frequently incur brokerage and/or other transaction costs in connection with their investments. For additional information regarding brokerage practices, please see Item 12 below.

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

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

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

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

A portion of certain Public Equity Funds’ net investment profit is allocated to the capital account of its General Partner or a similar vehicle as an “incentive allocation.” Personnel of Bain Capital Public Equity and its affiliates are largely exempt from paying such incentive allocations for applicable Public Equity Funds. Each General Partner of a Public Equity Fund is a related person of Bain Capital Public Equity. Incentive allocations differ from one Public Equity Fund to another, as well as among investors in the same Public Equity Fund. In addition, certain Public Equity Funds pay other incentive fees.

The payment by the Public Equity Funds of incentive compensation at varying rates (including varying effective rates based on the past performance of a Public Equity Fund) may create an incentive for Bain Capital Public Equity to disproportionately allocate time, services or functions to the Public Equity Funds paying incentive allocation at a higher rate, or allocate investment opportunities to such Public Equity Funds. Please see Item 10 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by Bain Capital Public Equity.

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

Bain Capital Public Equity currently provides investment advisory services to the Public Equity Funds. Investment advice is provided directly to the Public Equity Funds, subject to the direction and control of the General Partner of such Public Equity Fund, and not individually to the Limited Partners of such Public Equity Fund.

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

Bain Capital Public Equity does not impose minimum dollar values on creating a Public Equity Fund; however legal eligibility requirements must be met and minimum investment commitments may be established for Limited Partners in the Public Equity Funds. The General Partner of each Public Equity Fund, in its sole discretion, may permit investments below the required minimum investment commitments.

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

Bain Capital Public Equity's investment strategy involves in-depth strategic and financial analysis, placing particular emphasis on industry dynamics, competitive positioning, and management capability. Bain Capital Public Equity typically makes investments in securities at prices it believes to be below their intrinsic value based on a company's normalized cash flow, growth potential and/or asset value. As applicable, the Public Equity Funds' portfolios are allocated between long positions in securities that thorough analysis suggests are significantly undervalued in the marketplace and – if consistent with their mandates – short positions in securities that thorough analysis suggests are significantly overvalued in the marketplace.

Bain Capital Public Equity's fundamental research includes the following detailed analyses:

- Industry attractiveness,
- Competitive analysis,
- Management strategy and capability,
- Absolute and relative valuation versus competitors, and
- Key risks and opportunities.

As part of its in-depth research, Bain Capital Public Equity dedicates significant resources to assessing a company's strategic position rather than simply performing financial analysis. This strategic evaluation generally includes market research, customer and supplier interviews, product and cost comparisons with a company's key competitors, management interviews, and reference checks.

## **Risks**

Investing in securities involves a substantial degree of risk. The investments of each Public Equity Fund may lose all or a substantial portion of their value, and investors in the Public Equity Funds must be prepared to bear the risk of loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and the types of securities purchased by the Public Equity Funds in connection with those strategies and methods, include the following:

### *Reliance on Investment Advisor*

An investor must rely on Bain Capital Public Equity's ability to identify and make investments consistent with a Public Equity Fund's investment objective and policies. In addition, the Limited Partners will not have an opportunity to evaluate the relevant economic, financial, or other information regarding specific investments to be made by a Public Equity Fund or the terms of any investment. Bain Capital Public Equity may be unable to find a sufficient number of attractive opportunities to invest a Public Equity Fund's portfolio or meet its investment objective. Further, there can be no assurance that what the General Partner or Bain Capital Public Equity perceives as an attractive investment opportunity will not, in fact, result in substantial losses due to one or more of a wide variety of factors. Limited Partners have no right or power to take part in the management of a Public Equity Fund. Investors will not receive the detailed financial information issued by companies in which a Public Equity Fund invests that is available to the General Partner and Bain Capital Public Equity. Accordingly, no person should purchase Interests unless such person is willing to entrust all aspects of the management of the Public Equity Funds to the General Partner and Bain Capital Public Equity.

The loss of the services of one or more of the members of the professional staff of Bain Capital Public Equity could have an adverse impact on a Public Equity Funds' ability to realize its investment objective. In addition, it is expected that all of the officers and employees responsible for managing or advising a Public Equity Fund will continue to have responsibilities with respect to other funds and accounts managed and advised by Bain Capital Public Equity. Thus, such persons will have demands made on their time for the investment, monitoring, exit strategy and other functions of other funds and accounts. In addition, the limited partnership agreement and the investment management agreement limit the circumstances under which the General Partner, Bain Capital Public Equity and their respective affiliates can be held liable to a Public Equity Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would in the absence of such provisions.

### *Counterparty Risk*

Certain markets in which the Public Equity Funds may effect transactions are "over-the-counter" or "interdealer" markets, and may also include unregulated private markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the investor to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity

problem, thus causing the Public Equity Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Public Equity Funds have concentrated their transactions with a single or small group of counterparties. The Public Equity Funds may also be exposed to similar risks with respect to non-U.S. brokers in jurisdictions where there are delayed settlement periods. The Public Equity Funds are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Public Equity Funds to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Public Equity Funds. Similar risks also arise in connection with derivative instruments and brokerage arrangements that the Public Equity Funds may put in place.

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

#### *Prime Brokers and Custodians*

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

The Public Equity Funds will be exposed to the credit risk of the counterparties, including brokers, dealers and exchanges through which they deal, whether they engage in exchange-traded or off-exchange transactions. If the Public Equity Funds’ clearing brokers become bankrupt or insolvent, or otherwise default on their obligations to the Public Equity Funds, the Public Equity Funds may not receive all amounts owing to them in respect of their trading, despite the clearinghouse fully discharging all of its obligations. Furthermore, in the event of the bankruptcy of one of the clearing brokers, the Public Equity Funds could be limited to recovering only a pro rata share of all available

funds segregated on behalf of the clearing broker's combined customer accounts, even though certain property specifically traceable to the Public Equity Funds (for example, Treasury bills deposited by the Public Equity Funds with the clearing broker as margin) was held by the clearing broker. In addition, many of the instruments which the Public Equity Funds may trade are traded in markets in which performance is the responsibility only of the individual counterparty with whom the trader has entered into a contract and not of an exchange or clearing corporation. The Public Equity Funds are subject to the risk of the inability or refusal to perform on the part of the counterparties with whom such contracts are traded.

### *Valuation*

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

### *New Issues*

The Public Equity Funds may participate in "new issues," as such term is defined under FINRA Rule 5130. In order to comply with the requirements of FINRA Rule 5130 and FINRA Rule 5131, certain Limited Partners may be allocated less than their pro rata portion of the profits or losses relating to a new issue offering, and conversely, certain Limited Partners may be allocated more than their pro rata portion of the profits or losses relating to a new issue offering. New issues sold in the past have on occasion experienced initial, sometimes rapid, increases in market value following such offerings. In such case, certain Limited Partners may not receive their pro rata share (or may not receive any) of the gains from such investments due to the restrictions imposed by FINRA Rule 5130 and FINRA Rule 5131. Conversely, new issue securities may experience a decrease in market value following initial public offerings, in which case certain Limited Partners may receive more than their pro rata share of the losses from such investments.

### *Risks Related to the Discontinuance of IBORs, in particular LIBOR*

The London Inter-Bank Offered Rate ("LIBOR") is an estimate of the rate at which a subset of banks (known as the panel banks) could borrow money on an uncollateralized basis from other banks. The U.K. Financial Conduct Authority, which regulates LIBOR, has announced that it will not compel banks to contribute to LIBOR after 2021. It is likely that banks will not continue to provide submissions for the calculation of LIBOR after 2021 and possibly prior to then. It is

uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other Inter-Bank Offered Rates (“IBORs”). The Public Equity Funds may undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts which determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, the Public Equity Funds may continue to invest in instruments that reference IBORs. In advance of 2021, regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. Nonetheless, the termination of LIBOR and the other IBORs presents risks to the Public Equity Funds. It is not possible at this point to identify those risks exhaustively, but they include the risk that an acceptable transition mechanism may not be found or may not be suitable for the Public Equity Funds. In addition, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR may impose costs on the Public Equity Funds or may not be suitable for the Public Equity Funds, resulting in costs incurred to close out positions and enter into replacement trades.

#### *Investment and Repatriation Restrictions*

Investments by the Public Equity Funds in companies in emerging markets may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require a significant expenditure of time and resources and structuring alternatives that differ significantly from those customarily used in more developed countries. Some emerging countries have laws and regulations that currently preclude direct foreign investment in the securities of their companies.

In addition to the foregoing investment restrictions, prior governmental approval for foreign investments may be required under certain circumstances in some emerging countries. Ownership limitations also may be imposed by the charters of individual companies in emerging countries to prevent, among other concerns, violation of foreign investment limitations. Some attractive equity securities may not be available to the Public Equity Funds because U.S. investors hold the maximum amount permitted under current applicable laws or because of minimum eligibility requirements (such as net worth) for investing in certain types of securities in some emerging countries.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration or approval in some emerging countries. The Public Equity Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on securities held by the Public Equity Funds or gains from the disposition of such securities.

#### *The Alternative Investment Fund Managers Directive*

EU Directive 2011/61/EU on Alternative Investment Fund Managers (the “Directive” or “AIFMD”) may have an adverse effect on the continued operation of the Public Equity Funds.

Specifically, marketing could be impaired, where interests in the Public Equity Funds are offered to or placed with investors who are domiciled or have a registered office in any European Economic Area (“EEA”) Member State where the Directive is in effect (“EEA Marketing”). The Directive applies to the alternative investment fund manager of any alternative investment fund that is not authorized under the Undertakings for Collective Investment in Transferable Securities Directive and where a relevant exemption or exclusion to the Directive does not otherwise apply.

Other than any EEA marketing in the United Kingdom, it is not intended that any other EEA Marketing will take place under the relevant national private placement regimes in accordance with Article 42 of the Directive and the requirements of Article 42 of the Directive in such EEA Member States will not apply. The restricted nature of EEA Marketing under the Directive could affect the Public Equity Funds’ ability to attract investors based in the relevant EEA Member States, resulting in a reduction in the overall amount of capital raised by the Public Equity Funds which limits, in turn, the range of investment strategies and investments that the Public Equity Funds is able to pursue and make.

In addition to AIFMD, the Bain Capital Public Equity may also be impacted by the Recast Markets in Financial Instruments Directive (2014/65/EU). In the United Kingdom, certain aspects of MiFID are applied to alternative investment fund managers.

### *Leverage*

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

Money borrowed for leveraging will be subject to interest costs. Furthermore, the amount of borrowings that the Public Equity Funds may have outstanding at any time could be large in relation to its capital. Thus, in addition to changes in the value of securities purchased with borrowed funds, the amount of borrowings and the interest rates on those borrowings, which may fluctuate from time to time, may have a marked effect on a Public Equity Fund’s performance.

### *Risks Relating to Designated Investments in Certain Public Equity Funds*

Certain Public Equity Funds may invest in assets that are illiquid or that should otherwise be segregated from the other assets in the portfolio. There are certain risks associated with this type of so-called designated investment. Investors should review the applicable offering and governing documents of the particular Public Equity Fund for additional information.

**Illiquidity.** Limited partners may be allocated interests in designated investments eligible Public Equity Funds. A significant portion of a Limited Partner's interest in certain Public Equity Funds may be attributable to designated investments at any time, and such portion will not be eligible for withdrawal at the option of such Limited Partner. An investment may remain designated as a designated investment for an extended period of time. In addition, if a Limited Partner withdraws capital from its capital account at a time that it holds an interest in a designated investment, a Public Equity Fund may (and in the case of a full or substantial withdrawal, is expected to) hold back withdrawal proceeds as an expense reserve, as set forth in further detail in the applicable partnership agreement. As a result of the foregoing, a Limited Partner may not be able to liquidate its investment in a Public Equity Fund promptly and may be required to bear the economic risk of its investment for an indefinite period of time. In addition, any amounts held back as an expense reserve will be based on estimates of anticipated expenses, which may be subject to error. As a result, the amount of any such expense reserve may exceed the amount required to fund expenses.

