LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

Investment Committee Agenda

REGULAR MEETING

TUESDAY, AUGUST 8, 2023

TIME: 10:30 A.M. OR IMMEDIATELY FOLLOWING THE REGULAR BOARD MEETING

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

An opportunity for the public to address the Committee in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Committee or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

Disclaimer to Participants

Please be advised that all LACERS Committee meetings are recorded.

LACERS Website Address/link:
www.LACERS.org

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Committee in advance of the meeting may be viewed by clicking on LACERS website at www.LACERS.org, at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a non-exempt record related to an item on the agenda, please call (213) 855-9348 or email at lacers.board@lacers.org.

Chair:	Elizabeth Lee
Committee Members:	Thuy Huynh Janna Sidley
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counselor:	City Attorney's Office Public Pensions General Counsel Division

Notice to Paid Representatives

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq*. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

Request for Services

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at ***(213) 855-9348*** and/or email at ***lacers.board@lacers.org***.

CLICK HERE TO ACCESS BOARD REPORTS

I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA

II. APPROVAL OF MINUTES FOR THE MEETING OF JUNE 13, 2023 AND POSSIBLE COMMITTEE ACTION

III. CHIEF INVESTMENT OFFICER VERBAL REPORT

IV. PRESENTATION BY BAIN CAPITAL SENIOR LOAN FUND, L.P. REGARDING THE MANAGEMENT OF ACTIVE U.S. BANK LOANS PORTFOLIO

V. INVESTMENT MANAGER CONTRACT WITH WELLINGTON MANAGEMENT COMPANY LLP REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKET DEBT PORTFOLIO AND POSSIBLE COMMITTEE ACTION

VI. ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM FOR THE PERIOD ENDING DECEMBER 31, 2022

VII. OTHER BUSINESS

VIII. NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, September 12, 2023, at 10:30 a.m., or immediately following the Board Meeting in the LACERS Boardroom at 977 N. Broadway, Los Angeles, CA 90012-1728.

IX. ADJOURNMENT

Board of Administration Agenda

SPECIAL MEETING

TUESDAY, AUGUST 8, 2023

TIME: 10:30 A.M. OR IMMEDIATELY FOLLOWING THE REGULAR BOARD MEETING

MEETING LOCATION:

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977 N. Broadway
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President:	Annie Chao
Vice President:	Sung Won Sohn
Commissioners:	Thuy T. Huynh Elizabeth Lee Gaylord "Rusty" Roten Janna Sidley Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Public Pensions General Counsel Division

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IX. ADJOURNMENT

Agenda of:	**Aug. 8, 2023**
Item No:	**II**

MINUTES OF THE REGULAR MEETING
INVESTMENT COMMITTEE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

July 11, 2023

12:30 p.m.

PRESENT:	Chair	Elizabeth Lee
	Committee Member:	Thuy Huynh
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Committee Member:	Janna Sidley

The Items in the Minutes are numbered to correspond with the Agenda.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Chair Lee asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there was no public comment cards submitted.

II

APPROVAL OF MINUTES FOR THE MEETING OF JUNE 13, 2023 AND POSSIBLE COMMITTEE ACTION – Chair Lee noted one correction to the minutes start time. Committee Member Huynh moved approval, and adopted by the following vote: Ayes, Committee Member Huynh and Chair Lee -2; Nays, None.

III

CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, discussed the following item:

- Investment Committee Forward Calendar

IV

PRESENTATION BY LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO MANAGEMENT – John Hyll, Vice President, and Stephanie Lord, Vice President, with Loomis, Sayles & Company, presented and discussed this item with the Committee for 25 minutes.

V

PRESENTATION BY GARCIA HAMILTON & ASSOCIATES REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO MANAGEMENT – Gilbert Garcia, Managing Partner, Ruby Muńoz, Partner, and Karen Tass, Partner, with Garcia Hamilton & Associates, presented and discussed this item with the Committee for 25 minutes.

VI

INVESTMENT MANAGER CONTRACT WITH BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. DEVELOPED MARKETS VALUE EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION – James Wang, Investment Officer I, presented and discussed this item with the Committee. Committee Member Huynh moved approval, and adopted by the following vote: Ayes, Committee Member Huynh and Chair Lee -2; Nays, None.

Chair Lee recessed the Regular Meeting at 1:23 p.m. to convene in Closed Session.

VII

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO WATERTON RESIDENTIAL PROPERTY VENTURE XV, L.P. AND POSSIBLE COMMITTEE ACTION

Chair Lee reconvened the Regular Meeting at 1:47 p.m.

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular Meeting of the Investment Committee is scheduled for Tuesday, August 8, 2023, at 10:30 a.m. or immediately following the Board Meeting, in the LACERS Boardroom at 977 N. Broadway, Los Angeles, CA 90012-1728.

X

ADJOURNMENT – There being no further business before the Committee, Chair Lee adjourned the meeting at 1:48 p.m.

Elizabeth Lee
Chair

Neil M. Guglielmo
Manager-Secretary

BainCapital CREDIT

Senior Loan Fund & Strategy Review

Prepared for LACERS
August 8, 2023

MEETING PARTICIPANTS

Speakers

Andy Carlino
Partner, Head of US Liquid Credit

Mr. Carlino joined Bain Capital in 2002. He is a Partner based in Bain Capital's Boston office. He is a Portfolio Manager and Co-Head of American Liquid and Structured Credit. Prior to his current role, Mr. Carlino was responsible for investments in the Airlines, Aerospace & Defense, and Homebuilding & Building Product sectors. Previously, Mr. Carlino was a consultant for The Boston Consulting Group and an intelligence officer in the US Air Force.

Keith Schweitzer
Director, Investor Relations

Mr. Schweitzer joined Bain Capital Credit in January 2022. He is a Director in Investor Relations. Previously, Mr. Schweitzer was a Director – Consultant Relations at Eaton Vance Management. Prior to his time at Eaton Vance, he was Head of Consultant Relations at Franklin Templeton Institutional and also worked with defined contribution clients at Merrill Lynch.

Firm Overview

Experienced & Integrated Global Platform

BainCapital

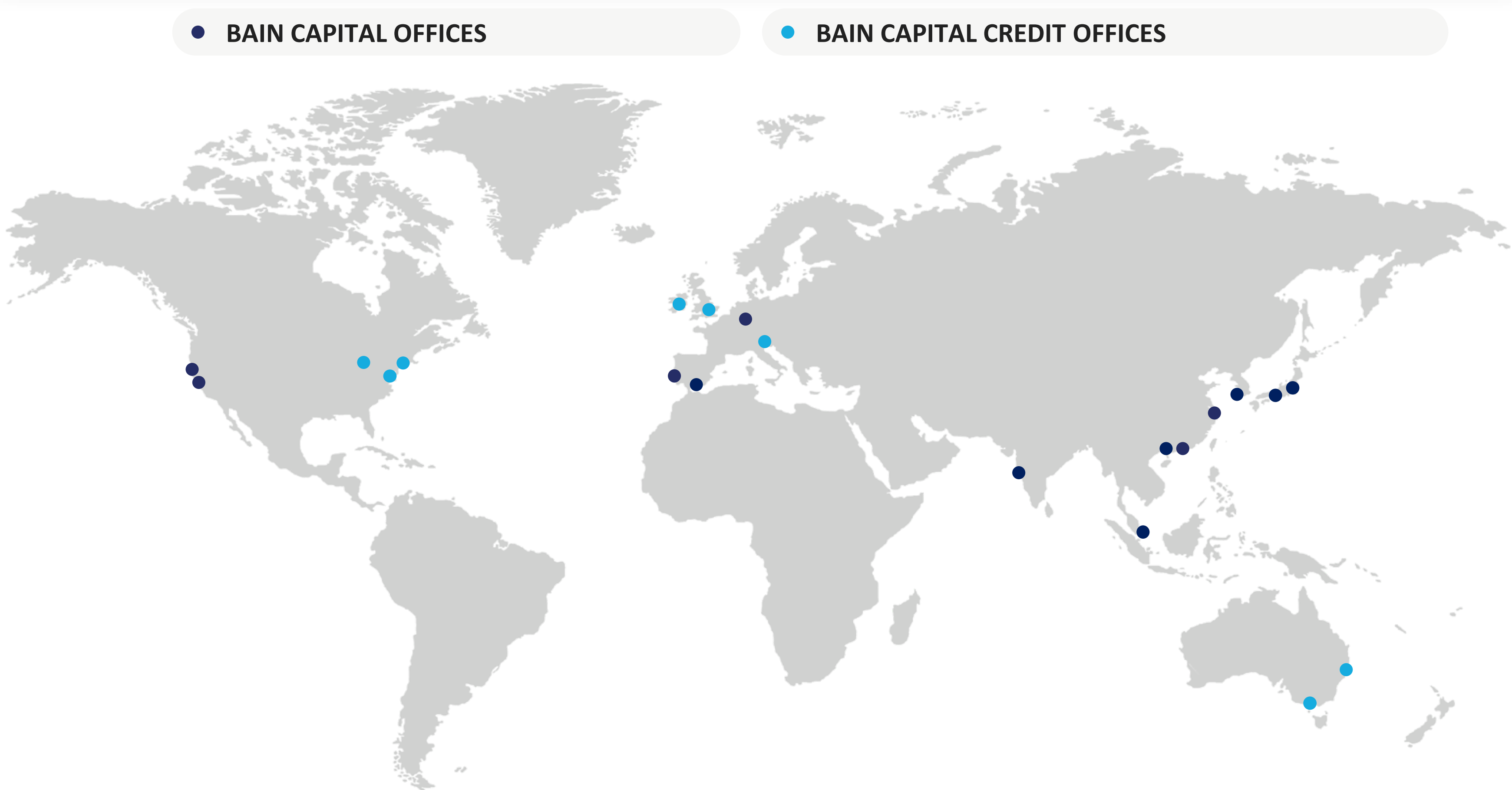
FOUNDED	1984
OWNERSHIP	PRIVATE PARTNERSHIP
AUM	$175B
OFFICES	24
EMPLOYEES	1,650+
DEAL PROFESSIONALS	720+

BAIN CAPITAL CREDIT

INCEPTION	1998
AUM	$44B
OFFICES	10
EMPLOYEES	240+
DEAL PROFESSIONALS	95+

BAIN CAPITAL BUSINESS UNITS

Credit • Special Situations • Public Equity • Ventures • Private Equity • Life Sciences
Real Estate • Partnership Strategies • Double Impact • Tech Opportunities • Insurance • Crypto



OUR PLATFORM ADVANTAGE

Sourcing • Diligence Insights • Value Creation • Joint Pursuits • Talent Network

Employee data as of July 1, 2023 unless otherwise noted. Bain Capital Credit employee and office data excludes Bain Capital Special Situations professionals but includes shared professionals. Bain Capital has multiple offices in New York, San Francisco, and Shanghai.Bain Capital Credit AUM estimated as of March 31, 2023 and includes Bain Capital Credit, LP, its subsidiaries and credit vehicles managed by its AIFM affiliates except for vehicles managed by the Special Situations team. Firm-level AUM for Bain Capital is estimated and is presented as of March 31, 2023 unless otherwise noted. The Bain Capital Credit GIPS® compliant AUM is $50.7B as of December 31, 2022 for Bain Capital Credit and Bain Capital Special Situations combined. Please see "Endnotes" for additional information regarding AUM calculation.

A Leader in Global Credit for Over 25 Years

Founded in 1998 with the belief that Bain Capital's rigorous private equity analysis would create a strong high yield credit investing opportunity.

SCALE & EXPERIENCE

- $44B AUM, 25+ years of experience and multiple cycles
- 240+ employees, 95+ investment professionals
- 30+ Partners with 22+ years' average experience

DEPTH

- Multiple industry research verticals supporting specialized product teams
- Dedicated Credit, Risk and Oversight committees
- 135+ Middle and Back Office professionals

LOCAL MARKET PRESENCE

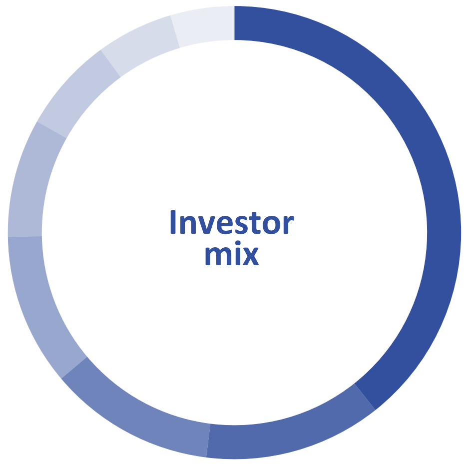
- 10 offices: 3 US, 5 Europe, 2 Asia-Pacific
- Employees: 200+ US, 30+ Europe and 5+ Asia-Pacific
- 18+ nationalities represented, 5+ languages spoken

BROAD CAPABILITIES

- Global bank loans
- Multi-asset credit
- Structured credit / CLOs
- Middle market direct lending

ALIGNMENT OF INTEREST

- Private partnership
- $0.9B employee co-investment[1]



CORPORATE PENSION	31%
OTHER CORPORATE	16%
PUBLIC PENSION	14%
SOVEREIGN WEALTH FUND	14%
ENDOWMENT & FOUNDATION	8%
INSURANCE	7%
CO-INVEST	6%
FAMILY OFFICE & HIGH NET WORTH	4%

Bain Capital Credit employee data as of Jull 1, 2023, unless otherwise noted. Bain Capital Credit AUM estimated as of March 31, 2023 and includes Bain Capital Credit, LP, its subsidiaries and credit vehicles managed by its AIFM affiliates except for vehicles managed by the Special Situations team. Bain Capital Credit headcount, and offices excludes Bain Capital Special Situations. Investor mix excludes Bain Capital Special Situations and is as of December 31, 2023. [1]Bain Capital Credit and Bain Capital employee investments include general partner, employee co-invest and other affiliate capital invested in Bain Capital Credit managed funds – excluding Bain Capital Special Situations, data as of December 31, 2022. The GIPS® compliant AUM is $50.7B as of December 31, 2022 and includes Bain Capital Special Situations.

Bain Capital Credit Platform

$44 billion in assets under management

LIQUID & MULTI ASSET CREDIT $13B	STRUCTURED CREDIT $20B	PRIVATE CREDIT $11B
US & European Bank Loans	US Managed CLOs	Senior Direct Lending
High Income	European Managed CLOs	Junior Capital
Total Return Credit[1]	Structured Credit Strategies	Regionally Focused Mandates
Customized SMAs		

Bain Capital Credit AUM estimated as of March 31, 2023 and includes Bain Capital Credit, LP, its subsidiaries and credit vehicles managed by its AIFM affiliates except for vehicles managed by the Special Situations team. The GIPS® compliant AUM is $50.7B as of December 31, 2022 for Bain Capital Credit and Bain Capital Special Situations combined. See "Endnotes" for important definitions, disclosures and information regarding returns, indices, performance calculation and AUM calculation methodologies. (1) Total Return Credit also allocates to investments sourced from the Bain Capital Special Situations Team.

Liquid and Structured Credit Team

JONATHAN LAVINE
Co-Managing Partner, Bain Capital / Chief Investment Officer & Founder, Bain Capital Credit & Special Situations – 33 years' experience

JOHN WRIGHT
Partner, Global Head of Credit Investments— *23 years' experience*

ANDY CARLINO
Partner, Portfolio Manager
Head of US Liquid Credit
28 years' experience

STEPHANIE WALSH
Partner, Portfolio Manager
Head of US CLOs
17 years' experience

GAUTHIER REYMONDIER
Partner, Portfolio Manager
Head of European Credit
23 years' experience

Portfolio Management / Structured Credit

KIM HARRIS
Partner, PM
36 years' experience

DOM DEBONIS
Partner, US CLO PM
15 years' experience

VIVA HYATT
Partner, PM
26 years' experience

LAKSHYA MADHOK
Managing Director, Structured PM
12 years' experience

NATE WHITTIER
Partner, PM
Head of Portfolio Analytics
14 years' experience

DAVID SCHIFFMANN
Managing Director, Head of Structuring
15 years' experience

Portfolio Management Analytics

DAN FERNANDEZ
Vice President
PM Analytics
15 years' experience

MARK SHOAIE
Vice President
PM Analytics
14 years' experience

+2 ANALYSTS AND ASSOCIATES

JEFF GARVER
Vice President, Structured PM
5 years' experience

+2 ANALYSTS AND ASSOCIATES

Industry Research

BRIAN HIRSCHFELD
Partner
28 years' experience

ANITA MECONIATES
Partner
22 years' experience

MARC TOUBOUL*
Partner
18 years' experience

RAY COLLERAN*
Managing Director
17 years' experience

GRAYSON ALLISON
Director
10 years' experience

ANDREW HAILEY
Director
15 years' experience

OLIVIA NGOR*
Director
10 years' experience

INA XHAFA*
Director
12 years' experience

ADAM FOGEL
Vice President
9 years' experience

DAVID HASWELL
Vice President
7 years' experience

TOMAS MORENO DE GUERRA*
Vice President
9 years' experience

SAHIL VANJANI
Vice President
6 years' experience

+23 ANALYSTS AND ASSOCIATES
+ 2 ASSOCIATES FOCUSED ON ESG

Trading

GREG WIPF
Partner
31 years' experience

UNA MASON*
Partner
28 years' experience

DAN SHUGRUE
Partner
29 years' experience

STEPHEN FINOCCHI
Director
20 years' experience

BARRY MCCANN*
Director
15 years' experience

MEREDITH STEVENS
Director
12 years' experience

MELONIE DARCY
Vice President
23 years' experience

Restructuring**

MICHAEL BEVACQUA
Partner
33 years' experience

TARA ALLIN
Partner
20 years' experience

Employee data as of July 1, 2023 and reflects current departures, hires, and promotions. Some employees are not dedicated to Credit. *Based in Europe. ** The Restructuring Team covers both Bain Capital Credit and Bain Capital Special Situations

Our Vision & Organizational Growth

Firm Vision

- Leading multi-class alternative asset manager that aims to realize **top quartile** returns in all of our asset classes
- ***One* Bain Capital** - functions like best in class boutiques in each business while leveraging platform advantages
  - Leverage insights across teams and geographies
  - Shared products / IP / back office
- Stable and diverse base of **capital**
  - Solutions provider for LPs through an integrated and highly aligned business model
- Collaborative, engaged **partnership** that aims to:
  - Attract, develop and retain industry's "A" team
  - Prioritize investors, employees and community
  - Operate nimbly, efficiently and entrepreneurially

Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. While Bain Capital Credit intends to collaborate with Bain Capital and its affiliates, there is no guarantee that Bain Capital Credit will be successful in doing so. Targeted results may not be achieved. Actual results may vary.

