

**Bain Capital Credit, Ltd - Best Execution Transparency Disclosures**

April 30, 2019

Class of Instrument	(a) Equities – Shares & Depository Receipts (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan Chase London K6Q0W1PS1L1O4IQL9C32	100.00%	100.00%			

Class of Instrument	(a) Equities – Shares & Depository Receipts (iii) Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan Chase London K6Q0W1PS1L1O4IQL9C32	100.00%	100.00%			

Class of Instrument	(b) Debt instruments (i) Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top 5 venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International W22LROWP2IHZNBB6K528	16.27%	19.15%			
Bank of America Merrill Lynch International Limited EYKN6V0ZCB8VD9IULB80	13.78%	6.91%			
DEUTSCHE BANK AKTIENGESELLSCHAFT 7LTFWZYICNSX8D621K86	11.98%	9.04%			
Credit Suisse Securities (Europe) Limited DL6FFRRLF74S01HE2M14	10.49%	7.45%			
Citigroup Global Markets Limited XKZZ2JZF41MRHTR1V493	8.01%	11.06%			

Class of Instrument	(d) Credit Derivatives (ii) Other Credit Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International W22LROWP2IHZNBB6K528	82.42%	39.76%			
Citigroup Global Markets Limited XKZZ2JZF41MRHTR1V493	5.55%	17.47%			
J.P. MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	3.77%	16.87%			
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	3.74%	16.87%			
THE GOLDMAN SACHS GROUP, INC. 784F5XWPLTWKTBV3E584	2.52%	6.02%			

**A summary of the analysis and conclusions the firm draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year**

Bain Capital Credit (the "Firm") monitors counterparty usage across asset classes as well as gifts and entertainment given to or received from third-parties. Compliance periodically reviews this information with the trading desk.

**Equities (Shares)**

As a credit investor, the Firm generally does not trade a high volume of equity securities. Bain Capital Credit, Ltd's equity trading activity over the period covered by this disclosure related to very few distinct assets and represented a small portion of Bain Capital Credit, Ltd's total trading volume.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

**Debt Instruments (Bonds)**

As part of the Firm's best execution analysis in relation to debt instruments, the Firm reviews, among other things, external market data and externally verifiable reference prices (where available) for a sample of trades in debt instruments. This retrospective sample testing process may also use the following input from the front office:

- Number of quotes received;
- Documentation of Quotes Received or other pricing information (for example Bloomberg pricing runs) at time of trade;
- Reason for counterparty selection; and
- Any other applicable details

The monitoring completed for the period supported that the Firm achieved best execution consistently and that its internal protocols had been consistently applied.

**Credit Derivatives (Other Credit Derivatives)**

Similarly to the process noted above regarding debt instruments, as part of the Firm's analysis of best execution in relation to credit derivatives, the Firm may review, among other things, competitive quotes and externally available market data (where available). This retrospective sample testing process examines may use the following input from the front office:

	<ul style="list-style-type: none"> <li>- Number of quotes received;</li> <li>- Documentation of Quotes Received or other pricing information (for example Bloomberg pricing runs) at time of trade;</li> <li>- Reason for counterparty selection; and</li> <li>- Any other applicable details</li> </ul> <p>The monitoring completed for the period supported that the Firm achieved best execution consistently and that its internal protocols had been consistently applied.</p>
<p><b>An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution</b></p>	<p>The Firm prioritises ensuring that all sufficient steps are taken to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf. This means taking into account the ‘execution factors’ such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.</p> <p>The relative importance of the execution factors is judged on an order-by-order basis in line with the Firm’s industry experience and prevailing market conditions. In addition, common key factors for relevant asset classes have been identified as follows:</p> <p><b>Equities</b></p> <p>As noted above, Bain Capital Credit, Ltd traded very few equities over the period contemplated by this disclosure. Bain Capital Credit, Ltd. generally selects a counterparty based on their ability to execute the order in the best interests of its clients and considers multiple factors including historical executions with the counterparty and the counterparty’s expertise in the instrument or industry sector.</p> <p><b>Debt Instruments (Bonds)</b></p> <p>The majority of debt instruments traded by Bain Capital Credit, Ltd are alternative fixed income assets, including high-yield bonds and bank loans. Bain Capital Credit, Ltd usually executes transactions in these instruments directly with</p>

other market counterparties. During the price discovery process, Bain Capital Credit, Ltd generally seeks to obtain quotes from multiple key dealers in order to achieve the best possible result for its clients.