**Lack of (or Limited) Participation in Follow-on Investments.** A Limited Partner that makes a withdrawal prior to the designation of a follow-on investment associated with a designated investment in which such Limited Partner participates, may not participate in, or may be allocated less than its full pro rata portion of, such follow-on investment. Consequently, such Limited Partner's indirect interest in the applicable issuer may be subject to dilution, devaluation and/or subordination or such Limited Partner may fail to participate in a beneficial investment opportunity. In addition, there can be no assurance that any follow-on investments actually allocated to a Limited Partner will alleviate the dilution, devaluation and/or subordination of such Limited Partner's indirect interest in an issuer.

**Designation and Realization of Designated Investment.** The General Partner may be incentivized not to designate an investment as a designated investment because the General Partners will receive the current incentive allocation solely based on the appreciation of the assets that are not designated as designated investments at the time an incentive allocation is made. In addition, the General Partners may deem a designated investment realized at a time when it lacks liquidity (because it has a readily available market value or otherwise). A decision by the General Partners not to designate an investment as a designated investment or to determine that an asset no longer needs to be treated as a designated investment could have adverse effects on an applicable Public Equity Fund and the Limited Partners. For example, such decision may cause an applicable Public Equity Fund's portfolio (other than designated investments) to be less liquid, which may in turn limit the ability of Limited Partners to withdraw from a Public Equity Fund because a Public Equity Fund may not hold enough cash or liquid investments to fund the withdrawal requests of Limited Partners. This could result in the suspension of withdrawals, as determined by the General Partner in its sole discretion, and could have an adverse impact on the value of the other Limited Partners' Interests. This could also result in a Public Equity Fund being required to liquidate some or all of its assets at a time when it is not considered by the General Partner to be an optimal time to do so,



which could have a material adverse effect on a Public Equity Fund's portfolio. Likewise, such decision may result in Limited Partners subscribing for interests in, or withdrawing from, a Public Equity Fund based on inaccurate valuations of a Public Equity Fund's portfolio.

While the General Partner has broad discretion as to whether to designate and realize Designated Investments, the General Partner has established internal guidelines as to the factors it employs in making these determinations. These internal guidelines are subject to change in the sole discretion of the General Partner without notice to Limited Partners.

Management Fee. For purposes of calculating the management fee, designated investments are valued at their fair values in accordance with Bain Capital Public Equity's valuation policy. However, such designated investments may lack readily ascertainable market values, in which case the valuation of such designated investments may be based upon assumptions and estimates that are subject to error. This may result in the General Partner overvaluing designated investments, which would cause the management fee in respect of such designated investments to be greater than would otherwise have been the case if such designated investments had been not been overvalued.

Incentive Allocation. Incentive allocations may be affected by designated investments. Investors should refer to the applicable offering memoranda and governing documents.

Expenses, Liabilities and Payments Attributable to Designated Investments-Borrowings. As further provided in applicable limited partnership agreements, the General Partners have discretion to allocate expenses, liabilities and payments attributable to designated investments in such manner as it determines appropriate in its sole discretion, and may make such adjustments and take such actions in connection therewith as it determines appropriate in its sole discretion, including in the event that such expenses, liabilities or payments exceed the available cash and/or other assets attributable to the Limited Partner capital account balances to which they relate.

In the event that at any time funds are borrowed from the General Partners, an affiliate thereof or from a third party to pay certain expenses attributable to a designated investment, the applicable Public Equity Funds (including Limited Partners that did not participate in the applicable designated investment) will bear the risk that when the applicable designated investment is realized, the realization proceeds will not be large enough to repay any such borrowing.

As a result of the allocations and actions referenced above, a Limited Partner may be required, indirectly through its interest in a Public Equity Fund, to bear a portion of an expense, liability or payment even though such Limited Partner did not participate in the designated investment that gave rise to the expense, liability or payment, or may be required to bear more than such Limited Partner's pro rata share of such expense, liability or payment. In addition, regardless of such allocations by the General Partners, the liabilities of designated investments constitute liabilities of the Public Equity Funds as a whole. If a Limited Partner that participated in the applicable designated investment has withdrawn capital from its capital account and the remaining balance of its capital account or its expense reserve, if any, are insufficient to cover the amount of such losses, the applicable Public Equity Fund will be unable to such Limited Partner's pro rata share of such expenses, such liabilities will be borne by some or all of the remaining Limited Partners, including potentially Limited Partners that did not participate in the applicable designated

investment. As a result, it is possible that Limited Partners that did not participate in the applicable designated investment could, under certain circumstances, be adversely impacted by liabilities attributable to such designated investment.

#### *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. Regional tensions, conflicts, hostilities, terrorist attacks or threats of terrorist attacks and political unrest may create an unstable geopolitical climate that could have a material effect on general economic conditions, market conditions and market liquidity globally. Public Equity Funds could therefore be adversely affected by social instability, changes in government administrations and policies or economic, political, legal or regulatory developments that are not within Public Equity Funds' control. 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. Attempted, ongoing, failed or even initially well-regarded negotiations between the United States and countries subject to continued international sanctions may negatively affect the global economy and may have amplified effects on emerging market country economies, securities markets and valuations. A terrorist attack involving, or in the vicinity of, a company in which Public Equity Funds invests may result in a liability far in excess of available insurance coverage. Neither Bain Capital Public Equity nor the General Partners can predict the likelihood of these types of events occurring in the future nor how such events may affect the Public Equity Funds.

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

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

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

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

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio investments or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio investments can be resumed. Bain Capital Public Equity, the Public Equity Funds and their portfolio investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay the Public Equity Funds ability to invest in certain companies, and may ultimately prevent any such investment entirely.

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

In addition, any outbreak of disease epidemics or pandemics such as the severe acute respiratory syndrome, avian influenza, H1N1/09 or other infectious diseases, including most recently, the coronavirus (COVID-19), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has, and is expected to continue to, meaningfully disrupt the global economy and markets. Although the long-term economic fallout of such an outbreak is difficult to predict, COVID-19 has caused, and is expected to continue to cause, ongoing material adverse effects across many, if not all, aspects of the global economy. In particular, such an outbreak has adversely affected, and is expected to continue to adversely affect, the Public Equity Funds' investments and the industries in which they operate, and resulted in the closure of Bain Capital's and certain portfolio companies physical offices or other businesses, including office buildings, retail stores and other commercial venues. Such an outbreak could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to a portfolio investments' business, (b) disruption of regional or global trade markets and/or the availability of capital or leverage, (c) trade or travel restrictions which impact a portfolio investment's business and/or (d) a general economic decline and have an adverse impact on the Public Equity Funds' value, the Public Equity Funds' investments, or the Public Equity Funds' abilities to source new investments. The spread of an epidemic or pandemic among Bain Capital Public Equity's personnel and its service providers would also significantly affect Bain Capital Public Equity's ability to properly oversee the affairs of Public Equity Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a Public Equity Fund's investment activities or operations.

### *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 Public Equity Funds and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Public Equity Funds, the respective General Partners, Bain Capital Public Equity, the Public Equity Funds' custodian and/or other third party service providers may adversely impact the Public Equity Funds or the Limited Partners. For instance, cyber-attacks may interfere with the processing of Limited Partner transactions, impact the Public Equity Funds' ability to value its assets, cause the release of private Limited Partner information or confidential information of the Public Equity Funds, impede trading, cause reputational damage, and subject the Public Equity Funds or its assets to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Public Equity Funds may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. The Public Equity Funds and the Limited Partners could be negatively impacted as a result. While the Public Equity Funds or the Public Equity Funds' service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the Public Equity Funds invest, which could result in material adverse consequences for such issuers, and may cause the Public Equity Funds' investment therein to lose value.

### *Expedited Transactions*

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

### *Absence of Recourse Against the General Partner, Bain Capital Public Equity, and Advisory Committee Members and Indemnification*

Partnership agreements limit the circumstances under which the General Partner, Bain Capital Public Equity, and advisory committee members may be held liable to the Public Equity Funds or the Limited Partners. As a result, Limited Partners will have a more limited right of action in certain cases than they would in the absence of such provisions.

In addition, to the extent permitted by applicable law and regulation, including ERISA, a Public Equity Fund is required to indemnify the General Partner, Bain Capital Public Equity, advisory committee members, and certain persons and entities affiliated with such persons for liabilities incurred in connection with a Public Equity Fund's affairs. These liabilities may be material and

have an adverse effect on the returns to the Limited Partners. A Public Equity Fund's indemnification obligation would be payable from a Public Equity Fund's assets. Any insurance policies utilized by the General Partner or Bain Capital Public Equity to help mitigate a Public Equity Fund's exposure to any indemnifiable costs and liabilities may be subject to certain limitations and restrictions on payments. A Public Equity Fund cannot guarantee that the General Partner or Bain Capital Public Equity will be able to collect on claims against such policies. Furthermore, a Public Equity Fund may bear expenses associated with insurance policies that cover losses in situations where the General Partner or Bain Capital Public Equity would not be entitled to indemnification.

### *Contingent Liabilities*

The Public Equity Funds may from time to time incur contingent liabilities in connection with an investment. There can be no assurance that the Public Equity Funds will adequately reserve for their contingent liabilities or be able to adequately reserve for such liabilities in compliance with U.S. GAAP. In such event, Limited Partners remaining in a Public Equity Fund may indirectly through a Public Equity Fund be adversely affected and may be required to bear the burden of liability that arose as a time when they were not invested in a Public Equity Fund or may otherwise disproportionately affect investors.

### *Trading Risk*

Bain Capital Public Equity's trade error policy only requires Bain Capital Public Equity to reimburse the Public Equity Funds for any losses resulting from Bain Capital Public Equity's breach of the applicable standard of care (generally gross negligence or willful misconduct). Although Bain Capital Public Equity's traders endeavor to take the utmost care in implementing investment decisions on behalf of the Public Equity Funds, trade errors do occur and could have a material adverse impact on the performance of the Public Equity Funds.

### *Operational Risk*

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

### *Dependence on Technology*

The General Partners' and the Public Equity Funds' activities rely on technology, including hardware, software, and other computerized or automated processes. The performance of the Public Equity Funds could be compromised by computer viruses, telecommunications failures,

power loss, natural disasters, security breaches, software related “system crashes,” disruption or deterioration of services of third party providers, terrorist attacks, and similar events. Any event that interrupts the General Partners’ computer and telecommunications operations could result in, among other things, the inability of the General Partner to trade or monitor the Public Equity Funds’ investments and therefore could have a material adverse effect on the operating results of the Public Equity Funds.

### *Incentive Allocation*

Although the General Partners and their affiliates are expected to have a significant interest in the Public Equity Funds, the incentive allocation of the General Partners may create an incentive for the General Partners to cause the Public Equity Funds to make investments that are riskier or more speculative than would be the case in the absence of such allocation. In addition, since the incentive allocation is calculated on a basis that includes unrealized appreciation of the Public Equity Funds’ assets, it may be greater than if the incentive allocation were based solely on realized gains.

### *General Risks of Investments*

The Public Equity Funds will have broad discretion in making investments. The Public Equity Funds’ investments will generally consist of securities and assets that have significant risks as a result of business, financial, market or legal uncertainties. There can be no assurance that Bain Capital Public Equity will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the Public Equity Funds’ investments. Prices of the Public Equity Funds’ investments are often volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, are likely to affect the results of the Public Equity Funds’ activities and the value of the Public Equity Funds’ investments significantly. A Public Equity Fund’s performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. Similarly, the performance of other funds advised by Bain Capital Public Equity may not be indicative of the results that a Public Equity Fund may be able to achieve with a Public Equity Fund’s investments in the future. An investor may lose money by investing in a Public Equity Fund.

### *Investments in Technology Start-Up and Similar Companies*

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

### *Investments in the Energy Sector*

The Public Equity Funds 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 Public Equity Funds. 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 Public Equity Funds in this sector.

### *Investments in the Industrial/Distribution Industries*

The industrial and distribution industries the Public Equity Funds may invest in encounter competition in all areas of their businesses. Customers increasingly demand more technologically advanced and integrated products. To remain competitive, the Public Equity Funds 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 Public Equity Fund's investment may be materially adversely affected.

### *Investments in the Media Industry*

The Public Equity Funds invest in media-related assets. Companies in the media industry may encounter distressed cash flows due to the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology. Media companies are subject to risks that include 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*

The Public Equity Funds make infrastructure-related investments in the telecommunications sector including sharing economy applications, vertical integration applications, and emerging internet services. Investment opportunities in the telecommunications sector are driven largely by consumer demand, technological advances, and improvements in data collection and storage. Changes in the development and proliferation of new technologies, data transmission and/or

consumer demand, as well as changes in the prevailing global economy, may adversely affect a Public Equity Fund's ability to identify and consummate attractive infrastructure-related investments in the telecommunications sector.