DEI Priorities 2023: Bain Capital Credit

Bain Capital is committed to improving diversity, equity, and inclusion within our firm and our investments, and we've made great progress on achieving our goals.

LEADERSHIP/GOALS/ACCOUNTABILITY

- Support progress towards DEI and representation aspirations at firm and business unit
- ✓ Reflect our DEI aspirations in our Firm Values / Purpose / Talent Value Proposition communications
- ✓ Communicate our progress to our team and our investors

Pipeline and Recruiting	Expand our candidate pipelines Integrate DEI best practices into interview processes
Talent Development	Embrace sponsorship Integrate DEI best practices into evaluation processes Evaluate policies / programs / work approach to ensure they effectively support our team and are transparent (e.g., life stage transitions beginning a family, etc.)
Culture and Inclusion	✓ Commit to an annual assessment of inclusion in each region / BU / function Support inclusive leadership practices Better leverage communication as a building block of inclusion Support Employee Networks
Externally-Focused Efforts	✓ Create Portfolio Company DEI Toolkit Supplier diversity

✓ Completed
Ongoing all regions
Work in Process

As of January 1, 2023. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. Activities are a representative list and not exhaustive.

Bain Capital Credit DEI Highlights

Employee Networks

41%
of BCC investors
are active participants

Onboarding

BCC new team members are welcomed with DEI Orientation sessions

Recruiting

BCC builds pipelines to the organization by working with many DEI partners. BCC hosts sophomore summer internship programs, an important tool to continuing to diversify our early career investment professional recruiting pipeline

Leadership

Bain Capital's Hispanic and Latinx Employee Network is co-chaired by a BCC team member

DEI Learning

BCC has launched workshops on
Building Belonging.
100% of BCC teams have participated.

Diversity

42% of BCC investment teams is underrepresented talent

BCC = Bain Capital Credit.
URT is under-represented talent and includes women, people of color (POC), Middle Eastern, LGBTQ+, people with disability (PwD). Collection of Middle Eastern, LGBTQ+ and Disability data began in 2022 with reporting beginning in 2023 in the US only.
For US, POC includes Asian, Black, Hispanic, Multiracial. For Europe, POC includes Black, Multiracial, and Asian. Does not include Hispanic. For Asia, POC includes Black, Hispanic, Multiracial. Asians in Australia are considered POC and URT.

Investment Philosophy & Process

Investment philosophy: we seek to maximize expected return, not potential return

INDUSTRY ATTRACTIVENESS	COMPETITIVE POSITION	COMPANY / SECURITY
Barriers to entry	Basis of competition	Historical trends
Customer/supplier power	Benefits of scale	Assets/downside protection
Substitutes/technology	Customer stickiness	Management/equity sponsor
Cyclicality	Segment profitability	Strategy
Market defintion	Relative cost position	Covenants and terms
Profit drivers	Product differentiation	Relative value/market technicals
Event risk	Fragmentation	Position in capital structure

How healthy is it?	Does anyone care if they go away?	What do I need to believe?

Targeted results may not be achieved. Actual results may vary.

The Power of the Platform

Beyond deep credit expertise, BCC strategies benefit from being part of the broader Bain Capital platform.

INDUSTRY RESEARCH TEAM
35+ professionals

- Full coverage of syndicated loan and high-yield bond universes
- Provide industry expertise and research support to the CLO, Private Credit, and Special Situations teams

PRIVATE CREDIT GROUP
30+ professionals

- Differentiated insights on deals based on previous financings
- Monthly financial reporting on our portfolio provides “real-time” data

CLO MANAGEMENT
5+ professionals

- In-house CLO management team provides insight into CLO behaviour
- Understanding issuance trends in CLO market

Credit Portfolio Management

SPECIAL SITUATIONS TEAM
120+ professionals

- Assistance during complex covenant or restructuring processes
- Pipeline of opportunities when the market is dislocated

OTHER BAIN CAPITAL BUSINESS UNITS

- Large relationship across underwriting banks
- Broad capital market perspectives and deep vertical expertise across industries
- Access to internal network/investment professionals across firm strategies

Public Equity	Ventures
Private Equity	Life Sciences
Double Impact	Real Estate
Partnership Strategies	Tech Opportunities
Insurance	Crypto

BainCapital CREDIT

Employee data as of July 1, 2023, unless otherwise note. While Bain Capital Credit intends to collaborate with Bain Capital and its affiliates, there is no guarantee that Bain Capital Credit will be successful in doing so.

Industry Research Team drives investment idea generation

BCC's industry research group is one of the largest and most experienced teams in credit.

TEAMS ORGANIZED BY INDUSTRY VERTICALS

COVERS FULL CAPITAL STRUCTURE

COLLABORATION WITH CREDIT AND SPECIAL SITUATIONS TEAMS

14 | AVG. YEARS TENURE FOR VPS & ABOVE

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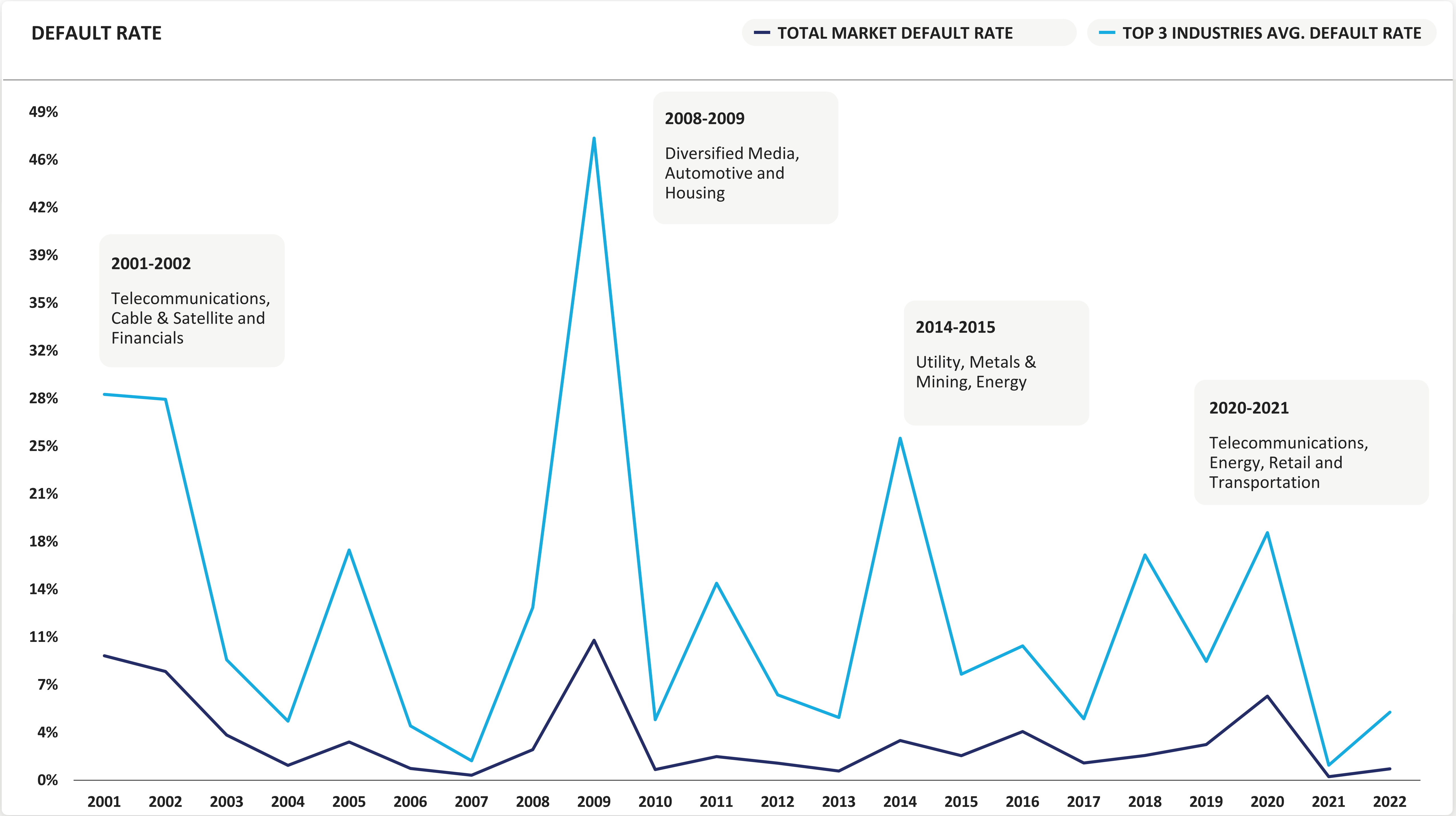
Why Industry Expertise Matters

In almost any market environment, there are industries facing unique distress.



Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. Source: JP Morgan and Bain Capital Credit analysis. Data as of December 31, 2022 and shows U.S. defaults. Shows average default rate of top 3 industries by year.

Systemized investment diligence, approval, and tracking process

CREDIT & INDUSTRY RESEARCH

Industry Research group follows a highly analytical investment approach

- Cover 5,000+ issuers across bank loans and high yield bonds
- Leverage insights from Private Credit, Special Situations and Structured Credit
- Engage with companies to define and understand material issues, including ESG factors

INVESTMENT APPROVAL

New recommendations reviewed by the LSC Committee

- Deep credit and industry analysis included in comprehensive credit memos
- Trading desk provides issuer liquidity analysis to inform position sizing
- Review material risks, opportunities and themes, including ESG-related topics
- Approvals granted by majority

PORTFOLIO CONSTRUCTION

PMs tailor each portfolio to its risk, return and liquidity objectives

- Portfolios represent a blend of a top-down and bottom-up approach
- Portfolio managers set overall level of risk and drive asset allocation and industry rotation
- Constant dialogue with industry teams and trading desk
- Sell decisions driven by Industry Team and PMs; no meeting required

PORTFOLIO & RISK MANAGEMENT

PMs and Risk & Oversight Committee monitor portfolio risk exposure

- Capture and monitor company and security information through proprietary database
- Monitoring program with frequent information flow post-investment
- Continuously monitor company performance on key metrics, including ESG considerations

Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. Bain Capital Credit adapted this assessment on go-forward basis in October 2020 and is completed scoring of all existing holding as of year-end 2020. The processes noted herein are presented for illustrative purposes only and may not be performed in the same manner for every investment. The procedures noted are representative and may not be exhaustive. LSC = Liquid & Structured Credit.

Risk Management: We take a holistic, fundamental, and data-driven approach to risk management

INVESTMENT TEAM

Fundamental Credit and Liquidity Analysis

Credit Documentation

Market Risk Assessment

PORTFOLIO OPERATIONS

Portfolio Compliance

Cash Management

Trade Execution & Settlement

RISK & OVERSIGHT COMMITTEE

Firmwide Risk Management

Portfolio, Counterparty and Business Risks

Weekly Meetings

RISK MANAGEMENT TOOLS AND REPORTS

- Daily Risk Report
- Daily Compliance Extract
- Daily Positioning Dashboards
- Weekly Risk Dashboards
- Weekly Economic Fundamentals Dashboard
- Monthly Stress Tests
- Monthly Risk/Macro Report

For illustrative purposes only. Activities are a representative list and not exhaustive.

Bain Capital Credit Risk and Oversight Committee Members

Risk and Oversight Committee

Jonathan Lavine
Co-Managing Partner
Chief Investment Officer & Founder

Sally Dornaus
Partner
Chief Financial Officer

James Goldman
Head of Compliance – Capital Markets
Senior Counsel

Jeff Hawkins
Partner
Chief Operating Officer

Michael Treisman
Partner
General Counsel

Andrew Viens
Partner
Head of Risks, Controls and Process Management

Nate Whittier
Partner
Portfolio Manager

Greg Wipf
Partner
Head Trader

Scott Weisman*
Partner
Global Chief Compliance Officer

Macro
Markets

Risk Management & Portfolio Analysis

IT
Operations
Finance

Employee data as of July 1, 2023. *Also regularly attends Risk and Oversight Committee meetings. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change.

Investment Strategy

Bain Capital Liquid Senior Loan Strategy (established in 2008)

An active global bank loan strategy designed to outperform the LSTA index on a net basis over the cycle.

OUR APPROACH

INDUSTRY & COMPANY SELECTION	BENCHMARK AWARE, NOT BENCHMARK DRIVEN	GLOBAL OPPORTUNITY SET
Led by experienced 36-person Industry Research team	Typically underweight largest issuers in the benchmark	Seek out opportunities when relative value favors Europe
Rigorous Bain Capital analytical approach to investing in credit	Focus on less efficient, “belly of the market”	Leverage local market presence to identify specific issuers we believe will outperform
Aim to protect on the downside with fewer defaults and higher recoveries	Opportunistically allocate to high yield-bonds	

Bain Capital Credit has been investing in bank loans for 22 years and has a track record of strong performance and credit selection.[1]

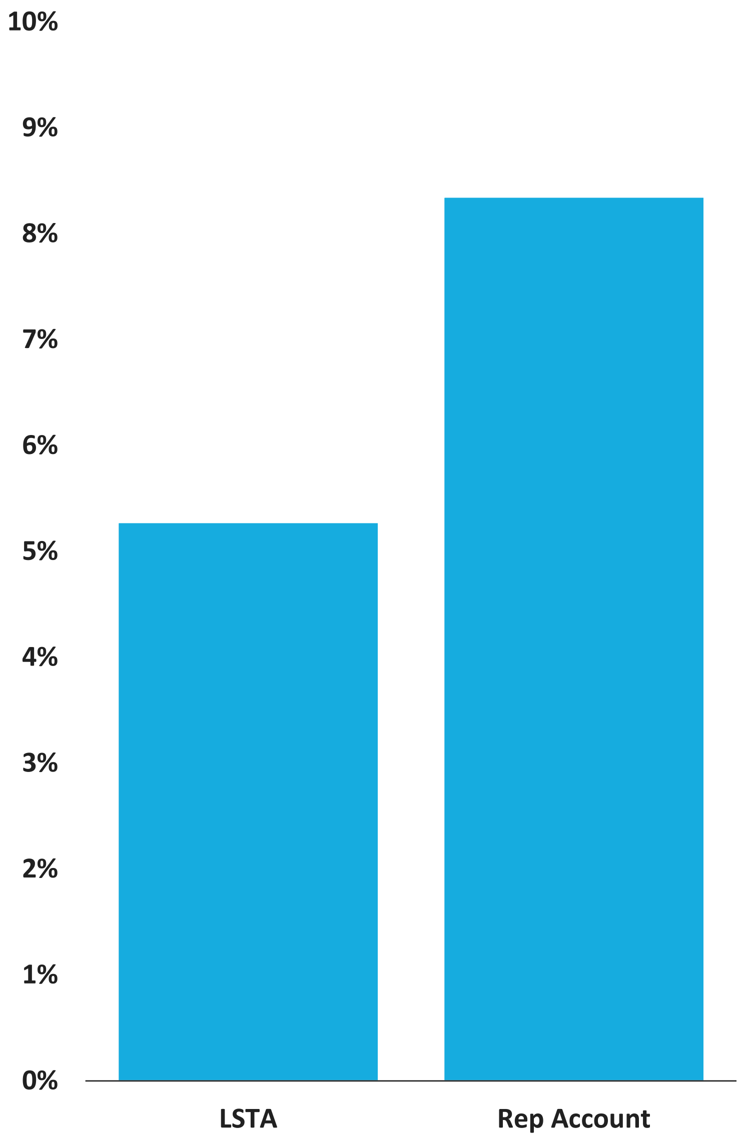
Employee data estimated as of July 1, 2023. Bain Capital Liquid Senior Loan composite’s inception date is November 1, 2008. This represents the senior loan strategy excluding CLOs. Represents Bain Capital Credit’s view at the time of this presentation and is subject to change. Targeted returns may not be achieved. Past performance is not indicative of future results. Actual results may vary. See “Endnotes” for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. [1]Includes the Bain Capital Senior Loan composite’s inception on January 1, 2001.

We believe understanding industry fundamentals is critical

Industry views drive allocations to and within industries.