Bain Capital Credit, Ltd considers all of the factors mentioned above, as applicable, when executing orders for fixed income instruments. Bain Capital Credit, Ltd may also consider the following when selecting a counterparty:

- Historical executions with the counterparty;
- Counterparty expertise in the instrument or industry sector; and
- Status of the counterparty as agent for the issuance of the instrument.

In certain situations, Bain Capital Credit, Ltd may not be able to or may not deem it within the best interests of its client to obtain multiple dealer quotes for the price of an instrument. This can occur with more illiquid instruments where the number of potential counterparties is limited.

#### **Credit Derivatives (Other Credit Derivatives)**

The majority of credit derivatives traded by Bain Capital Credit, Ltd are Credit Default Swaps (“CDS”) and CDS indices. Bain Capital Credit, Ltd usually executes transactions in these instruments directly with other market counterparties. During the price discovery process, Bain Capital Credit, Ltd generally seeks to obtain quotes from multiple dealers in order to achieve the best possible result for its clients.

Bain Capital Credit, Ltd considers all of the factors mentioned above, as applicable, when executing orders for credit derivative transactions. Bain Capital Credit, Ltd may also consider the following when selecting a counterparty:

- Historical executions with the counterparty;
- Price targets set by a portfolio manager when requesting the order;
- Counterparty expertise in the instrument or industry sector;
- Margin requirements; and
- Counterparties credit-risk

	<p>In certain situations, Bain Capital Credit, Ltd may not be able to or may not deem it within the best interests of its client to obtain multiple dealer quotes for the price of an instrument. This can occur with more illiquid instruments where the number of potential counterparties is limited.</p>
<p><b>A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>The Firm is not aware of any close links, conflicts of interests or common ownerships with respect to the execution venues it uses to execute orders.</p>
<p><b>A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>Bain Capital Credit, Ltd has not entered into any arrangements with its execution venues regarding payments made or received, discounts or non-monetary benefits that would compromise its ability to meet its obligations in regards to best execution, conflicts of interest or inducements.</p> <p>Bain Capital is a large global organization with groups in a number of the different regions; the majority of which are not covered under the MiFID II regime. The few parts that do fall under the regime do not procure research directly. Research is procured centrally by the pre-existing group research procurement function of Bain Capital, LP, in Boston. The group research structure has been existence for a number of years.</p>
<p><b>An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>During the period under review, Bain Capital Credit, Ltd's list of execution venues changed. The Firm regularly reviews the effectiveness of its Best Execution Policy and its execution arrangements to identify and, where appropriate, incorporate any changes to enhance the quality of execution obtained. Following discussions with the front office and as part of the reviews carried out over the period it was determined that certain changes involving both addition and removal of certain counterparties were required to ensure that the Firm continues to obtain the best possible result for its clients. Factors considered included price, access to the market, counterparty risk and market liquidity.</p>

<p><b>An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>While Bain Capital Credit, Ltd does take the characteristics of its clients into account when judging the relative importance of the execution factors, the Firm’s clients are all similar in nature and so are treated with a consistent approach.</p>
<p><b>An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>Not applicable. The Firm does not execute retail client orders.</p>
<p><b>An explanation of how the Firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>As part of the Firm’s best execution monitoring procedures, we have considered the data published under Commission Delegated Regulation (EU) 2017/575 by the trading venues we have used, those of our counterparties which operate as systematic internalisers, and a sample of reports published by other execution venues which we do not currently use.</p>
<p><b>Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider (CTP) established under Article 65 of Directive 2014/65/EU.</b></p>	<p><b>Applies across all classes of financial instruments traded.</b></p> <p>Not applicable, as there were no such CTPs available in Europe during the period to which this disclosure relates.</p>