#### *Investments in Consumer-Related Industries*

The Public Equity Funds invest 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 Public Equity Funds. Consumer spending may be disproportionately affected by adverse economic conditions, and consumer spending patterns in the emerging economies in which the Public Equity Funds intend to invest may be difficult to predict. In addition, investments may face competition from a number of other, more established market participants, including global companies with much greater financial, marketing, and other resources. In either case, the Public Equity Funds' investment results may be affected in a materially adverse manner.

#### *Investments in the Healthcare Industry*

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

#### *Highly Competitive Market for Investment Opportunities*

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



### *Equity Securities*

The Public Equity Funds invest substantially in equity securities. The value of equity securities held by the Public Equity Funds will generally be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities are typically even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities, and the market price of equity securities owned by the Public Equity Funds is more susceptible to moving up or down in a rapid or unpredictable manner. Certain Public Equity Funds can take both long and short positions in equity securities, while other Public Equity Funds have limitations or prohibitions on taking short positions in equity securities.

### *Convertible Securities*

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

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors typically also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

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

investment objective.

### *Concentration of Investments*

The Public Equity Funds generally are not limited in the amount of capital that may be invested in any one investment, industry or sector, geography or similar category or asset class. As such, their assets may not be diversified. Any such non-diversification would increase the risk of loss to a Public Equity Fund if there was a decline in the market value of any security, category or asset class in which such Public Equity Fund had invested a large percentage of its assets. Investment in a non-diversified fund will generally entail greater risks than investment in a “diversified” fund. If a large portion of the assets of a Public Equity Fund is held in cash or cash-like instruments, performance might also be affected.

### *Pre-IPO Investments*

The Equity Public Funds may make investments in late stage or mature issuers to provide financing in anticipation of an initial public offering. None of the Public Equity Funds, Bain Capital Public Equity or any of their affiliates will have control over whether any such pre-IPO issuer engages in an initial public offering of its shares, or the timing of such offering. No assurance can be provided that any such pre-IPO issuer will engage in an initial public offering of its shares, and even if it does, due to the timing or nature of the offering, the Public Funds may elect not to or be unable to participate in the offering.

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

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

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

Funds may implement.

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

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

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

### *Short Sales*

Certain Public Equity Funds may make short sales of investment securities.<sup>2</sup> Such investments involve a high degree of risk. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, a Public Equity Fund will engage in short sales only where its General Partner believes the value of the security will decline between the date of the sale and the date it is required to return the borrowed security. The making of short sales exposes a Public Equity Fund to the risk of liability for the market value of the security that is sold, an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase. In addition, a Public Equity Fund may take short positions in securities through various derivative products. These derivatives products will typically expose a Public Equity Fund to similar economic risks as if they had shorted the security directly.

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<sup>2</sup> GLEF, Public Equity's long-only fund, generally cannot engage in short sale transactions.

Several jurisdictions in which the Public Equity Funds may trade have adopted reporting rules for short sales and short positions. If the Public Equity Funds' short positions or their strategy becomes generally known, Bain Capital Public Equity's ability to implement the strategy could be adversely affected. In particular, it would make it more likely that other investors could cause a "short squeeze" in the securities sold short by a Public Equity Fund, forcing it to cover its positions at a loss. In addition, if other investors engaged in copycat behavior by taking positions in the same issuers as the Public Equity Funds, the cost of borrowing securities to sell short could increase significantly, and the availability of such securities to the Public Equity Funds could decrease significantly. Such events could make the Public Equity Funds unable to execute their investment strategy.

### *Options*

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted. The Public Equity Funds invest in exchange traded options as well over the counter options with broker-dealers.

### *Swaps*

The Public Equity Funds may enter into swap agreements, including, but not limited to, single stock swaps, basket swaps, index swaps, credit default swaps and contracts for differences. A swap is an agreement to exchange the return generated by one instrument for interest based on a predetermined notional amount. Entering into swap agreements involves, to varying degrees, elements of liquidity, credit and market risk. Such risks involve the possibility that there is no liquid market for these agreements, the counterparty to the agreement may default on its obligation to perform and there may be unfavorable changes in the fluctuation of interest rates and market value.

### *Derivatives Risk*

The use of derivative instruments involves risks different from, or potentially greater than, the risks associated with investing directly in securities and other more traditional investments. The following provides a more general discussion of important risk factors relating to the derivative instruments that may be used by the Public Equity Funds.

Management Risk. Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all

possible market conditions.

Credit Risk. The use of a derivative instrument involves risks relating to the financial and operational soundness and creditworthiness of the counterparty to the contract, including the risk of loss sustained as a result of the failure of the counterparty to make required payments or otherwise comply with the contract's terms. (See "Counterparty Risk.")

Liquidity Risk. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Leveraging Risk. Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Commodity Exchanges Risk. Commodity exchanges may limit fluctuations in futures contract prices during a single day under regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a particular commodity futures contract has increased or decreased to the limit point, positions in the commodity futures contract can be neither established nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Public Equity Funds from promptly liquidating unfavorable positions and subject the Public Equity Funds to substantial losses that could exceed the margin initially committed to such trades. In addition, the U.S. Commodity Futures Trading Commission and U.S. commodity exchanges impose "position limit" rules that limit the amount of futures contracts that any one party may hold in a particular commodity at any point in time.

Swap Execution Facilities Risk. Certain derivatives contracts are required to be executed through swap execution facilities ("SEFs"). A SEF is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. Such requirements may make it more difficult and costly for the Public Equity Funds to enter into highly tailored or customized transactions. Trading swaps on a SEF may offer certain advantages over traditional bilateral over-the-counter trading, such as ease of execution, price transparency, increased liquidity and/or favorable pricing. Execution through a SEF is not, however, without additional costs and risks, as parties are required to comply with SEF and CFTC rules and regulations, including disclosure and recordkeeping obligations, and SEF rights of inspection, among others. SEFs typically charge fees, and if the Public Equity Funds executes derivatives on a SEF through a broker intermediary, the intermediary may impose fees as well. The Fund also may be required to indemnify a SEF, or a broker intermediary who executes cleared derivatives on a SEF on the Public Equity Funds' behalf, against any losses or costs that may be incurred as a result of the Public Equity Funds' transactions on the SEF.

### *Bank Loans*

The Public Equity Funds may invest in interests in loans originated by banks and other financial institutions. The loans invested in by the Public Equity Funds may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or subordinated. Purchasers of bank loans are predominantly commercial banks, investment funds and investment banks. As secondary market trading volumes for bank loans increase, new bank loans are frequently adopting standardized documentation to facilitate loan trading, which should improve market liquidity. The bank loan market currently, however, is facing unprecedented levels of illiquidity and volatility. There can be no assurance as to when or even if this current market illiquidity and volatility will abate or 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. In addition, the Public Equity Funds make investments in stressed or distressed bank loans which are often less liquid than performing bank loans.

The Public Equity Funds 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, the Public Equity Funds 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 the Public Equity Funds may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Public Equity Funds will assume the credit risk of both the borrower and the institution selling the participation.

### *Frequent Trading and Turnover*

The Public Equity Funds may make frequent trades in securities and other investments. Frequent trades typically result in high transaction costs, which could have an adverse effect on the performance of the Public Equity Funds.

### *Risks Relating to Investments in Money Market and Other Liquid Instruments*

The Public Equity Funds may, from time to time, hold cash, cash equivalents, U.S. Treasuries, and other short-term securities, or money market funds to attempt to minimize volatility caused by adverse market, economic, or other conditions, pending investment, in order to fund anticipated withdrawals or expenses, or for such other reasons as determined by the General Partner in its sole discretion. Any such temporary or defensive positions could prevent the Public Equity Funds from achieving their investment objectives.

### *Highly Volatile Instruments*

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

### *Spread Widening Risk; Investments in Undervalued Assets*

For reasons not necessarily attributable to any of the risks set forth herein, there is a possibility that the prices of the securities and other financial assets in which Public Equity Funds invest will decline substantially. In particular, the Fund seeks to invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. 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.

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

### *Third-Party Litigation*

In addition to litigation relating to the bankruptcy process, the Public Equity Funds' investment activities subject them to the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where the Public Equity Funds exercise 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 a Public Equity Fund and would reduce net assets.

### *Inflation*

Certain countries in which the Public Equity Funds may invest have historically experienced substantial rates of inflation, and the rapidly growing nature of an emerging economy may lead to higher rates of inflation. Inflation and rapid fluctuations in interest rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging economies. Past governmental efforts to curb inflation have included wage and price controls, as well as more drastic economic measures that have had a materially adverse effect on the level of economic activity in the affected country. There can be no assurance that inflation will not become a serious problem in the future and thereby negatively affect the Public Equity Funds' investment returns.

### *Deflation*

Deflation could reduce the value of investments as economic growth is often negatively impacted by consumers and businesses delaying purchase decisions as prices reduce. This may lead to a reduction in the demand for space. Deflation may also make it more difficult for investments which are leveraged at the asset level to meet or service their debt obligations, due to reductions in revenues and increases in the size of the debt relative to the overall value of an Investment. Periods of deflation are often characterized by a tightening of money supply and credit, which could limit the Public Equity Funds' ability to leverage investments, and so limit the number and size of investments that the Public Equity Funds may make and affect the rate of return to Investors. Such economic constraints could also make the Public Equity Funds' investments more illiquid, preventing the Public Equity Funds from divesting such investments.

### *Economic and Market Risk*

General economic conditions may affect the Public Equity Funds activities. Companies in which the Public Equity Funds invests may be sensitive to general downward swings in the overall economy. Changes in economic conditions, including, for example, inflation, unemployment, competition, technological developments, political events and innumerable other factors, none of which will be within the control of the General Partner or the Public Equity Funds, can substantially and adversely affect the business and prospects of the Public Equity Funds. Fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Public Equity Funds and may affect the Public Equity Funds ability to make investments and the value of the investments held by the Public Equity Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Public Equity Funds investments. The public securities markets could see increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by, among other reasons, the tightening of the credit markets, and the ongoing financial turmoil and uncertainty. The repercussions of this market turmoil are unclear.

In addition, the Public Equity Funds may be adversely affected to the extent that it seeks to dispose of any of its investments in an illiquid or volatile market and the Public Equity Funds may find itself unable to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and



whether such conditioned may worsen cannot be predicted.

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

Investment in non-U.S. companies frequently involve certain additional risks due to non-U.S. economic, political and legal climates, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, capital gains or gross proceeds, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, there frequently is less information publicly available about a non-U.S. issuer than about a U.S. issuer, and issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than U.S. issuers. The securities of some non-U.S. governments and companies and non-U.S. securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Moreover, the expenses normally associated with non-U.S. investments often exceed those associated with U.S. investments. Certain countries may restrict foreign investment in the securities of issuers operating in that country. These restrictions or controls may at times limit or preclude foreign investment in certain issuers and increase the costs and expenses of the Public Equity Funds. Certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit investment by foreign persons to a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by nationals.

### *Lack of Liquidity in Markets*

Despite the heavy volume of trading in securities and futures, the markets for some securities may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage the Public Equity Funds, both in the realization of the prices which are quoted and in the execution of orders at desired prices or in desired quantities. Also, securities exchanges and the SEC have authority to suspend trading in a particular security without notice.

### *Small Capitalization Companies*

The Public Equity Funds may from time to time invest a portion of its assets in small and/or less established companies. Those companies involve higher risks in some respect than do investments in larger companies. For example, prices of small-capitalization companies are often more volatile than prices of large-capitalization companies and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger, “blue-chip” companies. In addition, there may be fewer investors for smaller companies, making an investment in those companies highly illiquid, which, in turn would adversely affect the price and timing of liquidation of the Public Equity Funds’ investments. Some small companies have limited product lines, distribution channels and financial management resources. Some of the companies in which the Public Equity Funds invest may have product lines that have, in whole or in part, only recently been introduced to market or that may still be in research or development stage. Such companies may also be dependent on personnel with limited experience.