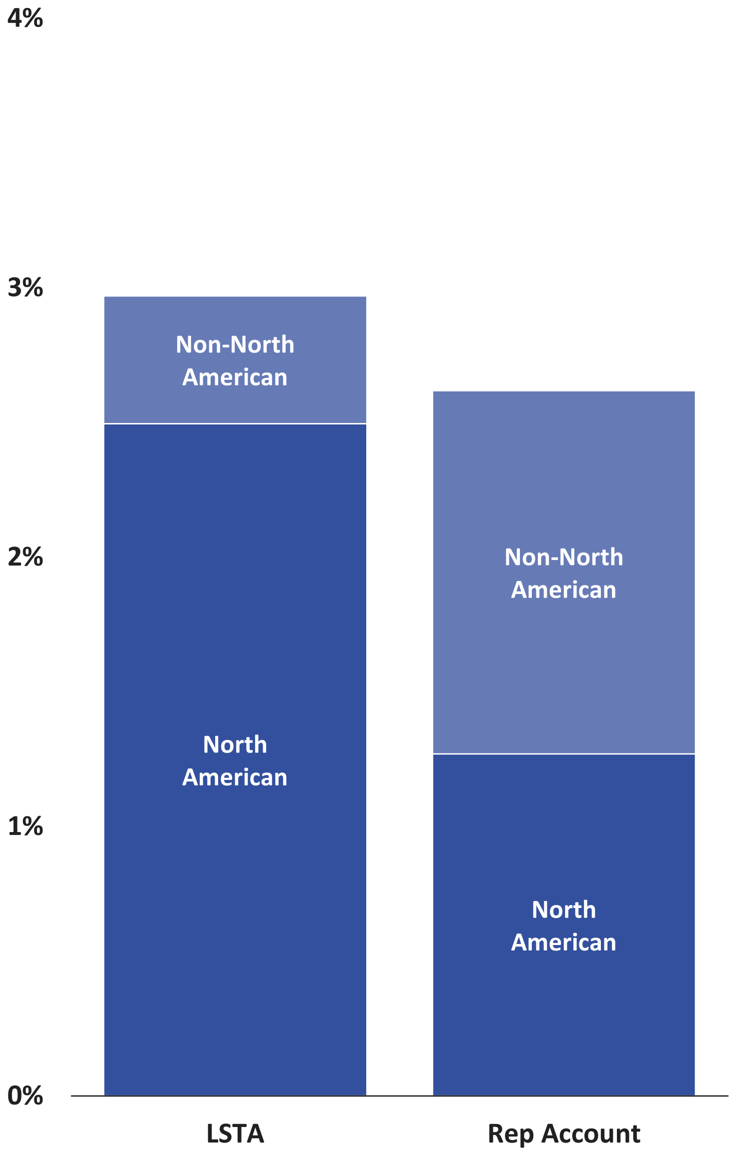
OVERWEIGHT INDUSTRY

AIRLINES, AEROSPACE & DEFENSE
% of portfolio



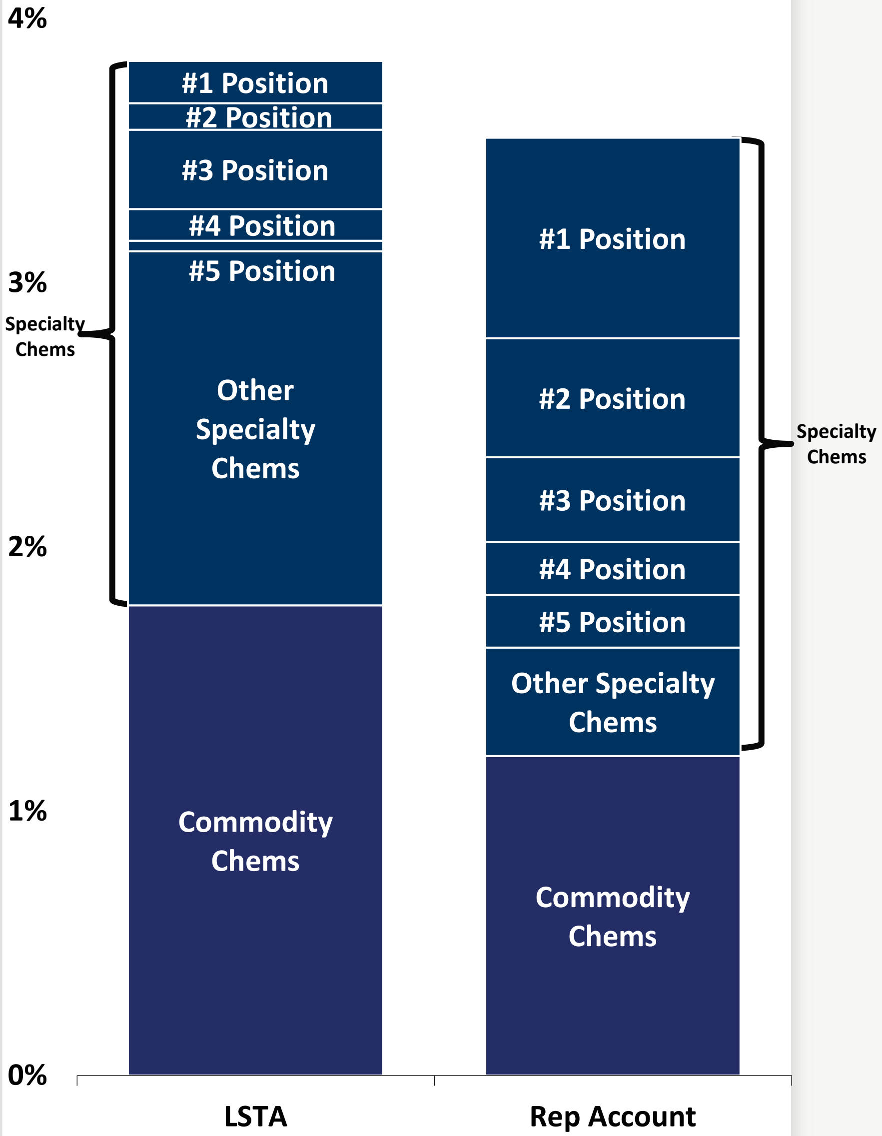
DIVERSIFY ACROSS GEOGRAPHIES

CABLE
% of portfolio



DIFFERENTIATE BY SUB-INDUSTRY

CHEMICAL[(1)]
% of portfolio

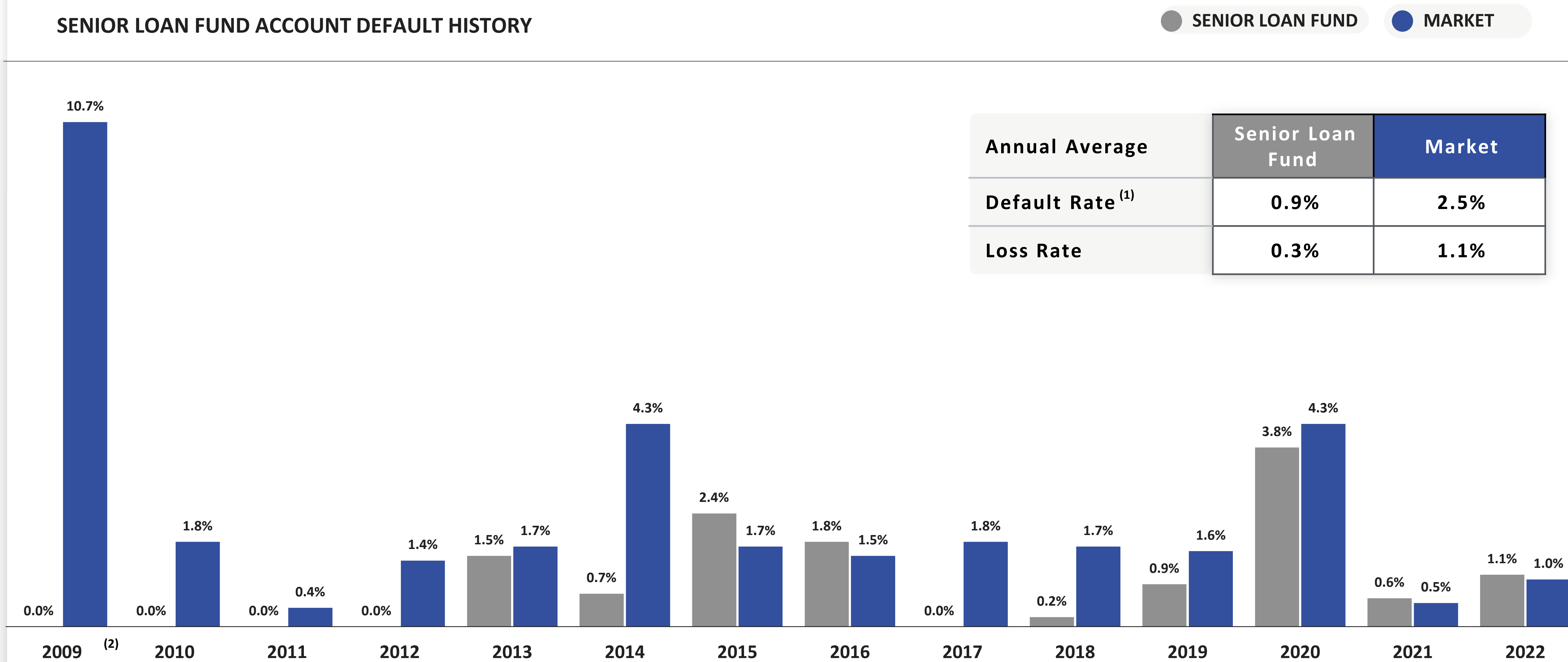


Data as of June 30, 2023. Representative account shown above is the Bain Capital Senior Loan Fund. For illustrative purposes only. Source: Bloomberg and Bain Capital Credit analysis and LSTA. See "Endnotes" for important definitions, disclosures and information regarding indices. (1) Chemical Industry data as of July 12, 2023. Source: Bain Capital analysis and LSTA. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. See Endnotes for important definitions, disclosures and information regarding indices and performance calculation methodologies.

We believe loss mitigation is key to driving excess returns

We have historically had fewer defaults and higher recoveries compared to the market.

SENIOR LOAN FUND ACCOUNT DEFAULT HISTORY



Annual Average	Senior Loan Fund	Market
Default Rate [1]	0.9%	2.5%
Loss Rate	0.3%	1.1%

BAIN CAPITAL CREDIT LOSS RATE

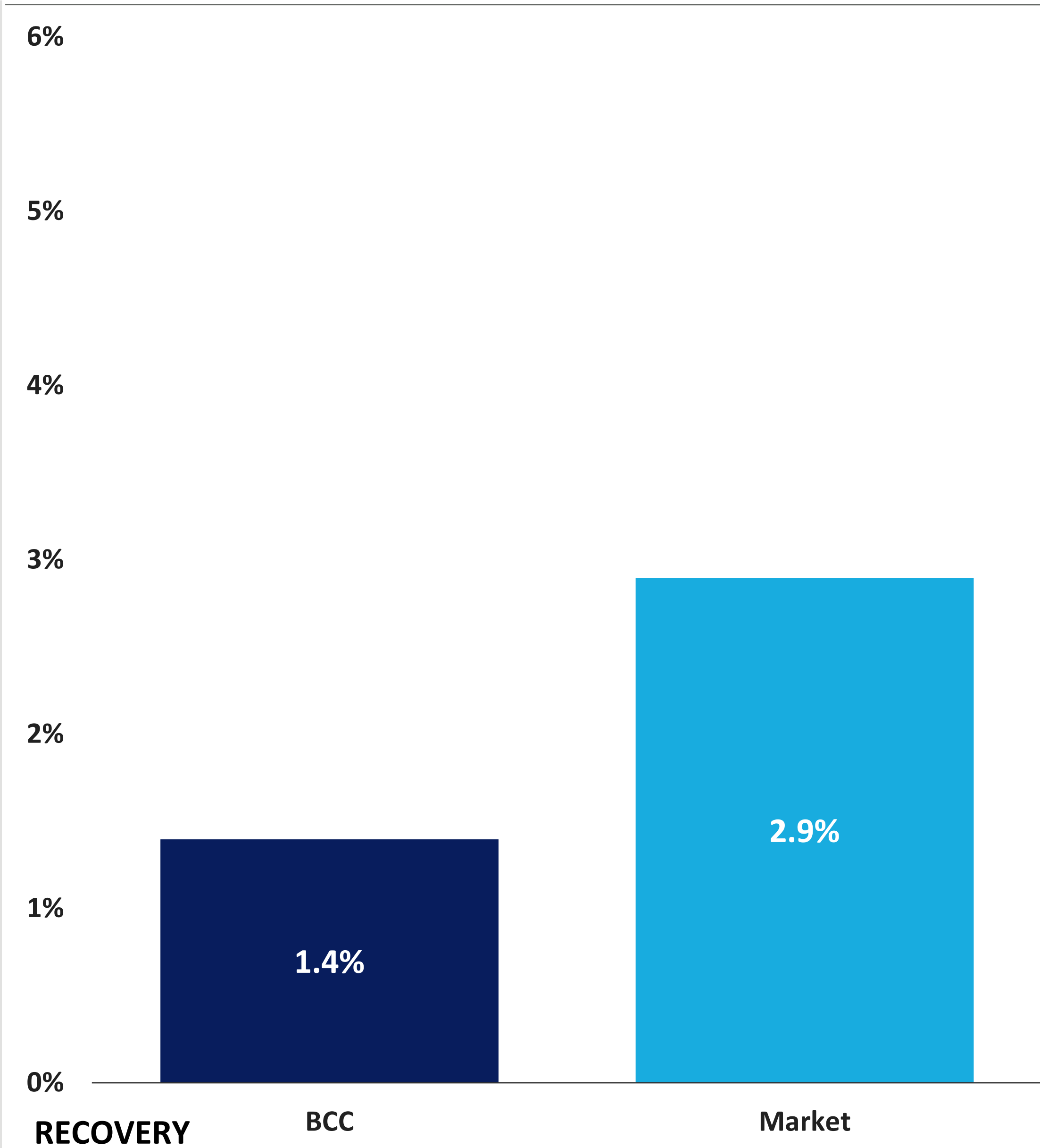
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	1.7%	0.9%	0.0%	0.2%	0.1%	0.5%	0.3%	0.4%

BainCapital CREDIT

Inception to date default and loss statistics as of March 31, 2023. Data as of December 31, 2022. Market data: JP Morgan Default Monitor. Defaults shown for bank debt and bonds held in Bain Capital Senior Loan Fund, L.P ("SLF"). SLF defaults exclude distressed purchases, defined as bank debt trading 20 points below the LSTA Index average offer price and bonds trading 30 points below the JPM High Yield Index average offer price. Default rates are calculated based on principal amount. Recovery rate for Bain Capital Credit is the weighted average price of assets one year after default. If sold within one year of default, weighted average sale price is used. If restructured within one year, recovery rate is the value of post-restructured assets on one-year anniversary of default date (or weighted average sale price if sold within one year). Loss Rate is the annual default rate multiplied by difference between: Par and Recovery Rate for each annual period, and measures total impact of default losses on investment population, net of recoveries. 1 Year Loss Rate is shown for Bain Capital Credit. Loss rate for JP Morgan benchmark – which uses a materially different methodology – not shown. (1) SLF Historical Default Rate Average is the annual average default rate for the time period March 1, 2009 – December 31, 2022. Market Historical Default Rate Average is the annual average default rate for the time period beginning January 1, 2009 – December 31, 2022. (2) SLF 2009 data shown is for March 1, 2009 – December 31, 2009. Past performance is not indicative of future results. Actual results may vary. **An investor should consider that there are material differences between the methodologies underlying the JP Morgan benchmarks and Bain Capital Credit's statistics.**

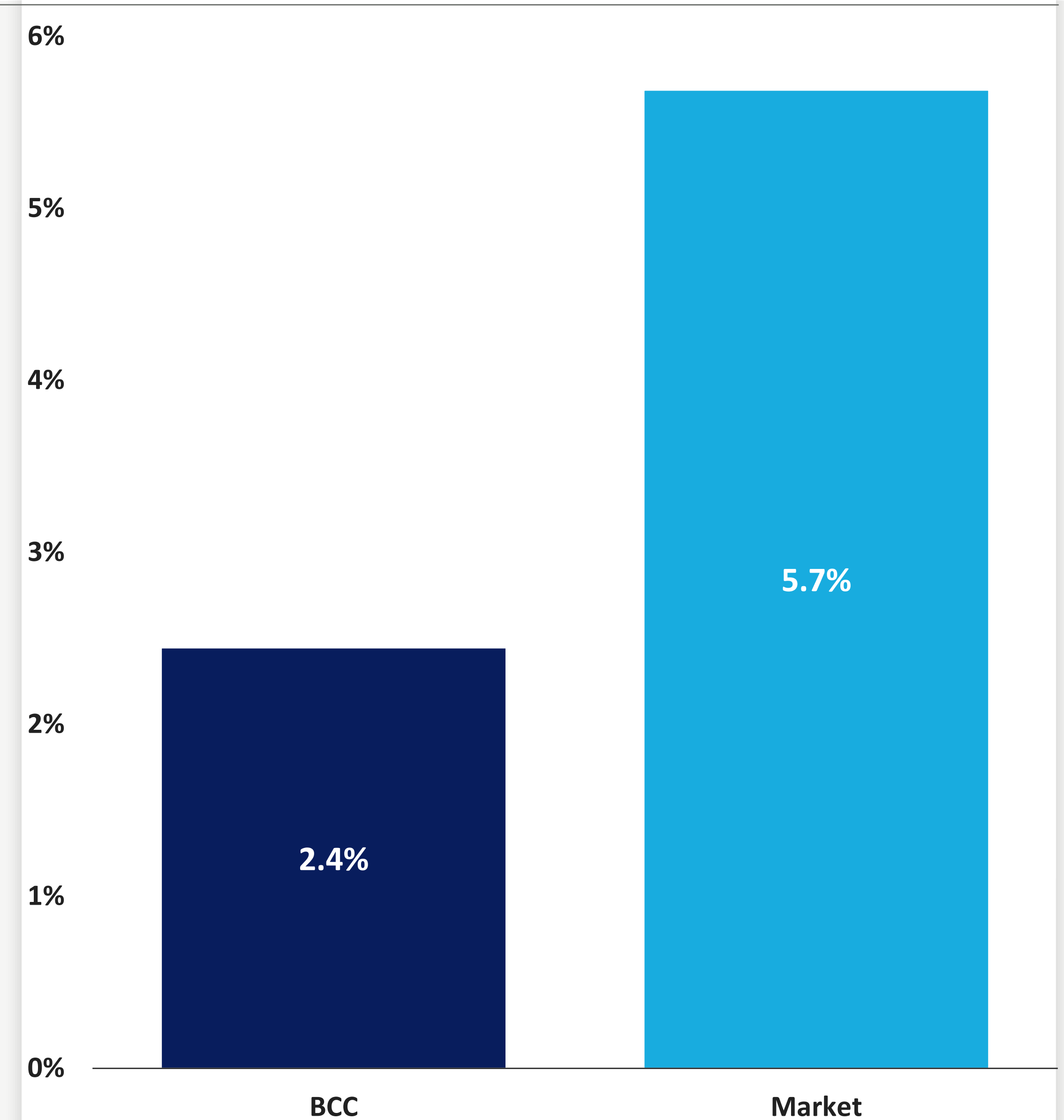
Bain Capital Credit has experienced less than half the default rate of the market, and outperforms by a wider margin when defaults are high

ALL MARKETS



RECOVERY RATES: BCC 66, Market 62

HIGH DEFAULT MARKETS (>3%)



RECOVERY RATES: BCC 72, Market 63

Data as of December 31, 2022 and is updated annually. All markets includes average annual default rates and recovery rates dating back to January 1, 1999. High default markets includes periods in which default rates were greater than 3%. Source: JPMorgan and Bain Capital Credit analysis. The presentation of Recovery Rates historically earned by Bain Capital Credit as compared to the market data illustrates the context of a longer term holding of the defaulted asset. Recoveries are shown for USD denominated bank debt held in collateralized loan obligations or Bain Capital Credit Managed Accounts. The recovery statistics shown do not include assets from the Cavalry CLOs, which we acquired from a third party in December 2015. Recovery rate for Bain Capital Credit is the weighted average price of assets one year after default. If sold within one year of default, weighted average sale price is used. If restructured within one year, recovery rate is the value of post-restructured assets on one-year anniversary of default date (or weighted average sale price if sold within one year). Market recovery data: JPMorgan Default Monitor. Recovery Rates provided by JPMorgan are based on price 30 days after default date. Historical average only includes each full calendar year of data, and excludes partial years, which is consistent with presentation of benchmark reporting. An investor should consider that there are material differences between the methodologies underlying the JPMorgan benchmarks and Bain Capital Credit's statistics.