### *Investments in PIPES*

The Public Equity Funds may invest in privately sourced and structured convertible and equity-linked securities of public companies (“PIPES”). PIPES offer the opportunity for significant gains, but also involve a high degree of risk, including the complete loss of capital. Among these risks are the general risks associated with investing in companies operating at a loss or with substantial variations in operating results from period to period and investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Securities of any such company will likely be thinly traded and undercapitalized and will therefore be more sensitive to adverse business or financial developments. In the event that any such company is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of the Public Equity Funds’ investment in such investment could be significantly reduced or even lost entirely.

### *Investments in Emerging Markets*

The risks of investments in non-U.S. markets described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of the U.S. and other developed markets. Disclosure and regulatory standards in many respects are less stringent than in the U.S. and other developed markets. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries, and the activities of investors in such markets and enforcement of existing regulations may be inconsistent and subject to change without warning. In addition, custodial services and other costs relating to investments may be more expensive in emerging markets than in many developed markets, which could reduce a Public Equity Fund’s income from such 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 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 Public Equity Funds to suffer a loss of any or all of their investments.

Certain countries in which Public Equity Funds may invest have historically experienced substantial rates of inflation, and the rapidly growing nature of an emerging economy may lead to higher rates of inflation. Inflation and rapid fluctuations in interest rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging economies. Past governmental efforts to curb inflation have included wage and price controls, as well as more drastic economic measures that have had a materially adverse effect on the level of economic activity in the affected country. There can be no assurance that inflation will not become a serious problem in the future and thereby negatively affect investment returns.

Certain emerging markets have historically been subject to political instability and their prospects are tied to the continuation of economic and political liberalization in the region. Instability may result from factors such as government or military intervention in decision-making, terrorism, religious disputes, civil unrest, separatist movements, extremism or hostilities between neighboring countries. An outbreak of hostilities could result in substantial losses for Public Equity Funds. Social and economic problems in a single emerging market may have an adverse effect on other markets and economies and, therefore, could adversely affect Public Equity Funds.

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

#### *Environmental, Social and Governance Matters*

Consideration of environmental, social or governance ("ESG") factors may affect Public Equity Funds' exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact Public Equity Funds' performance. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Bain Capital Public Equity or any judgment exercised by Bain Capital Public Equity will reflect the beliefs or values of any particular investor. In evaluating a company, Bain Capital Public Equity is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause Bain Capital Public Equity to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or Bain Capital Public Equity's assessment of such practices may change over time.

#### *Local Intermediary Risks*

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

### *Fixed-Income Securities*

The Public Equity Funds may invest in bonds or other fixed-income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) and distressed debt securities. Such securities may be rated below “investment grade” and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which generally react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue lower rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

### *Investing in Illiquid Securities*

The Public Equity Funds may invest its assets in securities that are not readily marketable or that are only thinly traded. In addition, the Public Equity Funds may invest in private placements of securities that are not registered under the Securities Act, and may have little or no trading market. The Public Equity Funds may not be able to readily dispose of such investments, and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. These limitations on liquidity of the Public Equity Funds’ investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

### *Fraud*

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

### *Risk of Minority Positions*

The Public Equity Funds may hold minority positions in investments. While the Public Equity Funds may seek to get the appropriate governance and exit rights at the time of investment, there may be instances in which the Public Equity Funds 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 the Public Equity Funds’ investment may depend on such majority controlled decisions, which decisions may not be consistent with the Public Equity Funds’ objectives.

### *Accounting, Reporting and Disclosure Standards*

Different, often less comprehensive, accounting, reporting and disclosure requirements and practices apply to issuers in certain foreign countries than is the case with U.S. issuers. As a result, information available to the Public Equity Funds is often less reliable and less detailed than information available in more developed countries, and the Public Equity Funds' due diligence reviews often provide less information than reviews conducted in more developed countries.

### *Potential Implications of Brexit*

On January 31, 2020 the United Kingdom ("U.K.") formally left the EU. Under the terms of the withdrawal agreement there is a transition period, expected to run to December 31, 2020, during which EU law will continue to apply in the U.K. whilst the U.K. government and the EU continue to negotiate the terms of their future relationship. Pending the outcome of these negotiations, the longer term economic, legal, political and social framework to be put in place between the U.K. and the EU is unclear.

Political and economic uncertainty and periods of exacerbated volatility in both the U.K. and in wider European markets may continue for some time. In particular, depending on the outcome of the negotiations, the U.K.'s decision to leave the EU may lead to a call for similar referenda in other European jurisdictions, which may cause increased economic volatility in the European and global markets. This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of the Public Equity Funds to execute its strategy and to receive attractive returns. In particular, currency volatility may mean that the returns of the Public Equity Funds are adversely affected by market movements and may make it more difficult, or more expensive, for the Public Equity Funds 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 U.K.'s sovereign credit rating, may also have an impact on the performance of investments located in the U.K. or Europe.

In light of the above, no definitive assessment can currently be made regarding the impact that Brexit will have on the Public Equity Funds or the Public Equity Fund's investments.

### *Evolving Legal and Regulatory Regime*

The regulatory environment for private investment funds is evolving, and changes in regulation could occur during the term of the Public Equity Funds that may adversely affect the Public Equity Funds and their investment results, or some or all of the Limited Partners. New laws or revised regulations imposed by the SEC and other governmental regulatory authorities and self-regulatory organizations or industry bodies that supervise the financial markets could adversely affect the Public Equity Funds. The Public Equity Funds may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulatory authorities or self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Public Equity Funds conduct business. In particular, changes in the regulation of private investment funds may adversely affect the ability of the Public Equity Funds

to obtain the leverage it might otherwise seek. New laws or regulations may also subject the Public Equity Funds or some or all of the Limited Partners to increased taxes or other costs.

Similarly, developments in the tax laws of the United States or other jurisdictions could have a material effect on the tax consequences to the Funds and/or the Limited Partners. In this regard, on December 22, 2017, H.R. 1, known as the “Tax Cuts and Jobs Act” (the “TCJA”), was signed into law. The TCJA imposes a number of significant changes, and it should be noted that there are numerous aspects of the TCJA that are subject to interpretation and that will require clarification, but only limited guidance has been issued to date. Technical corrections legislation may be needed to clarify certain of these provisions and to give proper effect to Congressional intent. It is unclear if and when such technical corrections or other legislative changes will be enacted, or in what form, and future regulatory guidance and legislation, or the absence thereof, may significantly affect the impact of the TCJA.

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

In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the subscription agreements executed by investors require certain representations verifying, among other things, such investors’ identity require the investors to provide additional information upon the General Partners’ request. The General Partners may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the investors that the information has been so provided. The Public Equity Funds’ subscription agreements authorize the General Partners to take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures, which steps may include prohibiting an investor from making further contributions of capital to a Public Equity Fund, depositing distributions to which an investor would otherwise be entitled into an escrow account or causing the withdrawal of an investor from a Public Equity Fund.

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

Economic and trade sanction laws and regulations in the United States and other jurisdictions may prohibit the Advisers and the Funds from transacting, directly or indirectly, with certain countries, territories, entities and individuals. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and the U.S. Department of State’s Office of Economic Sanctions Policy and Implementation (“ESPI”) administers and enforces laws, executive orders, regulations and related authorities establishing U.S. economic and trade sanctions. Such economic and trade sanctions prohibit, among other things, transactions with, and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals (“Sanctioned Parties”). These Sanctioned Parties include certain foreign countries and individuals and entities listed on OFAC’s list of Specially Designated Nationals (as such list may be amended from time to time), which includes certain designated narcotics traffickers, certain entities and persons engaged in activities related to the proliferation of weapons of mass destruction and other parties subject to OFAC economic and trade sanctions programs. In addition, certain programs administered by OFAC and ESPI prohibit dealing with certain individuals or entities, including individuals or entities in certain countries or of certain nationalities, regardless of whether such individuals or entities appear on the lists maintained by OFAC and ESPI. It is

possible that these types of U.S. and other economic and trade sanctions law and regulations may significantly restrict or completely prohibit a Public Equity Fund's intended investment activities.

Bain Capital Public Equity and the Public Equity Funds are committed to complying with anti-corruption laws and regulations, as well as U.S. anti-boycott regulations, to which they are subject. As a result, a Public Equity Fund may be adversely affected because of its unwillingness to participate in transactions that may violate such laws or regulations. Such laws and regulations may make it difficult or impossible in certain circumstances for a Public Equity Fund to act expeditiously or successfully on investment opportunities.

### *Environmental Risks*

Environmental laws, regulations and regulatory initiatives play a significant role in certain industries and can have a substantial impact on investments in these industries. These industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Public Equity Funds may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Public Equity Funds investments will not cause injury to the environment or to people under all circumstances or that the Public Equity Funds investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. Moreover, failure to comply with regulatory or legal requirements could have a material adverse effect on a portfolio company or project, and there can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject the Public Equity Funds and its properties to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Public Equity Funds) subject to environmental liability. The Public Equity Funds may experience material losses due to these risks.

### *Climate Change*

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

physical impacts from climate-related events, Public Equity Funds may be vulnerable to the following: risks of property damage to the issuers in which they invest; financial and operational impacts from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage; decreased net migration to areas in which issuers are located, resulting in lower than expected demand for products and services; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water or other natural resources on which the issuer's business depends; and decreased consumer demand for consumer products or services resulting from physical changes associated with climate change.

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

Bain Capital Public Equity may retain third parties to provide services in relation to the Public Equity Funds' investment activities and operations. Additional third party consultants, legal advisers, accountants, investment banks and others may be retained to assist in the investment due diligence process to varying degrees depending on the particular investment (such individuals, senior advisers, and other third-party experts, advisers or consultants, "service providers"). Such involvement of service providers may present a number of risks primarily relating to the General Partners' reduced control of the functions that are outsourced.

The General Partners and Bain Capital Public Equity may rely on the findings of service providers in making investment and management decisions. While no service provider providing services to the Public Equity Funds will have any fiduciary duties to the Public Equity Funds or the Limited Partners, they may be entitled to indemnification under the terms of the service contracts or other arrangements, which costs and expenses of such indemnification would be borne by the Public Equity Funds.

In certain circumstances, Bain Capital and its employees may have other relationships with other service providers which makes the General Partners or Bain Capital Public Equity more likely to engage a particular service provider. Fees paid to service providers may be structured in various manners, including as a retainer, as incentive compensation or based on the particular services provided. These fees will be borne by the Public Equity Funds and will not reduce the management fee owed to Bain Capital Public Equity. Service providers may also be granted preferential equity interests (including stock options) in one or more investment vehicles, which they may not have received if they did not have an ongoing relationship with the General Partners, Bain Capital Public Equity, and Public Equity Funds. Any such fees and/or preferential equity interests (including any stock options) will not be for the benefit of the Public Equity Funds, and the amount of such fees and the value of such preferential interests (including any such stock options) will not reduce the management fee owed to Bain Capital Public Equity, even if the payment of such fees or granting of such preferential equity interests have the effect of reducing payments to such third parties by Bain Capital Public Equity.

#### *Fluctuations in Value and Dilution Concerns between First and Final Closing*

The General Partner may seek to admit all Limited Partners at a single closing. Nevertheless, it is possible that some investors may be admitted at second or later closings. It is expected that, following the Public Equity Funds initial closing, the Public Equity Funds will engage in a variety



of investment and investment-related activities. Under some circumstances, a person considering an investment in the Public Equity Funds may be provided with copies of the Public Equity Funds financial statements for periods following the initial closing. Any such person is cautioned that it will be inherently difficult to determine the value of private company securities held by the Public Equity Funds and that, accordingly, it would be inappropriate to interpret any information set forth in such statements as a representation or warranty regarding the true fair market value of any such securities, or to use such statements as the basis for an investment decision.

## **Item 9. Disciplinary Information**

On June 28, 2011, Bain Capital Public Equity voluntarily agreed, without admitting any wrongdoing, to a settlement with the SEC relating to Rule 105 of Regulation M under the Securities Exchange Act of 1934. Rule 105 generally prohibits a person from purchasing in a secondary offering if such person shorted the same security within the past 5 trading days. The Rule 105 prohibition applies regardless of whether there is any intent to violate the rule. The settlement relates to Bain Capital Public Equity's purchase of securities for Brookside Capital Trading Fund, L.P. in a secondary offering in June 2009. Bain Capital Public Equity agreed not to violate Rule 105 in the future and payment of \$1,658,660 in disgorgement of profits (plus prejudgment interest) and a \$375,000 civil penalty. Bain Capital Public Equity made such payments on June 28, 2011, and no Public Equity Fund bore any portion of such payments or any cost of resolving the matter.

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

### **Related General Partners**

Various limited partnerships or similar vehicles serve as General Partners of the Public Equity Funds. Bain Capital Public Equity Management, LLC and Bain Capital Public Equity Management II, LLC are the general partners or serve in similar capacities for each of the General Partners. The governance, investment strategy and decision-making process with respect to investments held by the Public Equity Funds is directed by Mr. Joshua Ross, Mr. Dewey J. Awad, Mr. Peter W. Riehl and Mr. John M. Toussaint, who are Managing Director investment professionals of Bain Capital Public Equity, and who comprise the members of Bain Capital Public Equity Management and Bain Capital Public Equity Management II.

### **Affiliated Advisers**

Bain Capital Public Equity currently has affiliated advisers based in the U.S., many of which focus primarily on a different area of investment management, although such areas overlap from time to time (such advisers, together with Bain Capital Public Equity, the "U.S. Affiliate Advisers"). Each U.S. Affiliate Adviser is registered as an investment adviser with the SEC. The U.S. Affiliate Advisers currently include, in addition to Bain Capital Public Equity:

- Bain Capital Credit, LP, which uses fundamental credit analysis to identify attractive investment opportunities and seeks strong risk-adjusted returns, primarily in credit products and fixed-income investments;

- Bain Capital Credit CLO Advisors, LP, a relying adviser to Bain Capital Credit, LP, which provides investment advisory services and collateral management services to issuers of collateralized loan obligations;
- BCSF Advisors, LP, a subsidiary of Bain Capital Credit, LP, which serves as the investment manager to a Business Development Company and other registered investment companies;
- Bain Capital Credit CLO Manager, LLC, a relying adviser to Bain Capital Credit, LP, which provides investment advisory services and collateral management services to issuers of collateralized loan obligations;
- Bain Capital Double Impact, LP, which focuses on equity investing in impact or mission-oriented companies and more traditional companies with positive impact products and services;
- Bain Capital Life Sciences, LP, which focuses on equity investing in biopharmaceutical, medical device, diagnostics and enabling life science technology companies;
- Bain Capital Tech Opportunities, LP, which focuses on equity investing in technology and technology-enabled companies;
- Bain Capital Private Equity, LP, which focuses on leveraged buyouts and growth capital in a wide variety of industries;
- Bain Capital Real Estate, LP, the real estate affiliate of Bain Capital, whose primary objective is to research and advise on real estate and real estate-related investments;
- Bain Capital Ventures, LP, the venture capital arm of Bain Capital, which focuses on seed through late-stage growth equity investing in software, hardware, information, healthcare, and technology-driven business services companies;
- Boylston Advisors, LP, (“Boylston”) which focuses on providing alternative investment opportunities to current and former personnel of Bain Capital and invests primarily in 3rd party private fund managers via managed funds of funds and direct investments. In addition, Boylston related persons also serve as the general partners to investment vehicles whose primary purpose is to invest in, or co-invest with, funds managed by Bain Capital Public Equity and other Affiliated Advisers for the benefit of employees and former employees of Bain Capital and its affiliates; and
- Bain Capital Partnership Strategies, LP, the capital allocation affiliate of Bain Capital, which focuses on creating strategic partnerships with third party fund managers, principally in the emerging markets public equity and independent return strategies.

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

In addition to the U.S. Affiliate Advisers, Bain Capital Private Equity (Europe), LLP, Bain Capital Investments (Europe) Limited, Bain Capital Private Equity (Japan), LLP, Bain Capital Investments (Luxembourg) S.A.R.L., Bain Capital Credit (Australia), Pty. Ltd., Bain Capital Credit (Asia), Limited, Bain Capital Private Equity (Asia), Limited, Bain Capital Ireland, Limited, Asset Resurgence Mauritius Manager, and India Resurgence Assent Management Private Limited, affiliates of Bain Capital, are licensed in their applicable jurisdictions with various regulators (together with the U.S. Affiliate Advisers, the “Affiliate Advisers”).

## **CONFLICTS OF INTEREST**

The discussion below reflects both historical and current practices of Bain Capital Public Equity and the Public Equity Funds, and practices may vary among the Public Equity Funds. Please refer to the governing documents of the applicable Public Equity Fund for details regarding the practices of such Public Equity Fund.

As a diversified investment firm, Bain Capital, LP and its affiliates, including Bain Capital Public Equity, engage in a broad range of activities, including investment activities for their own account, the account of other investment funds and provide advisory, management and other services to funds and operating companies.

Bain Capital currently has a number of affiliated advisers, each of which focuses primarily on a different investment strategy, although such investment strategies overlap from time to time. The funds and accounts managed by Bain Capital Public Equity are referred to as the Public Equity Funds and the funds and accounts advised or managed by the Affiliate Advisers are referred to as the “Related Funds.” In the ordinary course of conducting its activities, the interests of a Public Equity Fund or its Limited Partners will, on occasion, conflict with the interests of Bain Capital Public Equity or its affiliates or one or more other Related Funds or with their respective affiliates. Additionally, the Investment Advisor will establish certain investment vehicles (“co-investment vehicles”) through which certain personnel of Bain Capital Public Equity or its affiliates, or other Persons will invest in the Public Equity Funds. Such co-investment vehicles generally do not pay Management Fees or Incentive Allocations.

### **Resolution of Conflicts**

Each of Bain Capital Public Equity and the Affiliate Advisers will approach all conflicts of interest using its best judgment, but in its sole discretion. When conflicts arise between a Public Equity Fund, on the one hand, and a Related Fund, on the other hand, Bain Capital Public Equity will represent the interests of the Public Equity Funds, and the other participating Affiliate Adviser will represent the interests of the Related Fund it advises. In resolving conflicts, the Affiliate Advisers 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 Public Equity Funds and the Related Funds. From time to time, Bain Capital Public Equity and the Affiliate Advisers may determine to refer certain conflicts of interest to Bain Capital’s Allocation Committee (the “Allocation Committee”), comprised of senior Bain Capital personnel, for review and resolution, particularly in situations where Bain Capital Public Equity and the Affiliate Advisers are unable to resolve such conflicts. Similarly, the Allocation Committee

may in its sole discretion determine to review and make determinations regarding certain conflicts of interest.

When conflicts arise between a Public Equity Fund, on the one hand, and another Public Equity Fund, on the other hand, Bain Capital Public Equity will resolve the conflict. In doing so, it will generally consider various factors, including the interests of a Public Equity Fund and another Public Equity Fund with respect to the immediate issue and/or with respect to the longer-term course of dealing among the funds. In the case of all conflicts involving the Public Equity Funds, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of Bain Capital Public Equity, except as required by the governing documents of the Public Equity Funds. There can be no assurance that Bain Capital Public Equity will be able to resolve all conflicts in a manner that is favorable to a Public Equity Fund.

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

#### Sources of Conflicts of Interest

There are numerous perceived and actual conflicts of interest among the Public Equity Funds, the Related Funds and the Affiliate Advisers. The conflicts of interest that may be encountered by each Public Equity Fund include those discussed below, although such discussion does not describe all of the conflicts that may be faced by the Public Equity Funds. Other conflicts are disclosed throughout this document and this document should be read in its entirety for other conflicts. Dealing with conflicts of interest is complex and difficult, and new and different types of conflicts are likely to subsequently arise.

#### ***Conflicts Relating to the General Partners of the Public Equity Funds and Bain Capital Public Equity***

##### ***Bain Capital Public Equity Personnel***

Personnel of Bain Capital Public Equity responsible for managing a Public Equity Fund have responsibilities with respect to other Public Equity Funds and Related Funds, including funds and accounts that are raised in the future, as well as to the investments of a Public Equity Fund and such other Public Equity Funds and Related Funds. Substantial time is spent by such officers and employees monitoring the investments of other Public Equity Funds and Related Funds, and performing functions for Affiliated Advisers. Conflicts of interest will arise in allocating time, services or functions of these personnel, specifically Dewey Awad, who serves as an investment professional and leader of one of Bain Capital's Affiliated Advisers while also serving as the technology head for Bain Capital Public Equity.

From time to time, personnel of Bain Capital Public Equity responsible for managing a Public Equity Fund may face conflicts of interest in making investment decisions with respect to such Public Equity Fund, on the one hand, and their obligations to other Public Equity Funds, on the other hand. Such conflicts of interests may result in decisions that are not exclusively in the interest of such Public Equity Fund. Certain decisions may be more beneficial to another Public Equity

Fund than they are to such Public Equity Fund. Similar conflicts of interest for personnel in making investment decisions for both Public Equity Funds and Related Funds. There is no guarantee that the policies and procedures adopted by the Public Equity Funds or the terms and conditions of the limited partnership agreements (or analogous organizational documents) will enable the Public Equity Funds to identify, adequately address or mitigate these conflicts of interest.

In the event that certain employees of Bain Capital Public Equity cease to be active participants in the affairs of the Public Equity Funds, Limited Partners will be required to rely on the ability of Bain Capital to identify and retain other investment professionals to conduct Public Equity Funds' business.

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

#### *Incentive Allocation*

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

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

#### *Co-Investments Alongside Affiliate Adviser Funds*

The Public Equity Funds may, from time to time, make co-investments in transactions sourced by Affiliated Advisers Related Funds. When such a Related Fund makes an investment, the applicable Affiliate Adviser will often perform management, advisory, investment banking, financial advisory and other services for, and will receive fees from, actual or prospective entities. Additionally, an entity in which a Related Fund advised by an Affiliate Adviser invests will generally reimburse such Affiliate Adviser for expenses incurred by such Affiliate Adviser in connection with its performance of services for such entity. Although an Affiliate Adviser receives

these fees and reimbursements from actual or prospective entities, the opportunity to earn these fees creates a conflict of interest between such Affiliate Adviser, on the one hand, and, to the extent the Public Equity Funds co-invest in the transaction, the Public Equity Funds on the other hand, because the amounts of such fees and reimbursements are often substantial and the Public Equity Funds will not share in such fees and reimbursements.

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

#### *Advisory Services*

Other Affiliate Advisers often perform investment banking, advisory and other 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 Public Equity Funds 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 a Public Equity Fund’s investment in such portfolio company. The appropriate fees for certain advisory services are determined by such Affiliate Adviser providing such Other Services, following negotiation with management of such entity receiving such Other Services and other Investors, in consultation with lenders, 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 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 facts 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. Bain Capital Public Equity does not participate in the negotiation or approval of these arrangements, and these fees will not be shared with Bain Capital Public Equity or the Limited Partners of the Public Equity Funds.

The Affiliate Advisers have existing and potential advisory and other relationships with a significant number of private companies and other clients, and have in the past and may in the

future provide financing, services, advice or otherwise deal with third parties whose interests conflict with the interests of a company in which a Public Equity Fund has invested, such as competitors, suppliers or customers of a company in which a Public Equity Fund has invested. On occasion, an Affiliate Adviser may recommend or cause such a third party to take actions that are adverse to a Public Equity Fund or companies in which it has invested.

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

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

#### *Expense Reimbursement*

Certain expenses are paid for by the Public Equity Funds or, if incurred by Bain Capital Public Equity, are reimbursed by the Public Equity Funds. Bain Capital Public Equity may not necessarily seek out the lowest cost options when incurring (or causing the Public Equity Fund to incur) such expenses, and instead considers a range of qualitative factors when making engagement decisions. Additionally, where the Public Equity Fund owns an equity stake in an issuer, the value of its equity investment will be affected by expenses incurred by such issuer. Such expenses may include costs incurred by personnel in connection with board positions and other activities with respect to such issuer, including reimbursement for out-of-pocket expenses incurred in connection with such activities.

#### *Placement Agents*

Bain Capital Distributors, LLC acts as a placement agent to the Public Equity Funds. Bain Capital Distributors, LLC is an affiliate of Bain Capital. Representatives of Bain Capital Distributors, LLC may also be employees of the General Partner, Bain Capital Public Equity, or their affiliates. To the extent Bain Capital Distributors, LLC offers limited partnership interests in the Public Equity Funds and receives compensation therefor, Bain Capital Distributors, LLC's relations with the Public Equity Funds and its relations with the Bain Capital group generally, may conflict with the interests of investors in the Public Equity Funds. Additional placement agents may also be engaged with respect to the Public Equity Funds.