We are benchmark aware, not benchmark driven

WITHIN BENCHMARK[1]

312
loan issuers in SLF, on higher end of historical range

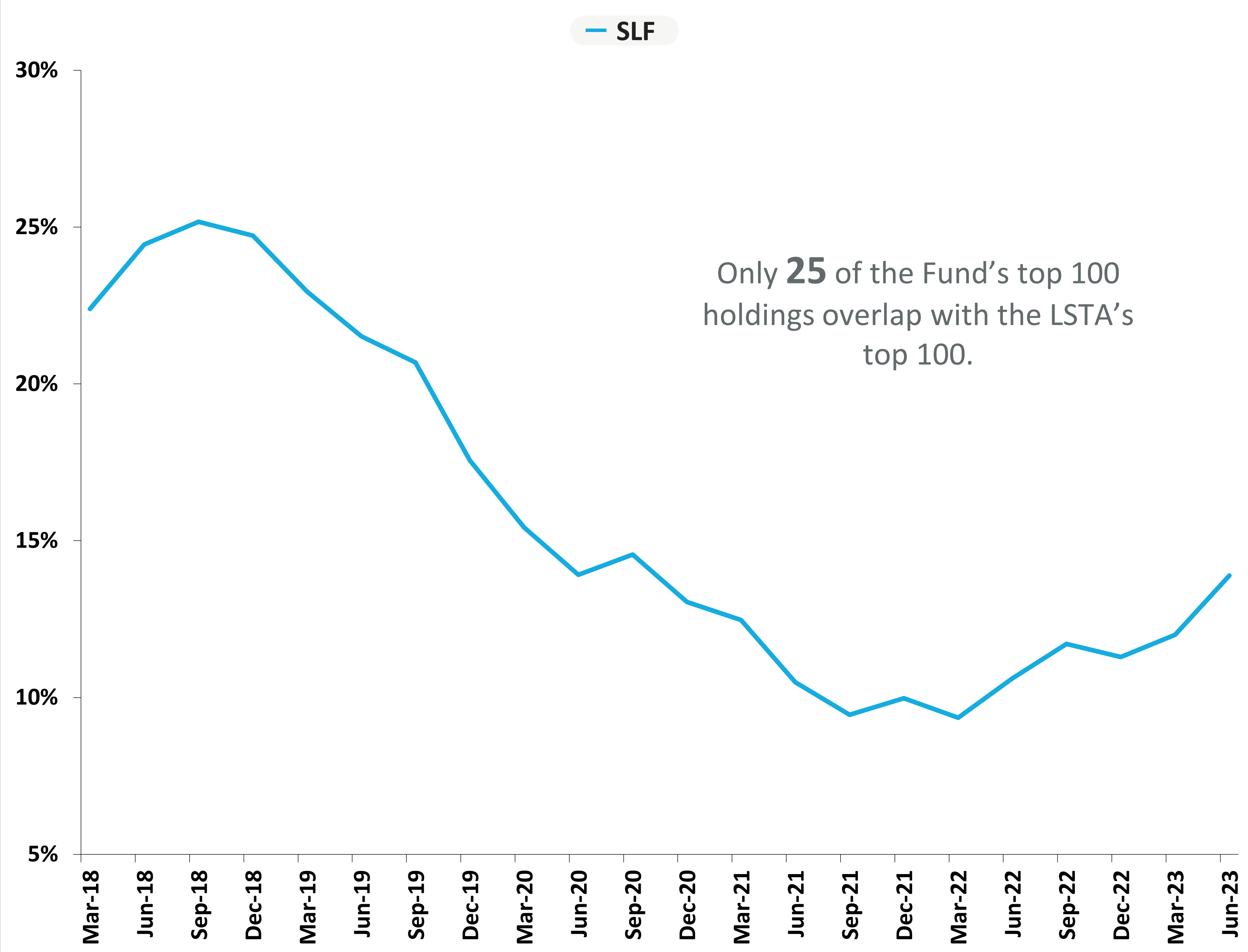
25%
of LSTA issuers held in SLF

OFF BENCHMARK[1]

13%
in off-benchmark loans

4%
in high-yield bonds across 26 issuers

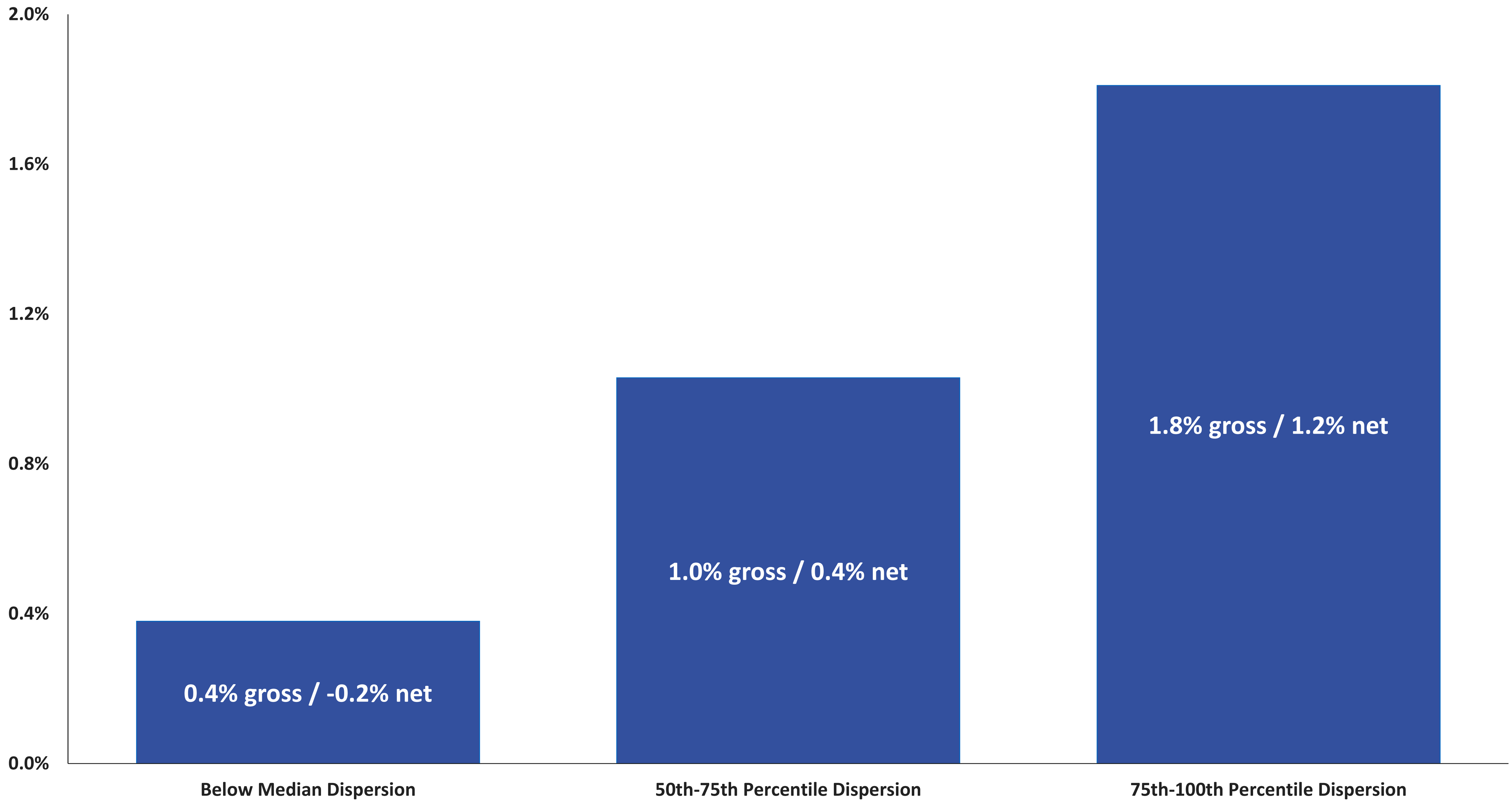
OVERLAP OF TOP 100 HOLDINGS[2]



Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. [1]Data as of March 31, 2023. Source: Bain Capital Credit analysis and LSTA. [2]Data as of March 31, 2023. SLF vs. LSTA is calculated as the sum of the market value percent of the holdings from SLF's top 100 loan issuers that overlap with the LSTA's top 100 holdings.

BCC has historically outperformed in periods of elevated dispersion

SENIOR LOAN FUND AVERAGE NEXT 12-MONTH GROSS EXCESS RETURN VS. LSTA



Data as of December 31, 2022. Fund inception date is February 12, 2009. Source: Bain Capital Credit Analysis. Dispersion is calculated as the different between the 75th percentile spread asset and the 25th percentile spread asset within the LSTA index. Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

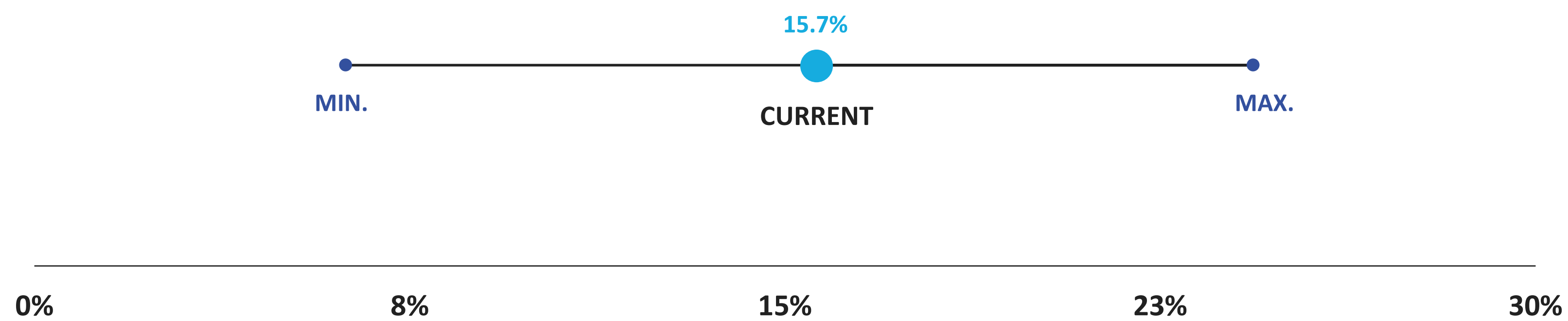
INVESTMENT STRATEGY

The European loan market presents select opportunities

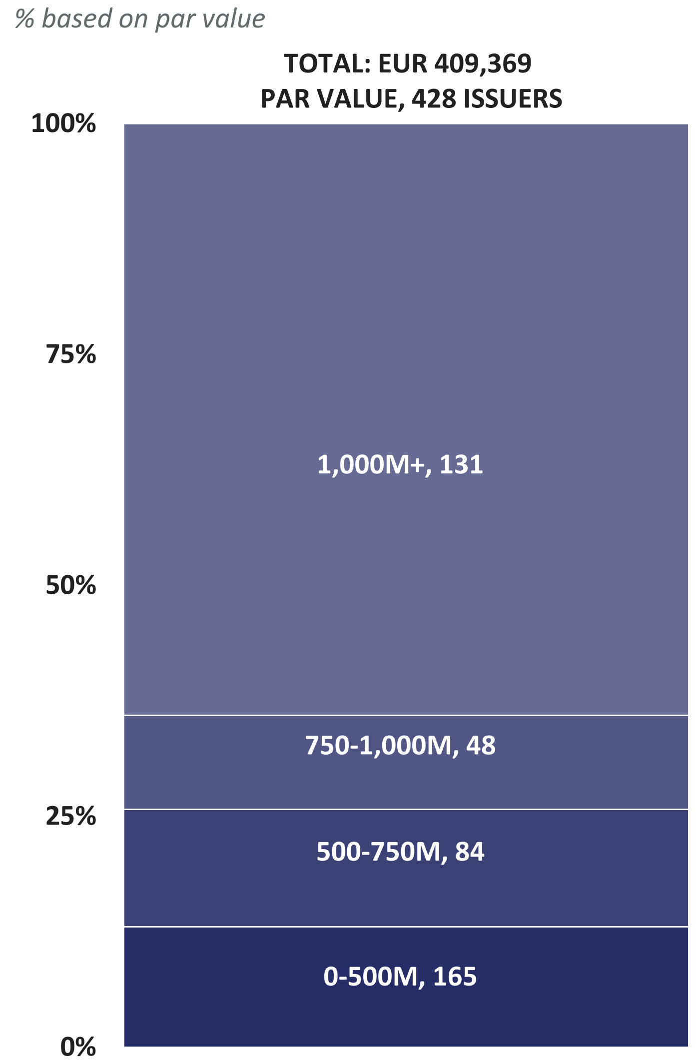
We leverage our local and experienced investment team.

- Managing €7.5B across liquid European bank loans and high-yield bonds.
- 20 investment professionals in Europe
- Fluid coordination between performing credit team, restructuring team and trading desks
- +5 European nationalities and +5 languages

SLF'S CURRENT EUROPEAN EXPOSURE



EU LOAN MARKET



AUM data as of December 31, 2022. Employee data estimated as of July 1, 2023. Market data and exposure data as of June 30, 2023. Source: Credit Suisse and Bain Capital Credit analysis. US Loans data is for the CS Leveraged Loan Index. EU Loan data presented across the page is for the CS Western Euro Leveraged Loan Index (hedged to euro). Positioning range is intended as a target and is subject to change. These target figures may be greater or less than the actual asset allocation of Bain Capital High Senior Loan Fund at any particular time over the life of the fund. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change.

Our portfolio blends bottom-up and top-down perspectives

~75% BOTTOM-UP
(INDUSTRY RESEARCH)

- Health of industry
- Competitive position
- Capital structure
- Relative value within sector
- ESG scoring

Global Credit Universe
(2,500+ issuers in the US and Europe)

Strategy Focus List
(750 - 1,000 issuers)

Bain Capital Credit-owned
(700 issuers)

The core portfolio
(200-300 issuers)

~25% TOP-DOWN
(PM TEAM)

- Desired risk exposure in current environment
- Sector, geography, quality allocation targets
- Duration exposure
- Diversification vs. concentration

Tailor position size based on tranche size, level of credit risk and trading liquidity

Normal position sized at 25-75 basis points

Often own 3-10% of a tranche with initial approval set at 15%[1]

For illustrative purposes only. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change.
[1]Source: Bain Capital Credit portfolio management team.

Risk-Return Analysis

The Liquid Senior Loan Strategy has generated a higher return with lower or similar volatility compared to the benchmark and peers since inception.

RISK RETURN SINCE LIQUID SENIOR LOAN STRATEGY INCEPTION

	Returns	Standard Deviation
Bain Capital Liquid Senior Loan Strategy Composite (Net)	**7.0%**	**5.9%**
S&P LSTA Leveraged Loan Index	6.5%	6.6%
eVestment US Floating Rate Bank Loan Universe Median	6.3%	5.8%

Data as of June 30, 2023. Bain Capital Liquid Senior Loan Composite's inception date is November 1, 2008. There can be no assurance that results achieved by the composite will be achieved by the other funds or accounts. Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. Source: eVestment.

Performance & Portfolio Update

SLF – Portfolio Characteristics

CHARACTERISTICS

	SLF	LSTA
Yield	11.4%	11.1%
Current Yield	9.3%	9.5%
Spread to Worst	604	557
Interest Rate Duration	0.1	0.0
Avg. Rating	B2	B1
% Caa1 or Lower	6.8%	6.0%
Number of Companies	328	1159

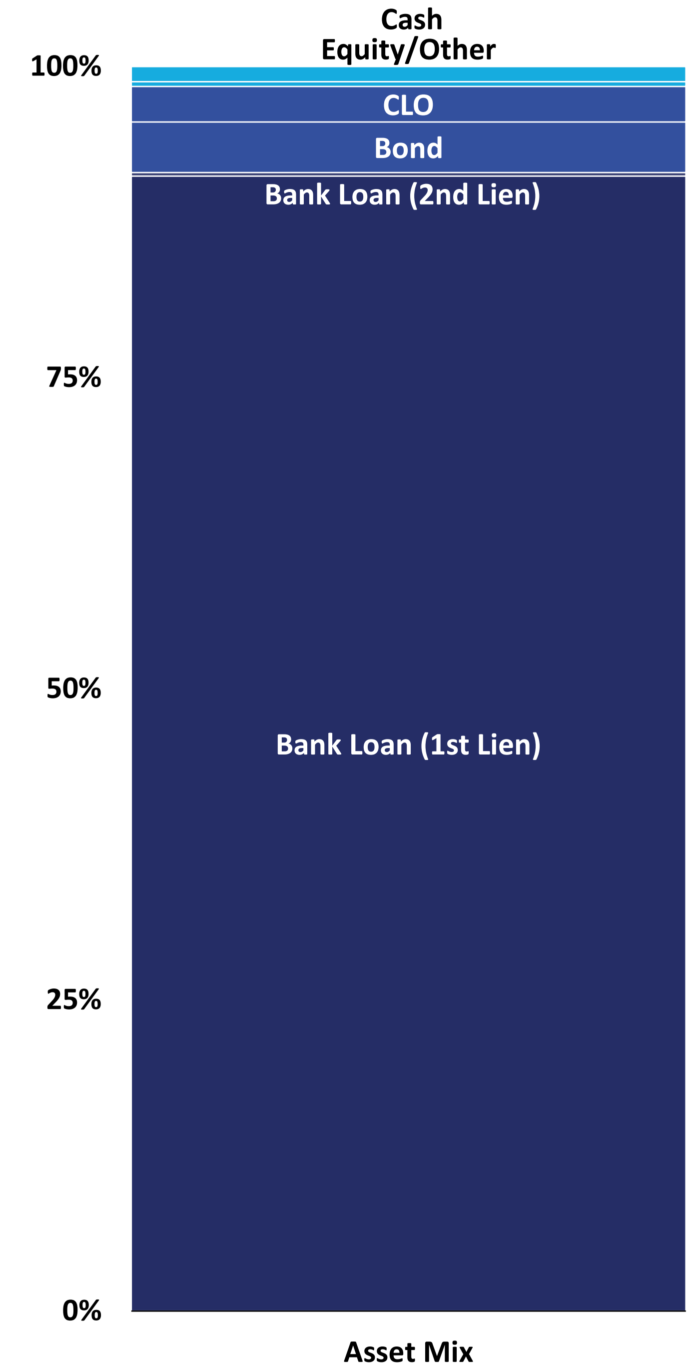
INDUSTRY MIX

	Weights (%)		SLF Spread % of LSTA
	SLF	LSTA	
Airlines, Aero. & Defense	8.3	5.3	+19%
Auto	3.0	3.1	+72%
Cable	2.8	3.0	+41%
Chemicals	3.5	4.3	+18%
Construction	4.3	5.7	-2%
Consumer , Non-Cyclical	5.8	5.4	-2%
Consumer, Cyclical	4.6	4.9	+75%
Energy	1.2	2.6	-10%
Financials	8.4	8.7	+7%
Gaming & Leisure	4.2	4.1	+48%
Healthcare	14.6	12.7	-15%
Industrials	4.7	5.8	+10%
Media	10.7	7.7	+13%
Metals & Mining	0.3	0.2	+141%
Paper & Packaging	3.7	3.4	-8%
Software / Ent Services	13.9	13.7	-5%
Technology	0.8	3.0	+47%
Telecom	4.3	4.2	+11%
Utilities	0.8	2.2	+19%

Industries we are at least 150 bps overweight relative to the LSTA Index

Industries we are at least 150 bps underweight relative to the LSTA Index

ASSET MIX



Data for the owned portfolio as of June 30, 2023. Holdings by market value, financial statistics and Moody's rating as June 2023. An internal rating is used if a Moody's rating does not exist. Industry Mix table includes loans and bonds only. Spread to worst for loans is a 3-year spread. Spread to worst represents all assets excluding other synthetic security types, which include FX hedges and equity options. Based on internal analysis. Current yield represents a percentage of net asset value. Yield to worst and spreads exclude cash. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. Number of Companies are issuers of loans and bonds, excluding shorts. Non-North American includes non-North American currency and domiciled issuers.

Bain Capital Senior Loan Fund ("SLF") LACERS Performance Update

June 30, 2023							
		QTD	YTD	3yr Annualized	5yr Annualized	LACERS ITD Annualized	ITD Annualized
BAIN CAPITAL	**SLF** (gross)	3.3%	7.3%	7.0%	4.8%	4.8%	7.3%
	SLF (net)	3.1%	7.0%	6.4%	4.2%	4.2%	6.6%
	LACERS (net)	3.2%	7.1%	6.5%	4.3%	4.2%	-
INDICES	CS LL	3.1%	6.3%	6.2%	4.0%	4.1%	6.7%
	LSTA	3.1%	6.5%	6.3%	4.1%	4.2%	6.9%
	BKLN	3.4%	6.7%	4.1%	3.0%	2.9%	NA[1]

Data as of June 30, 2023 for the Bain Capital Senior Loan Fund, L.P., LACERS account. Inception date is July 1, 2015. Bain Capital Senior Loan Fund, L.P. inception date is February 12, 2009. Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. [1]BKLN data only available since April 30, 2011.

LACERS – ITD Sources of Return

ASSET CLASS & RATINGS ATTRIBUTION

	Avg % NAV	Return on Assets (%)	Relative Contribution (BPS)
Bank Loan	89.0%	4.5%	41
BB	21.9%	3.8%	(1)
B	62.4%	4.5%	26
CCC	4.6%	5.8%	16
High Yield	7.8%	4.9%	18
Equity/Other	0.8%	(11.4%)	21
CLOs	1.6%	6.1%	7
Cash	1.4%	--	(3)

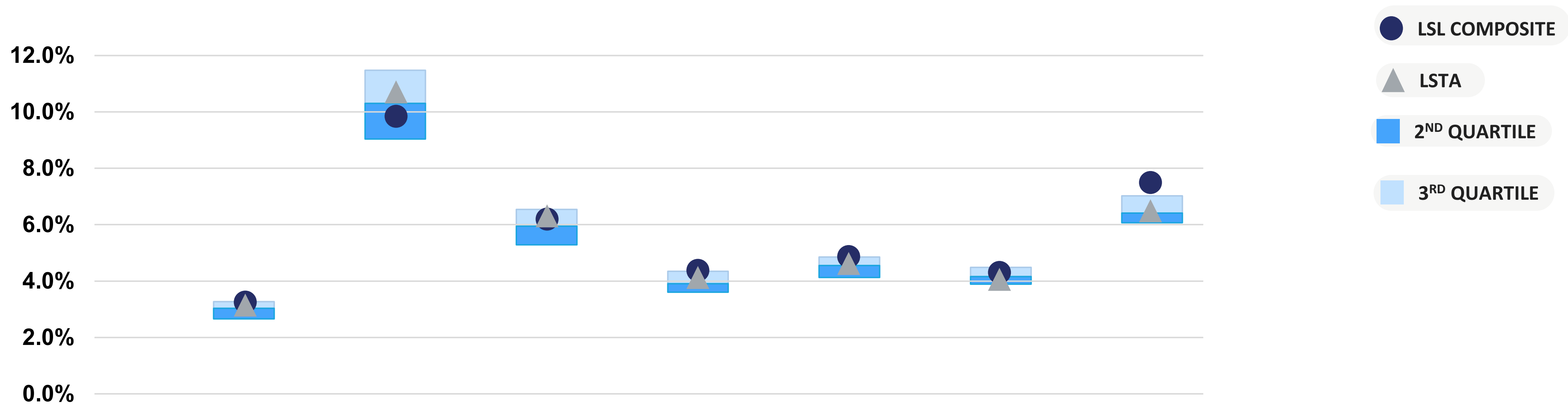
TOP INDUSTRY RELATIVE CONTRIBUTORS & DETRACTORS

Contributors (BPS)	
Metals & Mining	24.5
Airlines, Aerospace & Defense	20.5
Utilities	19.3
Detractors (BPS)	
Gaming & Leisure	(8.9)
Technology	(5.4)
Energy	(4.8)

Data as of June 30, 2023. Sources of return are shown on a gross basis. LACERS inception date in the Senior Loan Fund is July 1, 2015. Contributors and Detractors are shown relative to the benchmark. Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

Liquid Senior Loan Strategy: Competitive Snapshot

PERFORMANCE RELATIVE TO PEERS

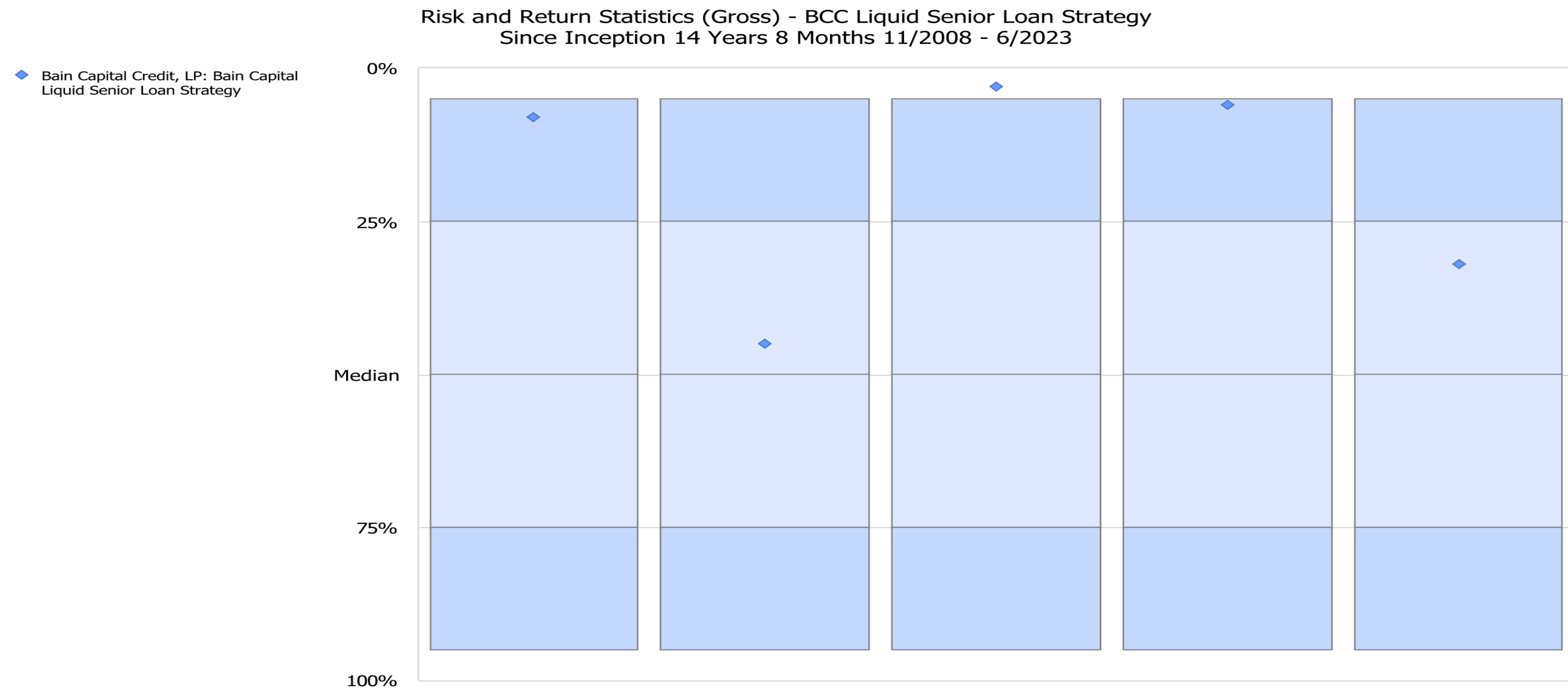


	QTD	LTM	3-Yr	5-Yr	7-Yr	10-Yr	LSL Inception	5-Yr Vol	5-Year IR(1)	5-Year Sharpe(2)
Return										
LSL Composite	3.3%	9.8%	6.2%	4.4%	4.9%	4.3%	7.5%	7.0%	0.31	0.40
SLF	3.3%	10.1%	7.0%	4.8%	5.4%	4.6%	-	7.1%	0.76	0.46
LSTA	3.1%	10.7%	6.3%	4.1%	4.6%	4.1%	6.5%	7.3%	---	0.35
25th Percentile	3.3%	11.4%	6.5%	4.4%	4.9%	4.5%	7.0%	6.3%	0.15	0.42
Median	3.1%	10.3%	6.0%	3.9%	4.6%	4.2%	6.4%	6.8%	-0.16	0.36
75th Percentile	2.7%	9.0%	5.3%	3.6%	4.1%	3.9%	6.1%	7.5%	-0.34	0.28
Percentile Rank										
LSL Composite	30%	61%	37%	21%	24%	37%	11%	61%	13%	33%
SLF	27%	56%	15%	9%	8%	17%	-	66%	4%	15%
LSTA	38%	38%	34%	44%	41%	62%	45%	70%	-	54%
Quartile Rank										
LSL Composite	2	3	2	1	1	2	1	3	1	2
SLF	2	3	1	1	1	1	-	3	-	1
LSTA	2	2	2	2	2	3	2	3	-	3
# of Observations										
n	73	73	71	70	65	62	36	70	70	70

BCC strategy/fund performance is presented gross of fees. Data as of June 30, 2023. LSL strategy inception is November 1, 2008. Peer universe represents eVestment's US Floating-Rate Bank Loan Fixed Income universe and has been narrowed down to include peers' default reporting vehicles that report returns gross of fees. Lower percentiles represent stronger performance (e.g. top quartile return outperforms 75% of peers). The benchmark used in this analysis was the S&P/LSTA Leveraged Loan Index (LSTA). Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. (1) Information Ratio calculated using LSTA as the benchmark (2) Sharpe Ratio Calculated using 3-month T-Bills as Risk Free Rate.

Liquid Senior Loan Strategy: Risk and Return Metric Peer Analysis

The below compares Returns, Tracking Error, Sharpe Ratio, Information Ratio, and Downside Capture of the BCC Liquid Senior Loan Strategy versus the eVestment Floating-Rate Bank Loan Universe.



Universe: eVestment US Floating-Rate Bank Loan Fixed Income (Percentile)

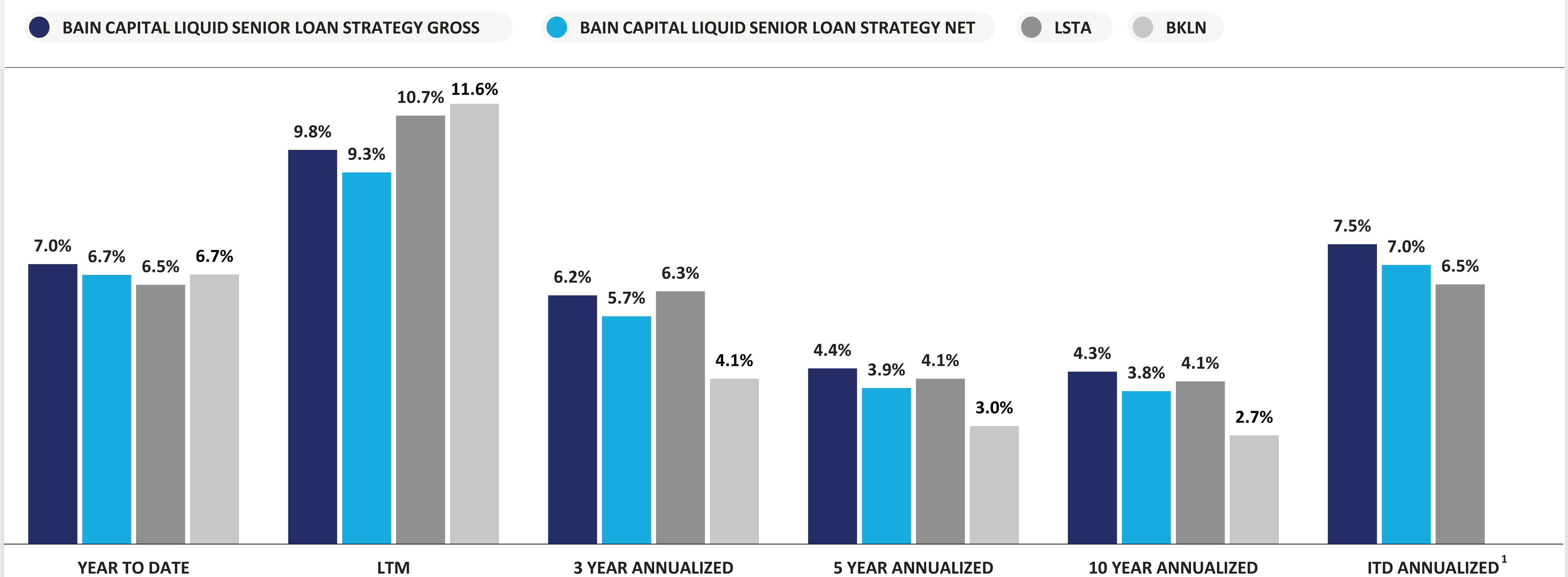
	Returns Since Inception 14.67 Years[3]	Rk	Tracking Error Since Inception 14.67 Years[1 3]	Rk	Sharpe Ratio Since Inception 14.67 Years[2 3]	Rk	Information Ratio Since Inception 14.67 Years[1 3]	Rk	Downside Market Capture Since Inception 14.67 Years[1 3]	Rk
5th percentile	7.64		1.10		1.14		0.59		68.85	
25th percentile	6.71		1.30		1.00		0.14		77.34	
Median	6.29		1.85		0.94		-0.11		87.90	
75th percentile	6.02		2.17		0.89		-0.30		95.56	
95th percentile	5.34		3.50		0.74		-0.58		110.62	
# of Observations	39		39		39		39		39	
Bain Capital Credit, LP	7.49	8	1.78	45	1.15	3	0.56	6	81.52	32

[1]Morningstar LSTA US Leveraged Loan; [2]FTSE 3-Month T-Bill; [3]11/2008 - 06/2023

BCC strategy/fund performance is presented gross of fees. Data as of June 30, 2023. LSL strategy inception is November 1, 2008. Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

Bain Capital Liquid Senior Loan Strategy

We have outperformed the market by ~100 gross basis points annualized since inception.