#### *Valuations*

The Public Equity Fund's investments are valued at estimated fair value as determined in good faith by the General Partner. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, as the incentive allocation and the management fee are calculated based on the value of the Public Equity Fund's investments. Furthermore, the valuation of investments may affect the ability of Bain Capital Public Equity to raise other funds, creating an incentive to determine valuations that are higher than the actual fair value of the investments. In

addition, Bain Capital Public Equity may or may not value the investments differently than how the same or similar investments are valued by the general partners of the other Related Funds.

#### *Carry Law Change*

U.S. and non-U.S. laws have been changing, and may continue to change, the tax treatment of “profits interests” or “carried interest,” in ways that may be adverse to partners in the General Partner or similar entity. Under the limited partnership agreements, the General Partner may have certain rights to amend the limited partnership agreement to mitigate such adverse consequences. Furthermore, the General Partners and Bain Capital Public Equity may take these potential adverse consequences into account in their management and operation of a Public Equity Fund. In addressing these adverse consequences, the interests of the General Partners and Bain Capital Public Equity, on the one hand, may diverge from the interests of the Limited Partners, on the other hand.

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

##### *Transactions between Public Equity Funds and Related Funds*

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

##### *Allocation of Investment Opportunities*

Bain Capital Public Equity and its affiliates sponsor and manage various investment vehicles (including managed accounts), and each expects to form new investment vehicles in the future, some of which have and will have an investment strategy or objective that overlaps (in whole or in part) with those of the Public Equity Funds. Certain Related Funds are subject to investment allocation requirements (the “Investment Allocation Requirements”). Investment Allocation Requirements may be set forth in the instrument under which the Related Fund was established (such as a Related Fund’s limited partnership agreement (or analogous organizational document) or private placement memorandum), or in side letters.

Other Public Equity Funds and/or Related Funds, including but not limited to investment vehicles formed in the future, will make certain investments that are appropriate for that Public Equity Fund, and another Public Equity Fund may receive a smaller allocation of any such investment or no allocation at all as a result. These relationships are likely to present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Public Equity Fund. Subject to any Investment Allocation Requirements, opportunities for investments will be allocated among the applicable Public Equity Fund, other Public Equity Funds and the Related Funds in a manner that Bain Capital Public Equity and the applicable Affiliate Advisers, as well as the General Partner and the applicable general partners of the other Related Funds, believe in



their sole discretion to be appropriate given factors they believe to be relevant.

Such factors with respect to the applicable Public Equity Fund on the one hand, and other Public Equity Funds and the Related Funds on the other, and/or with respect to the target, as applicable, will generally include, but are not necessarily limited to, the following:

- investment objectives and investment focus;
- target's geography, nature of its business and scale;
- transaction sourcing;
- liquidity and reserves;
- diversification;
- lender covenants and other limitations;
- amount of capital available for investment, as well as projected future capacity for investment;
- targeted rate of return;
- portfolio composition;
- the availability of other suitable investments;
- risk considerations;
- cash flow considerations;
- asset class restrictions;
- industry and other allocation targets;
- minimum and maximum investment size requirements;
- tax implications;
- legal, contractual or regulatory constraints; and
- any other relevant limitations imposed by or conditions set forth in the limited partnership agreement and the applicable offering documents and limited partnership agreements (or analogous organizational documents) of each Public Equity Fund or Related Fund.<sup>3</sup>

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<sup>3</sup> For instance, allocations among GLEF and other Public Equity Funds will be fair and equitable. It is expected that generally many investments allocated to GLEF also will be allocated to certain other Public Equity Funds. However, certain positions in other Public Equity Funds will not be appropriate for GLEF due to differences in account strategy, mandate guidelines, vehicle size, investment period, tax implications, and other considerations. GLEF's strategy and mandate are not identical to those of other Public Equity Funds, and certain types of short and hedging transactions will not be appropriate for GLEF.

In general, investments sourced by Bain Capital Public Equity that are appropriate for the Public Equity Funds are expected to first be made available to the Public Equity Funds. Similarly, investments sourced by an Affiliate Adviser that are appropriate for Related Funds advised by such Affiliate Adviser are expected to first be made available to such Related Funds. Bain Capital, Bain Capital Public Equity, and the Affiliate Advisers have substantial discretion in allocating investment opportunities. The foregoing methodology for allocation of investment opportunities will likely vary over time and will be on a case-by-case basis.

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

- 1) the Public Equity Funds and the other Related Funds for which this is a suitable investment;
- 2) any co-investment vehicles that have been formed to invest side-by-side with one or more of Public Equity Funds or Related Funds in all or particular transactions entered into by such fund(s) (the investors in such co-investment vehicles may include employees, business associates and other “friends and family” of the Affiliate Advisers or its personnel; individuals and entities that are also Limited Partners; and/or individuals and entities that are not Limited Partners (“Third Parties”));
- 3) Limited partners and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more of the Public Equity Funds or Related Funds in particular transactions entered into by the Public Equity Funds or Related Fund(s); and
- 4) Limited partners and/or Third Parties acting as “co-sponsors” with the Affiliate Advisers with respect to a particular transaction.

Bain Capital Public Equity and other Affiliate Advisers have adopted policies and procedures relating to the allocation of investment opportunities among the Public Equity Funds, certain Related Funds and/or Third Parties co-investing with the Fund, other Related Funds, and will make allocation determinations consistently therewith to the extent such policies and procedures apply to a particular investment opportunity. From time to time, Bain Capital Public Equity and other Affiliate Advisers may determine to refer certain investment opportunities to the Allocation Committee for review and resolution, particularly in situations where Bain Capital Public Equity and other Affiliate Advisers are unable to resolve conflicts in the allocation of investment opportunities among the Public Equity Funds, Related Funds and/or Third Parties co-investing with the Public Equity Funds. Similarly, the Allocation Committee may in its sole discretion determine to review and make determinations regarding certain allocations of investment opportunities.

The other Related Funds and any entities or accounts organized to make co-investments with the Public Equity Funds in selected transactions because of their size or nature, the General Partner and personnel of Bain Capital Public Equity and its affiliates and related persons may invest in other transactions in which the Public Equity Funds participate on the basis described in the limited partnership agreement (or analogous organizational or governing documents of such Public Equity

Funds and Related Funds).

Bain Capital Public Equity reserves the right to make independent decisions regarding recommendations of when the Public Equity Funds should purchase and sell investments, and the other Affiliate Advisers reserve similar rights with respect to the Related Funds that they advise. As a result, the Public Equity Funds may be purchasing an investment at a time when another Related Fund is selling the same or a similar investment, or vice versa. The Public Equity Funds may invest in opportunities that another Related Fund has declined, and likewise, the Public Equity Funds may decline to invest in opportunities in which another Related Fund has invested. These positions and actions may adversely impact, or in some instances may benefit, certain of the Related Funds. In particular, a Related Fund that co-invests with the Public Equity Funds may have different investment objectives or a different structure than the Public Equity Funds, including providing its Limited Partners with liquidity. Such Related Funds may need to exit their investments before the Public Equity Funds in connection with Limited Partner redemptions or otherwise, which may have an adverse effect on the Public Equity Funds' continuing investment in such issuer in which the Public Equity Funds invest by putting downward pressure on the value of the Public Equity Funds' interest, which the Public Equity Funds have opted to hold longer term. The Related Funds are under no obligation to act in a way that furthers or protects the interests of the Public Equity Funds. A Related Fund could earn a return on its investment that exceeds the Public Equity Funds' return.

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

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

Conflicts may arise when a Public Equity Fund makes investments in conjunction with an investment being made by another Public Equity Fund or a Related Fund, or in a transaction where another Public Equity Fund or another Related Fund has already made an investment. Investment opportunities have in the past and may in the future be appropriate for a Public Equity Fund, another Public Equity Fund and a Related Fund at the same, different or overlapping levels of a portfolio company's capital structure. Bain Capital Public Equity does not expect, and is under no obligation, to notify Limited Partners or members of an advisory committee, to the extent established, if a Public Equity Fund holds an investment in an issuer in which another Public Equity

Fund or Related Fund holds an interest, even if the Public Equity Fund holds securities of a different class, or a different part of the capital structure, than such other Public Equity Fund or Related Fund, or if a Public Equity Fund or Related Fund takes a particular action in connection therewith that has a negative effect on that Public Equity Fund. Conflicts also arise in determining the terms of investments, especially where Bain Capital Public Equity and/or other Affiliate Advisers control the structure of a transaction and its capitalization. For example, investments by a Public Equity Fund in transactions controlled by a Related Fund may be subject to investment terms, including with respect to liquidity or governance, that may be more restrictive than those preferable for a Public Equity Fund if it were investing independently. As another example, if a Related Fund is investing in debt securities issued by a company in which a Public Equity Fund holds equity securities, the Related Fund, it will have an interest in structuring such debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than a Public Equity Fund as an equity owner, may desire and conflicts will arise if the debt securities become distressed and vice versa. In addition, a conflict will arise in allocating an investment opportunity if the potential investment target could be acquired by another Public Equity Fund or a Related Fund or a portfolio company of another Public Equity Fund or a Related Fund. There can be no assurance that the return on a Public Equity Fund's investments will not be less than the returns obtained by another Public Equity Fund or any Related Funds participating in the transaction.

Personnel and related persons of Bain Capital Public Equity and the other Affiliate Advisers have made or may make large capital investments in or alongside Related Funds, and/or the Public Equity Funds, and therefore may have additional conflicting interests in connection with joint investments. Each of Bain Capital Public Equity and each other Affiliate Adviser will determine all matters relating to structuring transactions and capitalizing portfolio companies, including the amount and terms of securities and allocation of securities among the Public Equity Funds and the involved Related Funds, using its best judgment considering all factors it deems relevant, but in its sole discretion. The allocation of investments as among a Public Equity Fund and other Public Equity Funds and as between a Public Equity Fund and Related Funds will likely be affected by a fund's stage in its lifecycle. For example, a newly organized fund may seek to purchase a disproportionate amount of investments until it is ramped up.

#### *Business with Limited Partners*

The General Partner may from time to time utilize the services of Limited Partners and their affiliates on an arm's length basis, as it deems appropriate.

#### *Investment in Other Funds*

Certain Public Equity Funds have in the past and may in the future invest in other funds or structured products sponsored by the Affiliate Advisers and/or others. A Public Equity Fund's interest in any such fund or structured product would be subject to the terms and conditions of such fund or product, including fees, incentive allocation and other performance-based compensation, provided that the General Partner of, and the Affiliate Adviser to, such fund or product may in their sole discretion waive all or a portion of such fees, incentive allocations and other performance-based compensation with respect to the Public Equity Funds or other Related Funds though Limited Partners should not expect any affiliated or third-party general partner or investment adviser to waive such fees, incentive allocations and/or other performance-based

compensation.

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

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

Certain Related Funds and personnel of Affiliate Advisers may invest in the Public Equity Funds as Limited Partners. Bain Capital Public Equity may from time to time in its sole discretion provide the Affiliate Adviser and its personnel of any such Related Funds certain information about a Public Equity Fund's investment portfolio, although it is under no obligation to do so and has the discretion to decide not to provide any such information at any time. As a condition of receiving such information, the Affiliate Adviser must agree that it will use such information solely for the purpose of making investment recommendations to such Related Fund with respect to hedging its long exposure to certain investment sectors and geographies, and not for the purpose of making any other investment recommendations to such Related Fund or for any other purpose and it must agree not to disclose such information to any other person.

The Public Equity Funds may waive management fees and incentive allocations with respect to Related Funds. Affiliate Advisers may receive management fees and incentive allocations from the Related Funds. The Related Funds may own equity in issuers of the loans to be held by the Fund, which may create a conflict of interest if the loans become distressed.

#### *Co-Investment Opportunities*

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

Subject to any investment allocation requirements, no Limited Partner has a right to participate in or to receive notice of any such co-investment opportunity. Decisions regarding whether and to whom to offer such co-investment opportunities are made in the sole discretion of Bain Capital Public Equity. Such co-investment opportunities are typically offered to some and not other Limited Partners in the sole discretion of Bain Capital Public Equity and Limited Partners may be offered a smaller amount of co-investment opportunities than originally requested. Co-investors have in the past and may in the future purchase their interests in an issuer at the same time as the Public Equity Funds, or purchase such interests from the Public Equity Funds after the Public Equity Funds have consummated its investment in the issuer (also known as a post-closing sell-down or transfer).