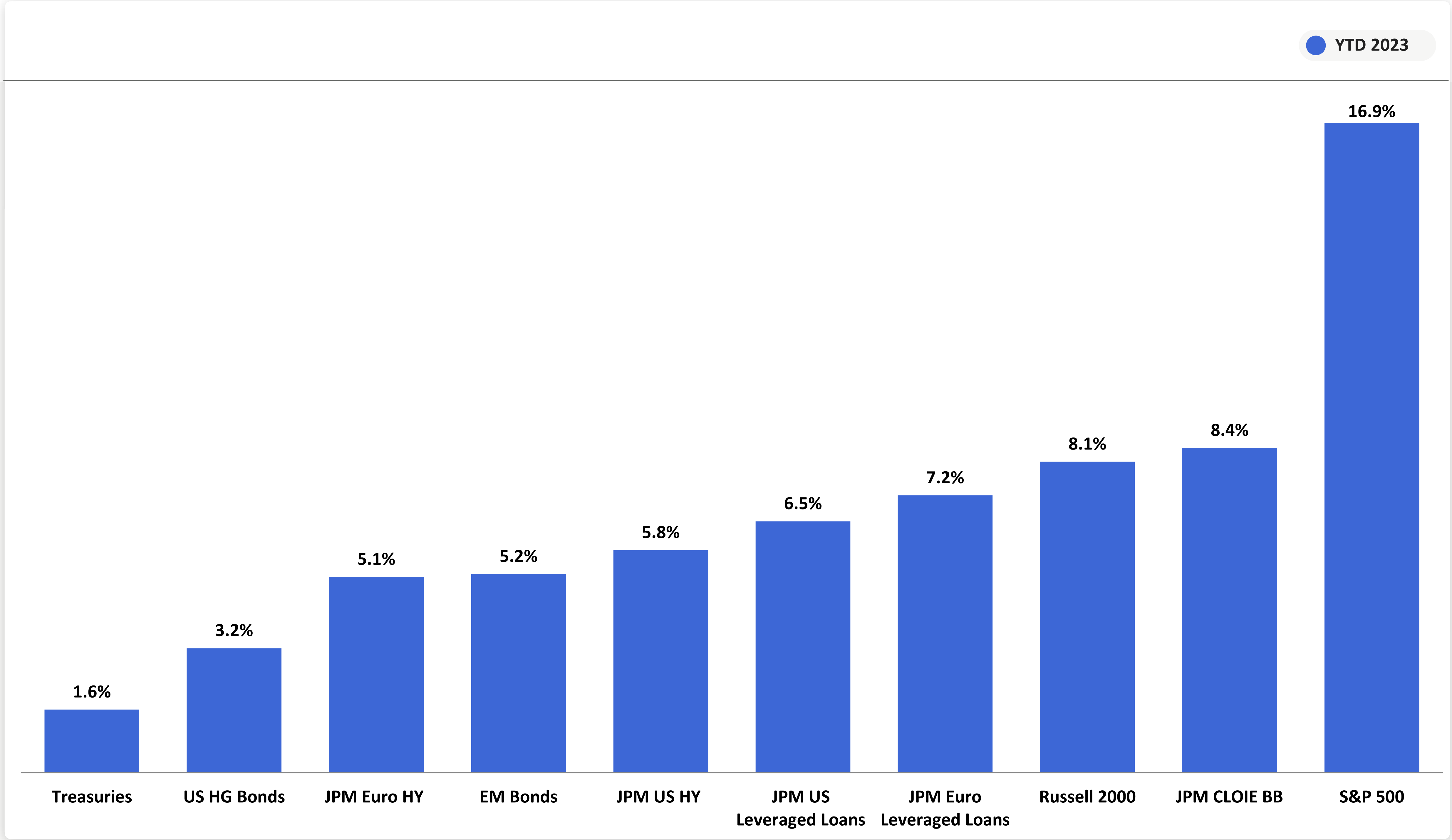


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Liquid Senior Loan Strategy Gross	-5.1%[2]	43.8%	13.9%	4.7%	12.3%	6.9%	1.5%	0.1%	9.8%	4.7%	0.9%	8.7%	4.4%	6.7%	-3.3%	7.1%
Liquid Senior Loan Strategy Net	-5.2%[2]	43.1%	13.3%	4.2%	11.7%	6.4%	1.0%	-0.5%	9.3%	4.3%	0.5%	8.2%	4.0%	6.2%	-3.7%	6.8%
LSTA	-11.2%[2]	51.6%	10.1%	1.5%	9.7%	5.3%	1.6%	-0.7%	10.2%	4.1%	0.4%	8.6%	3.1%	5.2%	-0.8%	6.5%

Data estimated as of June 30, 2023. Bain Capital Senior Loan Composite excluding CLOs ("Bain Capital Liquid Senior Loan Strategy") inception date is November 1, 2008. Performance includes the Bain Capital Senior Loan Fund, the Bain Capital Global Loan Fund, and loan-focused separate accounts. There can be no assurance that results achieved by the composite will be achieved by the other funds or accounts. Past performance is not indicative of future results. Actual results may vary. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. [1]BKLN data only available since April 30, 2011. [2]Represents performance from November 1, 2008 – December 31, 2008.

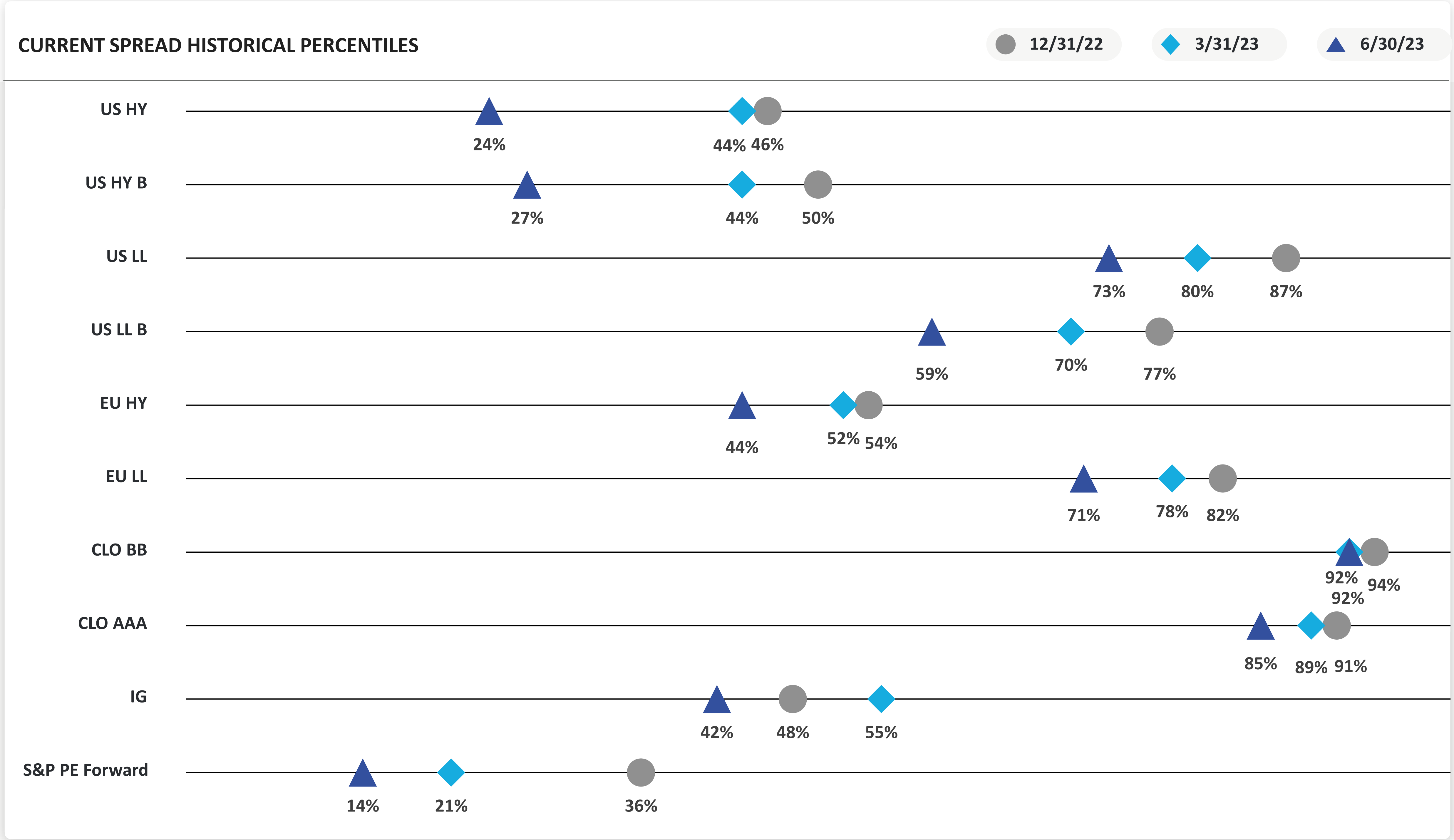
Market Update

Despite volatility and uncertainty, markets have generally performed well in 2023



Data as of June 30, 2023. Source: JP Morgan. Courtesy J.P. Morgan Chase & Co., Copyright 2021. Treasuries = ICE BofA 10-yr Treasury. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

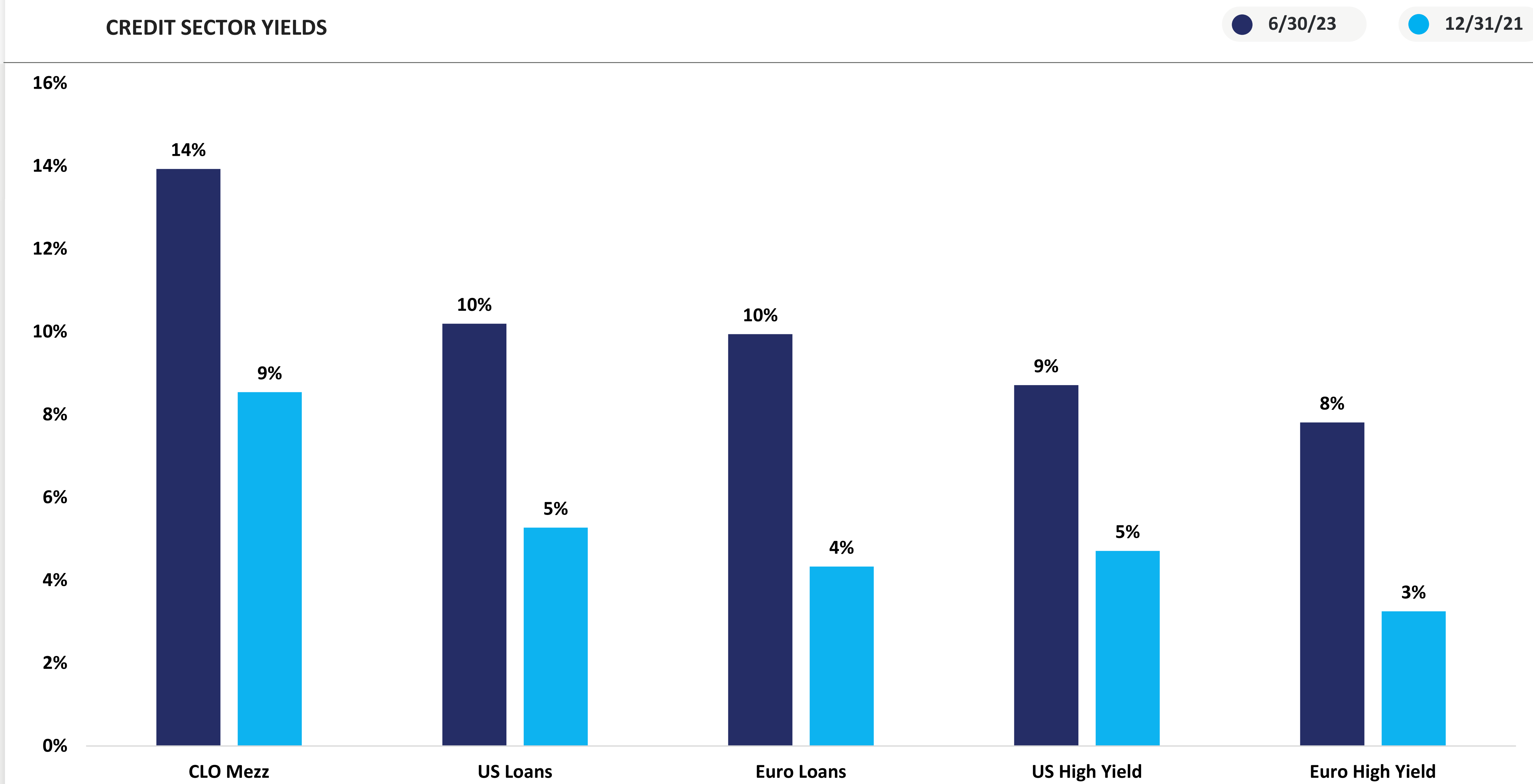
Valuations



Data as of December 31, 2022, March 31, 2023, and June 30, 2023. Source: JP Morgan and Credit Suisse. EU HY = The Credit Suisse Western European High Yield Index. EU LL = The Credit Suisse Western European Leveraged Loan Index. See "Endnotes" for specific JPM, Credit Suisse and other important definitions, disclosure and information regarding returns, indices and performance calculation methodologies. Current Valuations represent valuation percentiles for each asset class relative to its own history. For credit assets we use historical spread-to-worst or 3-year discount margin. As an example, investment grade credit trading at the 25th percentile would suggest that investment grade spreads are tight relative to history. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change.

Yields across sectors elevated versus history, particularly in floating rate sectors

CREDIT SECTOR YIELDS



	CLO Mezz	US Loans	Euro Loans	US High Yield	Euro High Yield
Current Yield Percentile vs History	89%	95%	67%	67%	96%

Data estimated as of June 30, 2023. Source: Bain Capital Credit analysis and JP Morgan. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

Macro trend summary

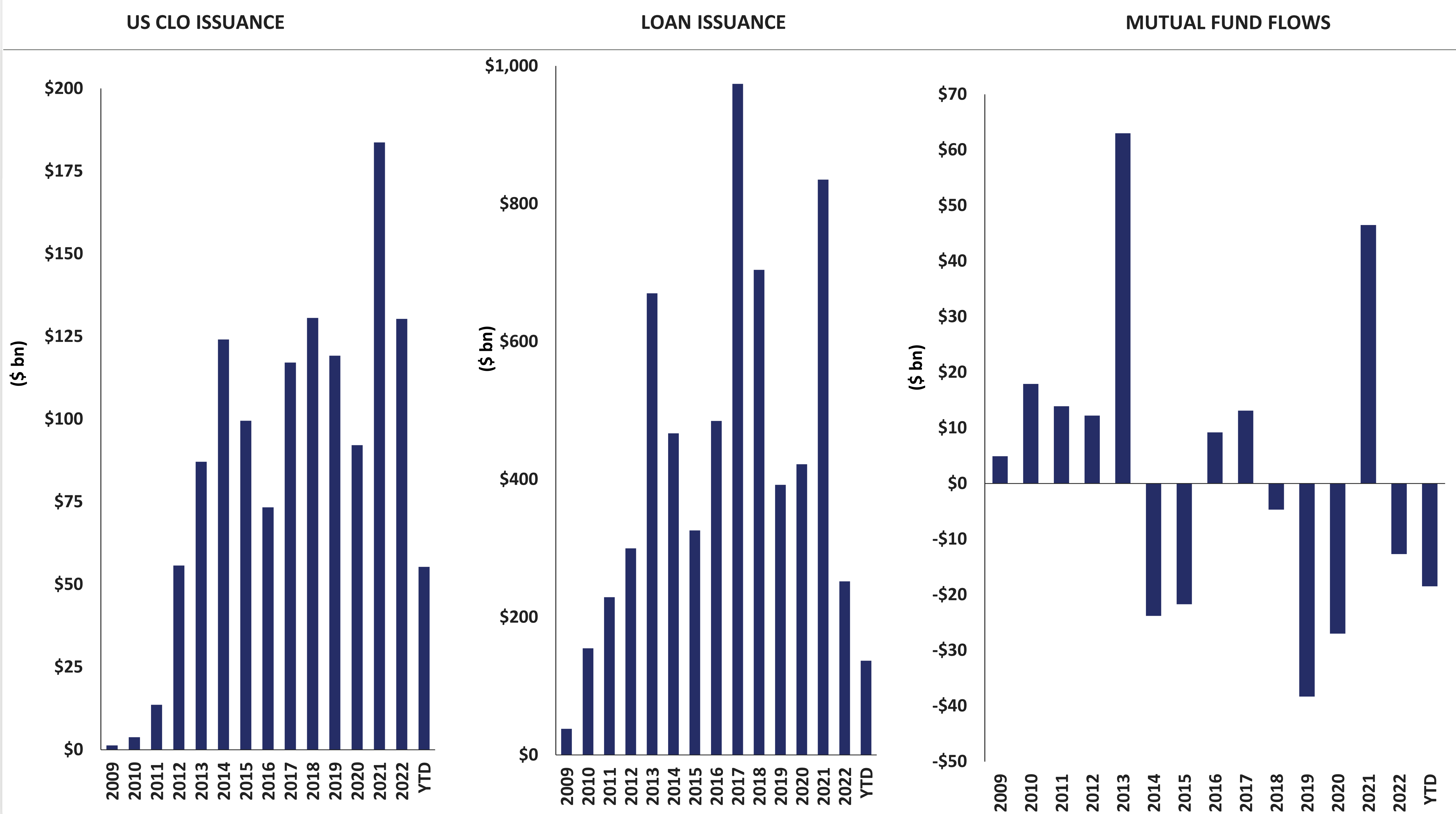
	CURRENT STATE	TREND	COMMENTS
INFLATION		Positive *Q1 2023: Positive*	Inflation remains elevated but is in decline and expected to moderate in 2023.
EMPLOYMENT		Negative *Q1 2023: Negative*	Jobs and wages remain strong despite economic uncertainty. Layoffs picking up in certain sectors.
EARNINGS		Negative *Q1 2023: Negative*	Earnings expectations are declining but remain relatively healthy; specific sectors likely to face headwinds.
CORPORATE BALANCE SHEETS		Negative *Q1 2023: Negative*	Starting from a healthy position, but leverage and coverage negatively impacted by weaker earnings and higher interest rates.
CONSUMER HEALTH		Negative *Q1 2023: Negative*	Sentiment is declining and credit availability likely to be constrained, though wages remain strong.
FINANCIAL CONDITIONS		Negative *Q1 2023: Negative*	Higher interest rates and uncertainty continue to impact capital markets. Banking crisis may further crimp lending.