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, Bain Capital Public Equity considers some or all of a wide range of factors, which may include the following:

- Bain Capital Public Equity's evaluation of the co-investment party's level of interest in investment opportunities (including level of interest in a particular industry or type of business), and size and financial resources of the potential co-investment party;
- Bain Capital Public Equity's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the Public Equity Funds without harming or otherwise prejudicing the Public Equity Funds, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- whether Bain Capital Public Equity determines that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide longer-term benefits to the Public Equity Funds or future funds, Bain Capital Public Equity, the Affiliate Advisers or the applicable issuer;
- Bain Capital Public Equity's evaluation of its past experiences and relationships with the potential co-investor, such as the willingness or ability of such person to respond promptly and/or affirmatively to potential investment opportunities previously offered by Bain Capital Public Equity;
- Bain Capital Public Equity's evaluation of whether the profile or characteristics of the potential co-investor may have a positive or negative impact on the viability, prospects or terms of the proposed investment opportunity and the ability of the Public Equity Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which the Public Equity Funds wish to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the terms, structure, or cause other issues with respect to the Public Equity Funds' participation in such investment opportunity);
- Bain Capital Public Equity's evaluation of whether the investment opportunity may subject the target company, the Public Equity Funds or the potential co-investor to legal, tax, regulatory, contractual, reporting, public relations, media or other burdens that make it less desirable for such co-investor to participate in a potential investment opportunity; and
- any confidentiality concerns Bain Capital Public Equity may have that may arise in connection with providing the potential co-investor with specific information relating to the investment opportunity in order to permit such person or entity to evaluate the investment opportunity.

Bain Capital Public Equity's exercise of its discretion in allocating investment opportunities among the persons, including the Public Equity Funds, Limited Partners and Third Parties, may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While Bain

Capital Public Equity will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that Bain Capital Public Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which Bain Capital Public Equity may be subject, discussed herein, did not exist.

In the event Bain Capital Public Equity determines to offer an investment opportunity to co-investors, there can be no assurance that Bain Capital Public Equity will be successful in offering such co-investment opportunity to any potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on terms and conditions that will be preferable for the Public Equity Funds or that expenses incurred by the Public Equity Funds with respect to the syndication of the co-investment will not be substantial. In the event that the Investment Advisor is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Public Equity Funds will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was initially intended, which could make the Public Equity Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Public Equity Funds which is not syndicated to co-investors as originally anticipated could significantly reduce the Public Equity Funds' overall investment returns.

The Public Equity Funds may sell down an interest in issuers in which it invests to co-investors at fair market value. Subject to the limited partnership agreement or other agreements with co-investors, Bain Capital Public Equity may charge a co-investor (such as an investor or a Third Party) interest costs for the time period between the closing of the Public Equity Funds' investment in an issuer to the date of the transfer of interests in such issuer to the applicable co-investor.

#### *Allocation of Fees and Expenses*

The appropriate allocation among the Public Equity Funds (including among the Public Equity Funds, Related Funds, and Third Parties) of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by Bain Capital Public Equity, the Affiliate Advisers and their respective affiliates in good faith, consistent with the limited partnership agreements or other governing documents. There may be no third party that has agreed to share expenses with the Public Equity Funds if the investment is not consummated, with the result that the Fund may bear all of the expenses relating to that potential co-investment notwithstanding that Third Parties may have benefitted from the opportunity to review, investigate and otherwise assess that potential investment, or that such Third Parties may be entitled to receive all or a portion of any termination fees paid in respect of such unconsummated co-investment.

The appropriate allocation among the Public Equity Funds and the Related Funds of expenses and fees generated in the course of evaluating and making investments often will not be clear, especially where more than one fund participates. When Bain Capital Public Equity and the other Affiliate Advisers incur expenses that were related to the Public Equity Funds, and/or Related Funds, they will typically allocate such expenses among all funds eligible to reimburse expenses of the applicable nature. In general, Bain Capital Public Equity and each other affected Affiliate

Adviser will participate in the resolution of all such matters using its best judgment, considering all factors it deems relevant, but in its sole discretion.

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

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

### *Insurance Expenses*

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



### *Cross Transactions*

In certain cases, Bain Capital Public Equity may cause the Public Equity Funds to purchase investments from another Public Equity Fund or Related Fund, or it may cause the Public Equity Funds to sell investments to another Public Equity Fund or Related Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, the Public Equity Funds may not receive the best price otherwise possible, or Bain Capital Public Equity might have an incentive to improve the performance of the Public Equity Funds by selling underperforming assets to another Public Equity Fund or Related Fund in order, for example, to earn fees. Additionally, in connection with such transactions, Bain Capital Public Equity, the Affiliate Advisers, their affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in another Public Equity Fund or Related Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). To address these conflicts of interest, in connection with effecting such transactions, Bain Capital Public Equity may consult with an advisory committee. Bain Capital Public Equity will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and Bain Capital Public Equity will not effect any such transaction for the Public Equity Funds where Bain Capital Public Equity and its affiliates may be deemed to own 25% or more of a Public Equity Fund, unless such transaction complies with the requirements of Bain Capital Public Equity's principal transactions policy, as described below.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), Bain Capital Public Equity must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with Bain Capital Public Equity's management of the Public Equity Funds, Bain Capital Public Equity and its affiliates may engage in principal transactions. Bain Capital Public Equity has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Public Equity Fund(s) 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 Public Equity Fund has made an investment in a company in which another Public Equity Fund or Related Fund has also invested, particularly where a Public Equity Fund and another Public Equity Fund or Related Fund invest in different types of securities. For example, questions have in the past and may in the future arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be

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

#### *Follow-On Investments*

Investments to finance follow-on acquisitions are a regular part of the business of the Public Equity Funds and certain Related Funds. Follow-on investments present conflicts of interest, including determination of the equity component and other terms of the new financing and, if a Public Equity Fund has not previously invested in the relevant portfolio company, increasing the risk of using a Public Equity Fund's assets to support positions taken by other Public Equity Funds or Related Funds. In addition, from time to time, the Public Equity Funds may participate in leveraging and recapitalization transactions involving portfolio companies in which other Public Equity Funds or Related Funds have invested or will invest. Recapitalization transactions will present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. Bain Capital Public Equity and each Affiliate Adviser will resolve all such conflicts using their best judgment, but in their sole discretion, subject in certain cases to approval by the respective advisory boards or investment committees of the participating investment funds.

#### *Equity Investments*

A Public Equity Fund and/or other Related Funds in many cases will own a significant or controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such portfolio company and the participating funds and accounts and other relevant factual circumstances, could

result in an extension of bankruptcy preference periods with respect to payments made to such Public Equity Fund and/or subordination of its claims to other creditors and/or recharacterization of debt claims into equity claims. In addition, because of their equity ownership, representation on the boards of directors, and/or contractual rights, a Public Equity Fund and Related Funds will be thought to control, participate in the management of or influence the conduct of portfolio companies. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a Public Equity Fund to claims by a portfolio company, its security holders, its creditors or governmental agencies.

### *Proxy Voting*

The General Partners of the Public Equity Funds intend to vote proxies on behalf of the Public Equity Funds either in accordance with management recommendations, or otherwise in the best interests of the Public Equity Funds, taking into account such factors as it deems relevant in its sole discretion. Conflicts of interest may arise in voting proxies if a Public Equity Fund holds different interests (e.g., long vs. short) in a company than other Public Equity Funds.

### *Debt Investments*

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

### *Private Placements*

A portion of a Public Equity Fund's investments may consist of securities that are subject to restrictions on resale by such Fund because they were acquired in a "private placement" or similar transaction or because a Public Equity Fund is deemed to be an affiliate of the issuer of such securities. The Public Equity Funds will be able to sell such securities only under applicable securities laws, which may permit only limited sales under specified conditions or subject the Public Equity Funds to additional potential liability.

### *Indentures*

If the Public Equity Fund directly or indirectly controls or is under common control with issuers of securities held by such Public Equity Fund, which were issued under an indenture qualified under the Trust Indenture Act of 1939 (the "Trust Indenture Act"), especially where another Public Equity Fund or a Related Fund is deemed to control the issuer of the securities, then these securities held by the Public Equity Fund 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.

## *Business with Portfolio Companies and Investors*

The other Affiliate Advisers may, and typically do, recommend to the Related Funds and to portfolio companies of such Related Funds that they contract for management services and other services with such other Affiliate Adviser, providing such other Affiliate Advisor and its affiliates with a financial or other benefit. When making such a recommendation, the Affiliate Adviser, because of a financial or other business interest, has an incentive to recommend its own services and those of its affiliates even if another person is more qualified to provide the applicable services or can provide such services at a lesser cost.

When contracting to provide such services to portfolio companies of a Related Fund, the other Affiliate Advisors may, and regularly do, receive periodic fees or other compensation for such services as well as fees or other compensation in connection with subsequent transactions. The other Affiliate Advisors may also, and regularly do, receive expense reimbursements and certain indemnification rights from the portfolio companies of the Related Funds in connection with such agreements. A Public Equity Fund may, from time to time, make co-investments in transactions sourced by other Affiliate Advisers, including potentially in a portfolio company in respect of which an Affiliate Adviser receives such fees and reimbursements. Although an Affiliate Adviser receives these fees and reimbursements from actual or prospective portfolio companies, the opportunity to earn these fees may create a conflict of interest between such Affiliate Adviser, on the one hand, and, to the extent a Public Equity Fund co-invests in the transaction, a Public Equity Fund on the other hand, because the amounts of such fees and reimbursements are often substantial and Public Equity Funds will not share in such fees and reimbursements.

Certain members of the advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Related Fund.

## *Other Conflicts of Interest*

### *Legal Counsel*

The Public Equity Funds and Related Funds will generally engage common legal counsel and other advisors to represent all of the Public Equity Funds and Related Funds in a particular transaction, including a transaction in which the Public Equity Funds and Related Funds have conflicting interests because they are investing in different securities of a single portfolio company. In the event of a significant dispute or divergence of interest between one or more Public Equity Funds or Related Funds, such as in a work-out or other distressed situation, separate representation may become desirable, in which case Bain Capital Public Equity and the other Affiliate Advisers may hire separate counsel in their sole discretion, and in litigation and other circumstances, separate representation may be required. Partners of the law firms engaged to represent the Public Equity Funds and Related Funds may be investors in certain Related Funds, and could also represent one or more portfolio companies or Limited Partners of the Public Equity Funds and Related Funds.

Additionally, Bain Capital Public Equity and the other Public Equity Funds and the portfolio companies of the Public Equity Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between Bain Capital Public Equity, on the one hand, and the Public Equity Funds and portfolio companies, on the other hand, in determining

whether to engage such service providers, including the possibility that Bain Capital Public Equity may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, or other beneficial arrangements that it would not receive absent the engagement of such service provider by the Public Equity Funds and/or the portfolio companies.

#### *Side Letters or Similar Agreements*

Bain Capital Public Equity and/or the General Partner of a Public Equity Fund, without any further act, approval or vote of any Limited Partner, from time to time enters into certain side letter or similar arrangements with certain Limited Partners providing such Limited Partners with different or preferential rights or terms, including (i) different economic arrangements (including a most favored nation right to receive the same rights or arrangements offered to other Limited Partners that made an equal or smaller subscription in the Public Equity Fund, subject to certain exceptions, including the right to appoint a representative to any Advisory Committee, consents to the use of confidential information, additional reporting obligations, agreements to refrain from disclosing the names or marks of certain Limited Partners, rights based on particular circumstances of a Limited Partner and any rights established in favor of another Limited Partner that invests in the Public Equity Fund as a part of a larger investment program or managed account with Bain Capital); (ii) certain Limited Partners receiving information more frequently than, or not otherwise provided to, Limited Partners generally; (iii) the ability of certain Limited Partners to provide selected confidential information to regulators or other recipients; (iv) modifications to a Limited Partner's Subscription Agreement; (v) agreements to permit representatives of certain Limited Partners to serve on any Advisory Committee; (vi) the right to be offered a co-investment opportunity; (vii) the required withdrawal of a Limited Partner; (viii) the termination of a Limited Partner's interest in the Public Equity Fund; (ix) consent rights; (x) arrangements with respect to waivers of certain obligations, including indemnification obligations set forth in a Limited Partner's Subscription Agreement; (xi) agreements by the General Partner to refrain from exercising certain remedies or taking certain actions against a Limited Partner, if any law, rule or regulation applicable to such Limited Partner prohibits such Limited Partner from agreeing to permit such General Partner to exercise such remedies or take such actions; and (xii) any other matter deemed appropriate by Bain Capital Public Equity or General Partner. Any such information rights that may be provided to certain Limited Partners pursuant to clause (ii) above may provide the recipient greater insights into the Public Equity Fund's activities than is included in standard reports to Limited Partners, thereby enhancing the recipient's ability to make investment decisions (including subscription and withdrawal decisions) with respect to the Public Equity Fund. In addition, as a result of receiving client reports or otherwise, one or more clients may have access to different information regarding transactions, strategies or views than other Limited Partners, and may act on such information in accounts not controlled by the General Partner, which may have a material adverse effect on the performance of the Public Equity Fund. Except as otherwise agreed with a Limited Partner, Bain Capital Public Equity, the General Partner and the Public Equity Fund are not required to disclose the terms of side letter arrangements with other Limited Partners. To the extent Public Equity Funds or the General Partner agrees with one or more Limited Partners to limitations on indemnification or to modifications of release, exculpation or waiver provisions, Public Equity Funds and the other Limited Partners could be adversely affected to the extent any such limitation or modification were subsequently to limit the recourse of the Public Equity Funds against such Limited Partners or were to allow for recourse

by such Limited Partners against the Public Equity Funds.