Data as of June 30, 2023. For illustrative use only. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. Red is viewed as unattractive; yellow as neutral and green as attractive.

MARKET UPDATE

Technicals

Technicals have been mixed but we expect will be generally supportive going forward

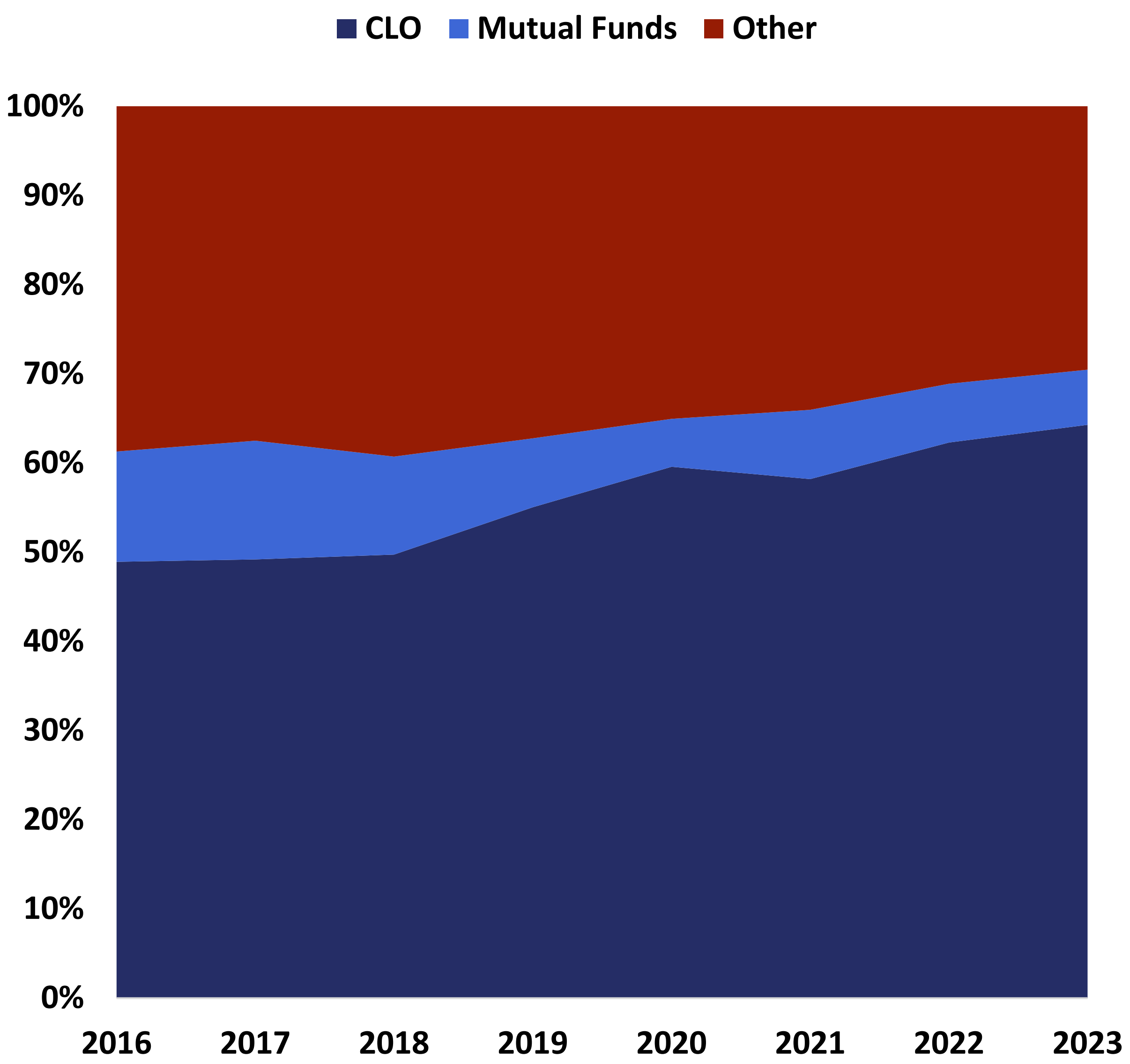


Data estimated as of June 30, 2023. Source: Bain Capital Credit analysis and JP Morgan. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

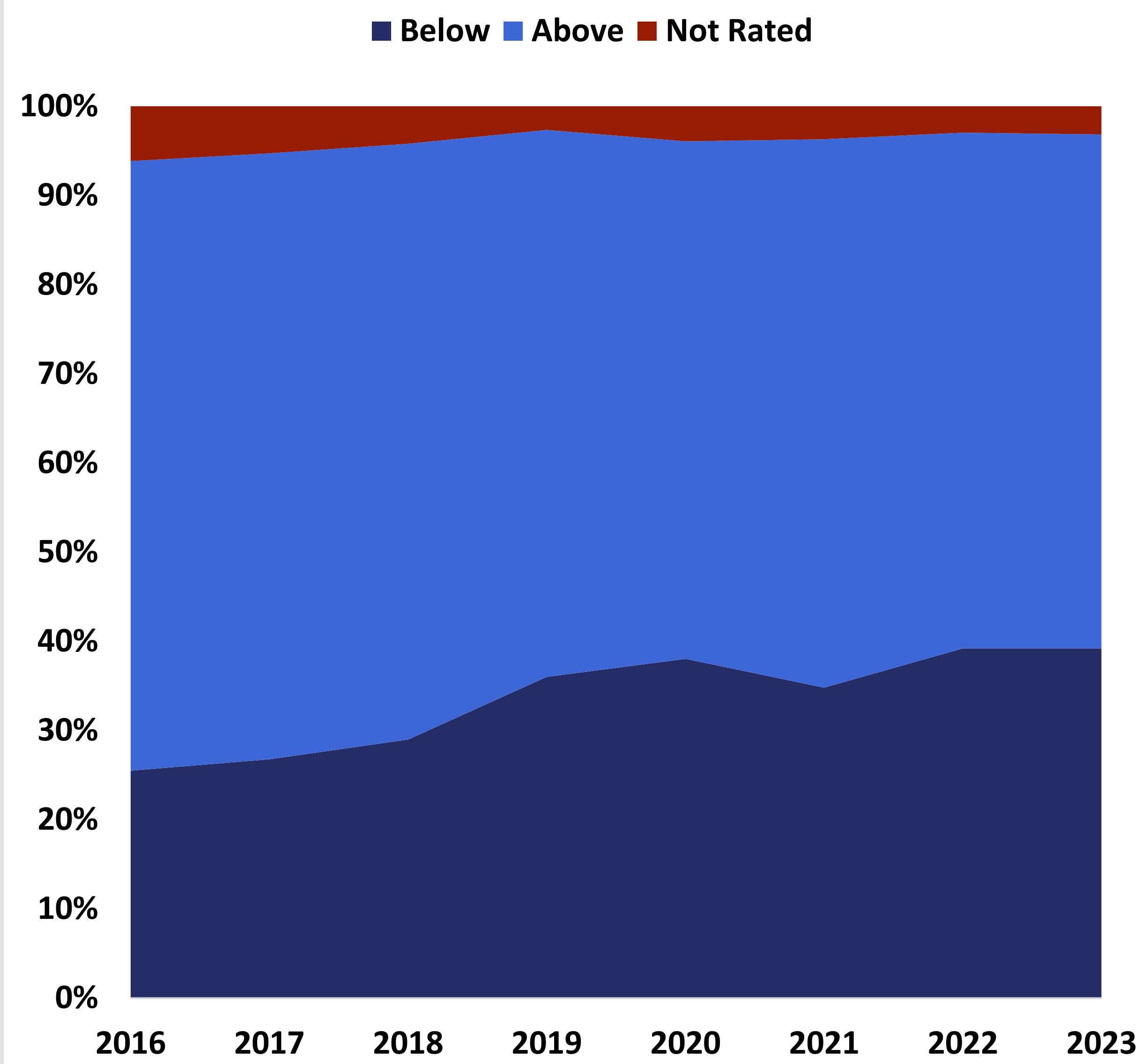
Loan Market Buyer Base and Ratings Migration

CLOs have continued to grow as a percent of the loan market while B3 and below rated loan share has increased

BUYER BASE



B3 & BELOW WEIGHT - CFR

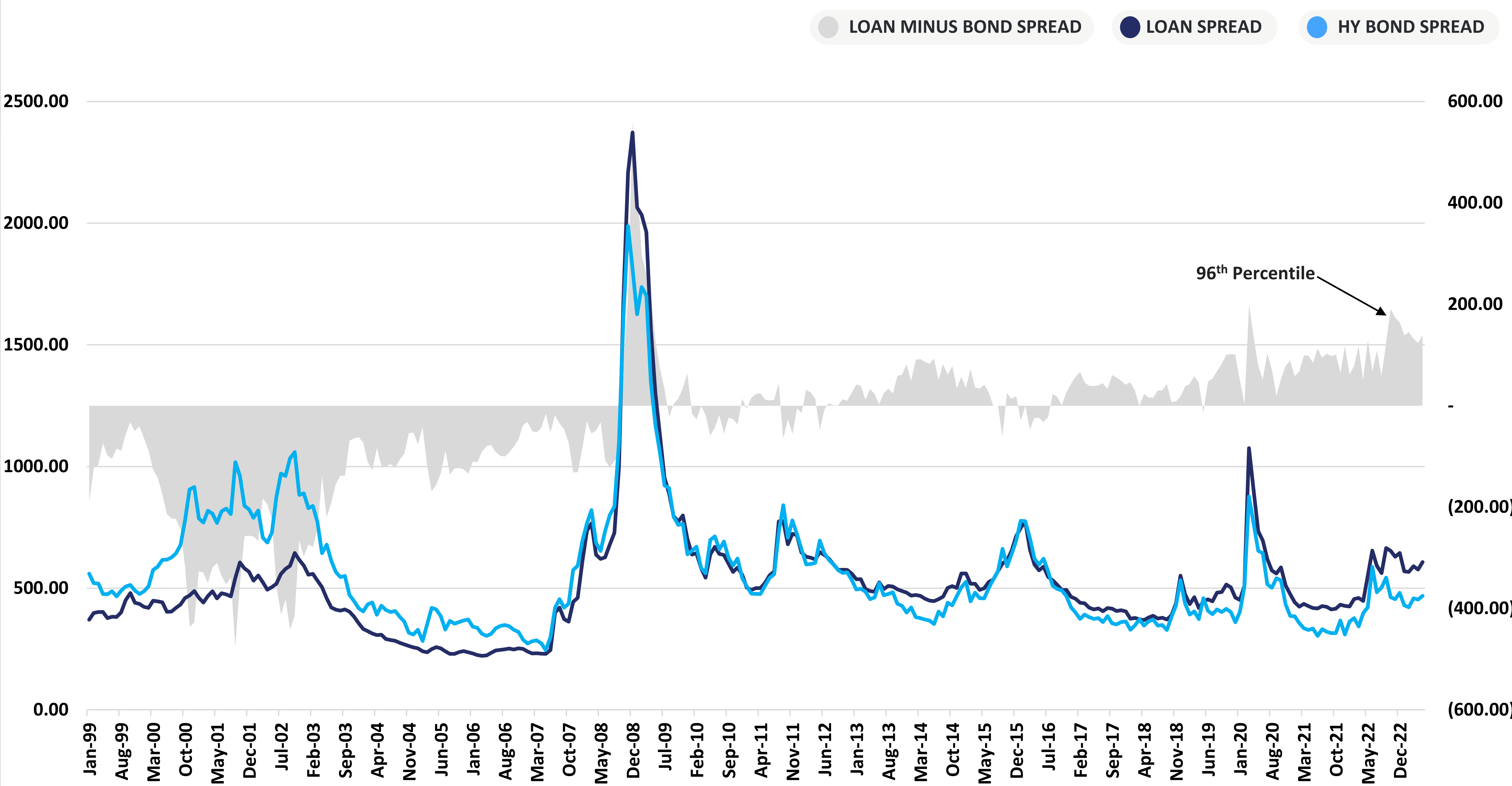


Data estimated as of April 30, 2023. Source: Bain Capital Credit analysis, JP Morgan and LCD. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

Loan Versus Bond Spreads

Loan spreads are at historically wide levels vs bonds (96th percentile)

BOND VS LOAN SPREADS OVER HISTORY

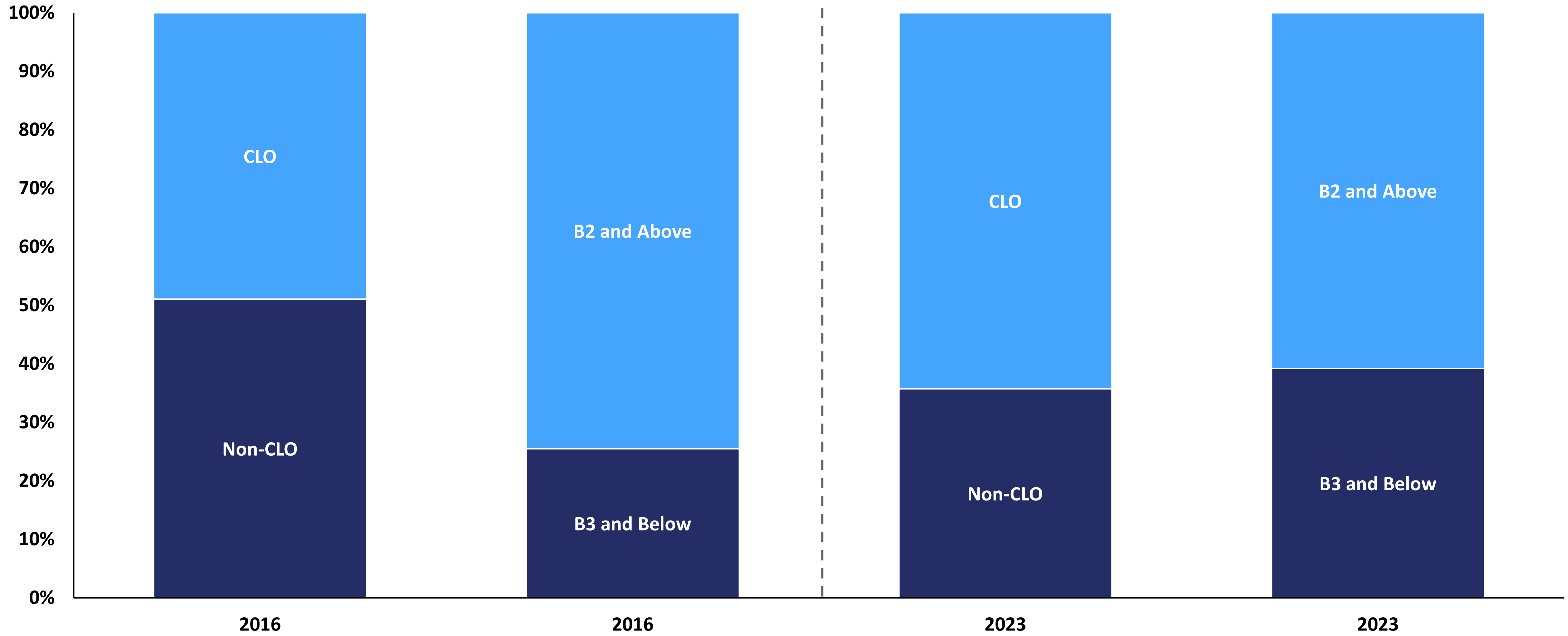


Data as of May 31, 2023. Source: LCD and ICE BAML. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.
Represents Bain Capital Credit's view as of the date of this presentation and is subject to change.