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

#### *Procurement*

There may be situations in which Bain Capital Public Equity is in a position of facilitating or otherwise making available portfolio company services and, as a result, certain portfolio companies or investments of a Public Equity Fund may be counterparties or participants in agreements, transactions or other arrangements with the portfolio companies of the Related Client. Such arrangements may involve favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. Bain Capital Public Equity could be eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and, to the extent permitted by applicable law, including ERISA, any discounted amounts will not be subject to offsets against the advisory fee or otherwise shared with the fund investors. In recommending the services of a portfolio company, Bain Capital Public Equity 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 the Public Equity Funds and the Related Funds*

The Public Equity Funds and Related Funds have tax-exempt, taxable, non-U.S. and other investors, whereas most members of the General Partners of the Public Equity Funds and Related Funds 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. 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 the Public Equity Funds or the Related Funds, Bain Capital Public Equity and the Affiliate Advisers will consider the investment and tax objectives of the applicable Public Equity Fund or Related Fund, not the investment, tax and other objectives of any investor individually. Conflicts of interest between the

investors and Bain Capital Public Equity may also arise in connection with decisions made by Bain Capital Public Equity, including with respect to the structuring of investments and the making of purchase and sale decisions and the reporting thereof or withholding with respect thereto.

#### *Additional Investment Partnerships*

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

#### *Access to Information*

Bain Capital Public Equity often enters into certain side letter arrangements with certain limited partners providing such limited partners with different or preferential rights or terms, including but not limited to economic terms, information and reporting rights, transfer rights, or provisions necessary to comply with tax, regulatory or internal policy requirements applicable to limited partners. Except as otherwise agreed with a limited partner, Bain Capital Public Equity and Public Equity Funds are not required to disclose the terms of side letter arrangements with other limited partners. The partnership agreements permit the General Partner to withhold information from certain limited partners in certain circumstances. For instance, certain information will generally be withheld from limited partners that are subject to the U.S. Freedom of Information Act or similar requirements. The General Partner will at times elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Due in part to the fact that potential investors in a Public Equity Fund (including purchasers of a Limited Partner's interests in a secondary transaction) may ask different questions and request different information, Bain Capital Public Equity will provide certain information upon request to one or more prospective investors that it does not provide to all of the prospective investors or Limited Partners. Additionally, Bain Capital Public Equity may establish separate accounts with portfolios significantly similar to those of Public Equity Funds. Consequently, the relevant separate account client will have access to information about such portfolio holdings before limited partners. Bain Capital Public Equity personnel and affiliates may receive information and distributions regarding investments at different times than other limited partners.

#### *Advisory Committee*

Public Equity Funds may establish an advisory committee consisting of representatives of limited partners, which have certain consultation and approval rights with respect to certain matters, including conflicts of interest. Members of the advisory committee will generally act in their own interest, and will not necessarily act consistently in the best interest of the limited partners as a whole. In addition, members of the advisory committee are likely to receive information regarding the proposed investment activities of the Public Equity Funds that would not generally be available to the public or other limited partners. Certain members of the advisory committee may be officers or directors of, or otherwise affiliated with, investors in a Related Fund. Advisory committee members will not owe any fiduciary or other duties to the Public Equity Funds or the limited

partners, and will be entitled to indemnification and exculpation to the fullest extent permitted by applicable law.

Consent by the advisory committee to any matter determined by Bain Capital Public Equity to require the consent of the Public Equity Funds under the Advisers Act, or to any other matter presented to the advisory committee by Bain Capital Public Equity for consent, will be deemed to constitute the consent of the Public Equity Funds. Each limited partner is deemed to have consented to the delegation to the advisory committee of any such consent otherwise required of the Public Equity Funds. Consent of members of the advisory committee may be deemed to be given in a particular case if the members do not expressly object to or disapprove a transaction for which advisory committee consent is being sought.

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

From time to time, Bain Capital Public Equity or another Affiliate Adviser will come into possession of material, non-public information, and such information may limit the ability of a Public Equity Fund to buy and sell investments. Although Bain Capital Public Equity and its Affiliate Advisers currently maintain “ethical walls” which reduce the likelihood that Bain Capital Public Equity will be deemed to possess material, non-public information possessed by other Affiliate Advisers, there is no guarantee that Bain Capital Public Equity and its Affiliate Advisers will maintain “ethical walls” for the life of a Public Equity Fund. Furthermore, Bain Capital Public Equity and the other Affiliate Advisers will agree from time to time to “cross” ethical walls, and Bain Capital will from time to time impose restrictions on transactions involving particular issuers in its sole discretion taking into account all factors it deems relevant in the collective interest of Bain Capital Public Equity and the other Affiliate Advisers. In such cases, a Public Equity Fund and the Related Funds could be restricted in transactions involving a particular issuer. Consequently, the possession of material, non-public information by other Affiliate Advisers will at times limit the ability of a Public Equity Fund to buy and sell investments. In addition, Bain Capital Public Equity will from time to time be restricted by contract from using confidential information that it, or another Affiliate Adviser, has for the benefit of a Public Equity Fund. Additionally, in rare instances, a Limited Partner (particularly if such Limited Partner has designated an advisory board representative or participates in a co-investment) may receive material non-public information that may limit such Limited Partner’s trading activities.

#### *Executing Trades on Behalf of Related Clients*

From time to time, and in limited instances, Affiliate Advisers may request Bain Capital Public Equity to execute trades on behalf of Related Funds. Before agreeing to execute the trades, Bain Capital Public Equity generally considers any potential conflicts of interest, including any potential impact on the Public Equity Funds. For example, the firm will consider any potential trading restrictions that could arise from the arrangement and/or if there will be an impact on Bain Capital Public Equity’s resources. Bain Capital Public Equity does not receive a fee for executing trades on behalf of Related Funds.



### *Conflicts Related to Plan Assets*

One or more of the Public Equity Funds and one or more Related Funds may hold “plan assets” subject to the Employee Retirement Income Security Act (“ERISA”). With respect to those plan assets, if any, Bain Capital and certain Affiliated Advisers 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 Public Equity Fund will be restricted from entering into certain transactions if the investment would violate ERISA with respect to a Public Equity Fund or any Related Fund, 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 such Public Equity Fund or Related Fund. Different conflicts exist with respect to investments in different Public Equity Funds.

Please contact the Bain Capital Public Equity compliance department with any additional questions or concerns.

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

Bain Capital Public Equity 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 Public Equity Funds and to ensure personnel do not engage in “front-running” of the Public Equity Funds’ investment opportunities.

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

A detailed summary of the Code of Ethics is available to Limited Partners and prospective Limited Partners during the investment due diligence process. A copy may be obtained by contacting the Bain Capital Public Equity compliance department.

### **Related Person Investment**

For further detail regarding circumstances in which Bain Capital Public Equity or a related person (a) recommends to clients, or buys or sells for client accounts, securities in which Bain Capital Public Equity or a related person has a material financial interest, (b) invests in the same securities that Bain Capital Public Equity or a related person recommends to clients, or (c) recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that Bain Capital Public Equity or a related person buys or sells the same securities for Bain Capital

Public Equity's own (or the related person's own) account, as well as related conflicts of interest, please see Code of Ethics above.

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

## **Item 12. Brokerage Practices Selection of Brokers and Dealers**

The General Partners are authorized to determine the broker to be used for each securities transaction for a Public Equity Fund. In selecting brokers to execute transactions, the General Partners need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. In selecting brokers, the General Partners may or may not negotiate "execution only" commission rates; thus, a Public Equity Fund may be deemed to be paying for other services provided by the broker that are included in the commission rate. In negotiating commission rates, the General Partners will take into account the financial stability and reputation of the broker and the brokerage, research and other services provided to a Public Equity Fund, the General Partners and other customers of the General Partners by such broker, even though a Public Equity Fund may not, in any particular instance, be the direct or indirect beneficiary of the research or other services provided and the management fee payable to Bain Capital Public Equity is not reduced because it receives such services. In addition, the General Partners are authorized to direct commissions to certain brokers that on the foregoing basis may furnish other services to a Public Equity Fund, the General Partners and other customers of the General Partners and their affiliates, such as seminars, conferences, news and quotation equipment, quantitative analytical software, trading software, and certain other research and brokerage services permitted by Section 28(e) of the Securities Exchange Act of 1934. As a result of the brokerage practices described above, the levels of commissions paid and prices paid or received by a Public Equity Fund in securities transactions may be less favorable than would otherwise be the case.

### **Aggregation of Trades**

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

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

### **Item 13. Review of Accounts, Oversight and Monitoring**

The portfolio investments of each Public Equity Fund are continuously reviewed by a team of investment professionals. The team generally includes Managing Directors and other investment professionals of Bain Capital Public Equity. Reviews consist of ongoing analysis of positions by the investment team sector leads.

### **Reporting**

Investors in the Public Equity Funds will typically receive, among other things, a copy of audited financial statements of the relevant Public Equity Fund within 120 days after the fiscal year end of such Public Equity Fund. In addition, investors in each Public Equity Fund will typically receive unaudited quarterly summary financial information regarding such Public Equity Fund following the end of each financial quarter. Investors in the Public Equity Funds also receive regular reporting updates through quarterly letters, investor meetings and other materials provided on the investor website. Bain Capital Public Equity and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information upon request relating to such Public Equity Fund to one or more investors in such Public Equity Fund as they deem appropriate.

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

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

### **Item 15. Custody**

Bain Capital Public Equity has determined that it has custody of Public Equity Fund assets for purposes of the Advisers Act as Bain Capital Public Equity is a related person of the General Partner of each such Public Equity Fund. It is the policy of Bain Capital Public Equity to comply with the Advisers Act requirements in respect of the assets of any such Public Equity Fund. The Advisers will conduct all business operations in such a way that it will not physically hold the Public Equity Fund's securities or funds; instead, assets of such Public Equity Fund will be preserved in the safekeeping of qualified custodians. Custodial banks maintaining Public Equity Fund assets send statements to an independent representative of investors in certain Public Equity Funds, who compares the account statement received from the custodial bank to the account statements Bain Capital Public Equity delivers to investors.

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

## **Item 16. Investment Discretion**

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

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

Public Equity Funds are not able to direct the vote of their General Partners. The General Partners intend to vote proxies or similar corporate actions either in accordance with management recommendations, or otherwise in the best interests of the Public Equity Funds, taking into account such factors as it deems relevant in its sole discretion. Bain Capital Public Equity's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict.

Bain Capital Public Equity subscribes to and engages the services of a third-party vendor as its proxy agent.

A detailed summary of Bain Capital Public Equity's proxy voting policies and procedures are available to Limited Partners and prospective Limited Partners during the investment due diligence process. A copy of the proxy voting policies and procedures may be obtained by contacting Bain Capital Public Equity's Compliance Department.

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

## **Item 18. Financial Information**

Item 18 is not applicable to Bain Capital Public Equity.

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

Item 19 is not applicable to Bain Capital Public Equity.