Loan Market Buyer Base and Ratings Migration

The growth in CLOs and increase in B3 & Below issuers has created an opportunity for non-CLO buyers, creating what we believe are better alpha opportunities

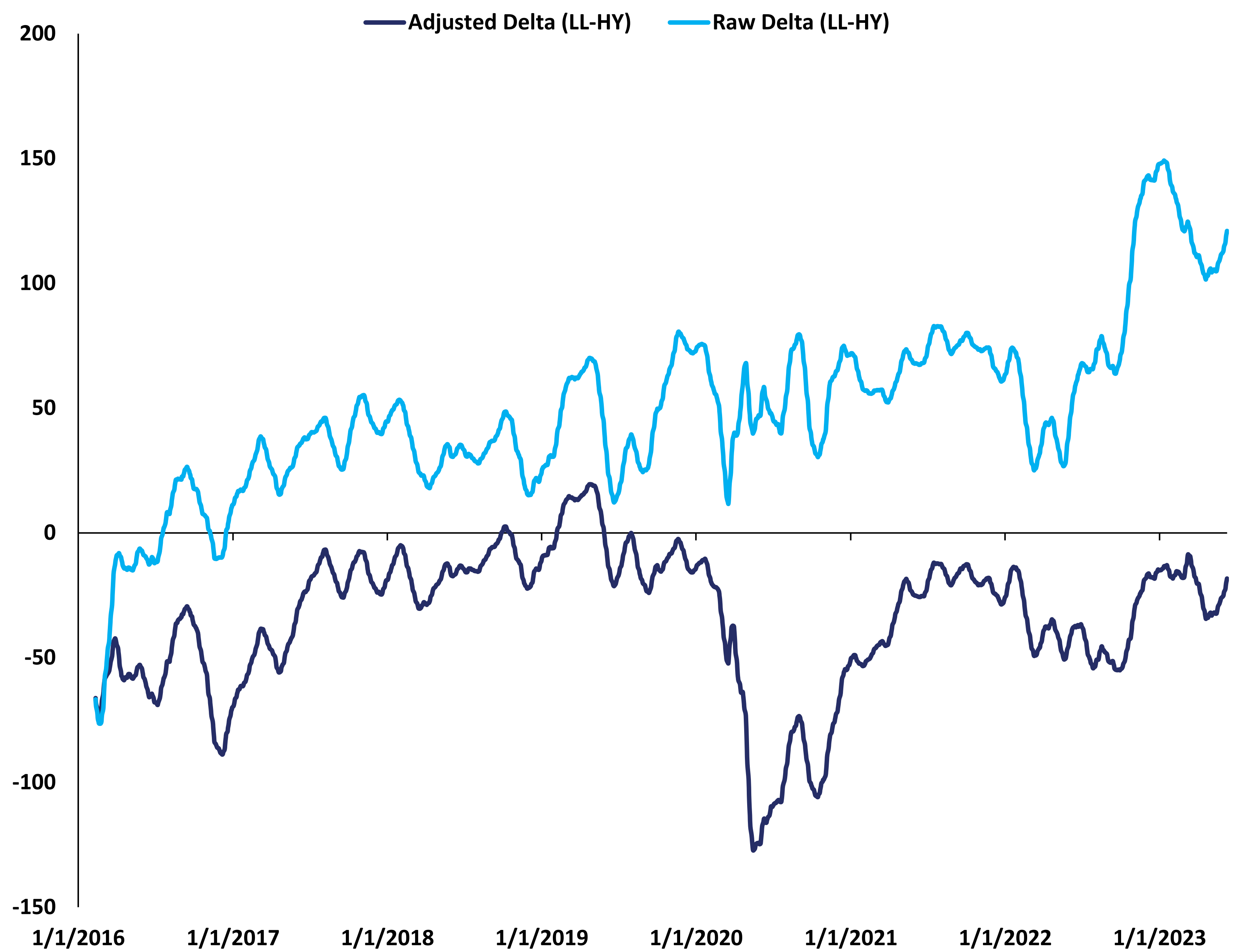
LOAN MARKET COMPOSITION



	2016	2023
CLO % of B2 and Above	72%	112%
Non-CLO % of B3 and Below	200%	91%

Data as of April 30, 2023. Source: Bain Capital Credit analysis, JP Morgan and LCD. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies

After adjusting for industry and ratings composition, the delta between LL and HY Spreads is closer to the 60th %ile (ie Loans slightly wide vs. history) as compared to 96 %ile using raw headline spread comparisons (ie loans extraordinarily wide vs. history). However, we find that the shape of the credit curve between HY and LL shows extraordinary "steepness" in the loan market vs. HY.



	Adjusted Delta Percentile	Raw Delta Percentile
Index	60%	96%
BB	16%	59%
B1	84%	97%
B2	16%	26%
B3	94%	94%
CCC	97%	97%

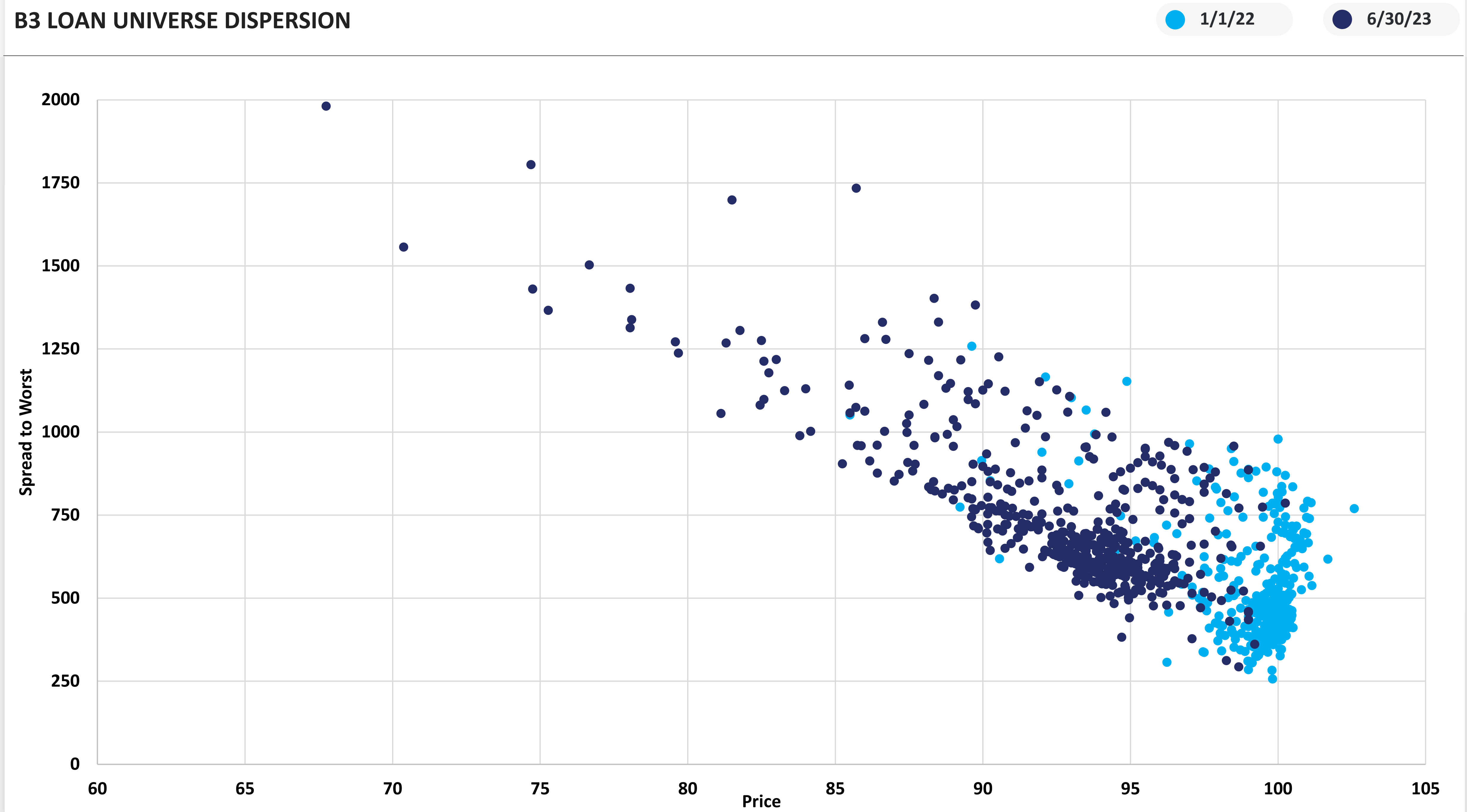
Data as of May 31, 2023. Source: Bain Capital Credit analysis, LCD and ICE BAML. LL = S&P/LSTA Leveraged Loan Index. HY = BAML US High Yield Index. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies. Represents Bain Capital Credit's view as of the date of this presentation and is subject to change.

MARKET UPDATE

B3 Dispersion

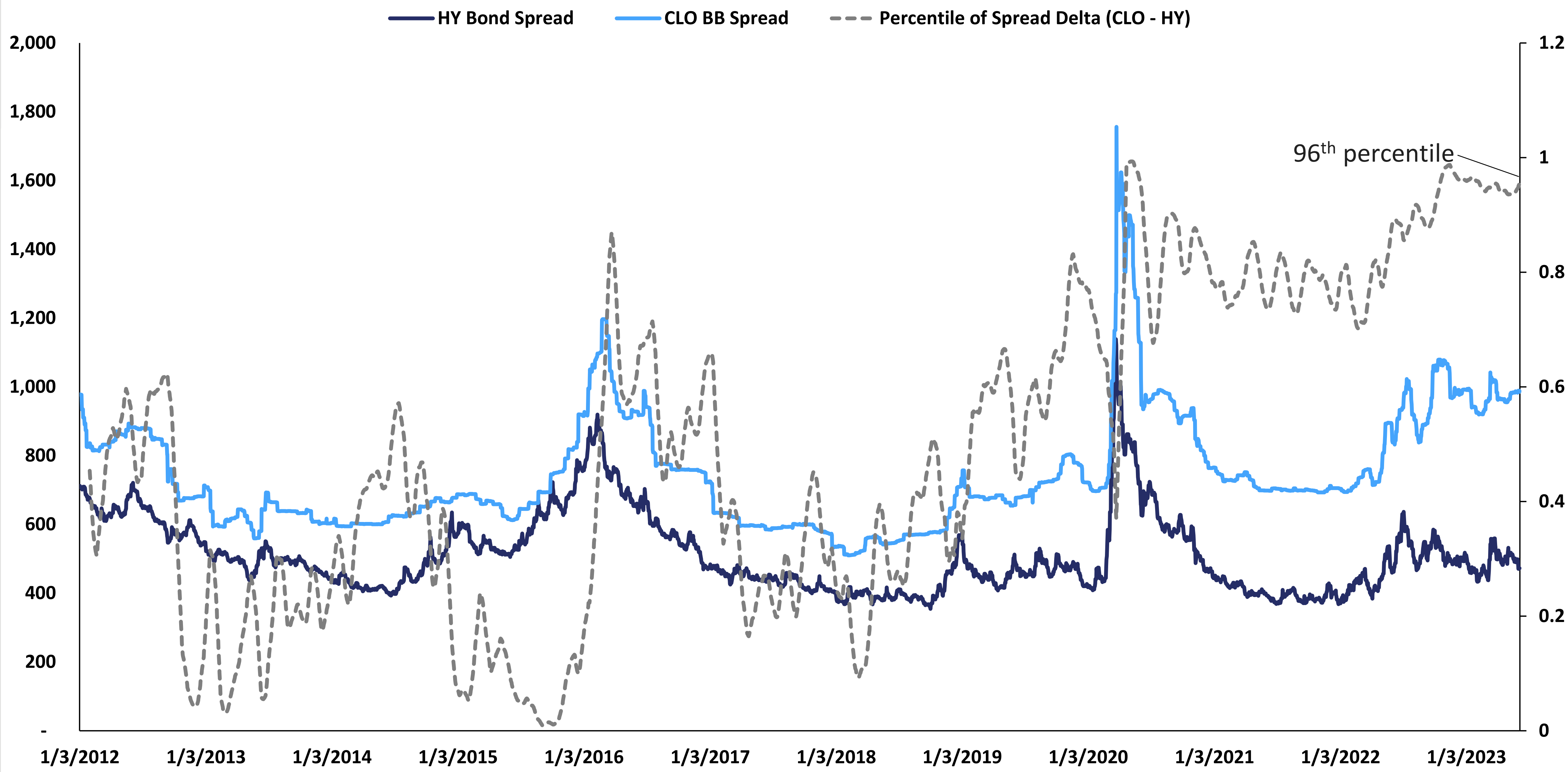
Market and CLO dynamics driving heightened dispersion in B3s

B3 LOAN UNIVERSE DISPERSION



Data as of June 30, 2023. Source: Bain Capital Credit analysis, JP Morgan and LCD. See "Endnotes" for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies

CLOs continue to screen attractive versus other sectors



Data estimated as of May 31, 2023. Source: Bain Capital Credit analysis, ICE BAML and JP Morgan. See “Endnotes” for important definitions, disclosures and information regarding returns, indices and performance calculation methodologies.

ESG Integration

Bain Capital Credit’s ESG Evolution

Albeit part of our founding principles, our ESG efforts have accelerated in recent years.

1998-2018

- Active negative screen on select industries and companies exposed to higher ESG risks
- Launched Senior Loan SRI Fund with additional screens including thermal coal and upstream energy
- Joined the Forum for Sustainable & Responsible Investment (US SIF)

2019

- Developed preliminary diligence questionnaire templates and sector specific ESG resources
- Initiated regular ESG briefings and updates for investment team
- Joined European Leveraged Finance Association (ELFA) Board and ESG Committee

2020

- Launched internal ESG working groups across strategies
- Developed and implemented new ESG framework and scoring approach
- Launched questionnaires to augment diligence
- Spearheaded collaborative initiatives with peers on industry level changes

2021

- Assessed ESG performance, scoring existing investments on material factors
- Formalized ESG engagement strategy
- Developed enhanced guidelines for select industries
- Conducted numerous ESG training sessions with the investment team

2022-2023+

- Established core ESG metrics to track across portfolios over time
- Piloted carbon estimation select portfolios
- Bain Capital became UN PRI signatory
- Published inaugural ESG report

The negative screen applies since Bain Capital Credit and Special Situations’ inception to date. Based on Bain Capital Credit and Special Situations' proprietary ESG scoring methodology. For illustrative purposes only. Represents Bain Capital Credit and Special Situations’ views as of the date of this presentation and is subject to change.

Our Five ESG Core Commitments

We have prioritized 5 core ESG commitments at our firm and across our investments

GOVERNANCE
Active Governance & Stewardship

SUSTAINABILITY & ENVIRONMENTAL
Sustainable Growth & Reducing Climate Impact

SOCIAL
Fair Employment, Engagement & Well-being

SOCIAL
Diversity, Equity & Inclusion

SOCIAL
Community Engagement

BainCapital

Represents Bain Capital's view as of the date of this presentation and is subject to change. Activities are a representative list and not exhaustive. Bain Capital Credit and Special Situations seeks to drive these commitments, where relevant, through its engagement with issuers and borrowers (where possible) who are ultimately responsible for the affairs of the relevant investment.

ESG Investment Process Integration

We embed our core commitments and material ESG factors into our investment approach

SOURCING	DILIGENCE	INVESTMENT APPROVAL	PORTFOLIO MANAGEMENT & MONITORING
• Analyze ESG themes at asset type and industry level • **Apply negative screens to industries or assets with outsized ESG risks** • **Seek sponsors, management teams, asset managers and partners with responsible investment track record and capabilities** • Consider jurisdictional ESG issues (e.g., local regulation)	• **Identify material ESG factors of target investments and define corrective actions needed** • Assess across Bain Capital's core ESG commitments and material factors • Engage advisors to diligence relevant ESG factors, as needed • **Engage borrowers / owners to understand ESG considerations**	• **Discuss material ESG risks, opportunities and themes in Investment Committees** • Discuss ESG implications on any credit controls, board, or ownership stake in context of our investment • Complete partner background checks; AML / KYC review of commercial counterparties	• **Manage investments with integrity, transparency, and sound governance** • Drive ESG improvement as part of performance and value creation plan • **Measure progress across core commitments and material factors** • Where we do not have control, engage companies / owners to improve ESG outcomes

LSC & PCG: ESG Assessment and Scoring

Bain Capital Credit has developed a bespoke ESG framework and guidelines to hone in on material ESG factors. These proprietary inputs drive our ESG assessments, scores and Investment Committee discussions

PROPRIETARY INPUTS

- Sponsor ESG Scorecards
- Sector Specific Guidelines
- ESG Data
- Diligence Review

INVESTMENT COMMITTEE REVIEW

ESG Assessment

Findings	Key Considerations
Areas of Caution	
Material Focus	Material Factor #1:
	Material Factor #2:
	Material Factor #3:
	Material Factor #4:
ESG Risk Score	*1-5*
Engagement Target	*Yes/No*

ESG Score

Reflects the probability, severity and timing of ESG related risks and their impact

Higher Risk	*1*
	2
Average Risk	*3*
Lower Risk	*4*
	5

Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. Bain Capital Credit adopted this assessment on go-forward basis in October 2020. The ESG analysis is completed by Bain Capital Credit's credit analysts.

Amplifying Climate Focus

We are increasing our focus on climate throughout the investment process, providing support, improved tools and resources along the way

CLIMATE PROGRESS

Today:

- ✓ Firm-wide discussion on achieving Net Zero
- ✓ Investment team Climate 101 training sessions
- ✓ Launched firmwide TCFD project
- ✓ Track GHG emissions data, where available, and use estimates to “bridge” gap
- ✓ Encourage companies to report GHG emissions

Near-Term Goals:

- Continue to improve data and climate risk tools
- Continue climate-focused discussions and trainings
- Expand portfolio and firm-level climate reporting in alignment with leading frameworks

Medium-Term Goals:

- Incorporate climate factors in ESG assessments and scores
- Assess physical and transition climate risks, where material
- Evaluate carbon intensity of investments relative to industry benchmarks, over time

Represents Bain Capital Credit and Special Situation’ view as of the date of this presentation and is subject to change. Activities are a representative list and not exhaustive.

Augmenting Engagement Approach

We are augmenting our approach to engagement, advocating for increased disclosure and responsible business practices

BUILDING OUT A SCALABLE ENGAGEMENT APPROACH

TARGETS

- Tiering prioritization based on internal ESG assessments, position size and:
  - Companies with higher risk ESG scores
  - Companies in more carbon intensive industries
  - Companies and sponsors with limited ESG disclosure

METHODS

- Management and Board level discussions
- ESG questionnaires for data collection
- Paticiaption in collaborative industry forums

TOPICS

- Material ESG issues and topics aligned with our core commitments including:
  - ESG transparency in alignment with leading frameworks
  - Climate and decarbonization
  - Board and management diversity

Represents Bain Capital Credit's view as of the date of this presentation and is subject to change. Activities are a representative list and not exhaustive. Nature of engagement varies depending on strategy and other factors. The processes noted herein are presented for illustrative purposes only and may not be performed in the same manner for every investment

DISCLAIMER

Please consider the following:

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Endnotes

Definitions

1. "Bank Loans" is defined as all USD denominated loans held in various Bain Capital Credit managed structured funds, Bain Capital Senior Loan fund, Bain Capital High Income Partnership, and Bain Capital Credit Separate Accounts.
2. "Bond Portfolios" or "Bonds" is defined as all USD denominated bonds held in Bain Capital Senior Loan fund, Bain Capital High Income Partnership, and Bain Capital Credit Separate Accounts.
3. "CLOs" is defined as all collateralized loan obligations issued or currently managed by Bain Capital Credit.
4. "High Income Strategy" is defined as the Bain Capital High Income Partnership and various Bain Capital Credit separate accounts where the invested assets are predominately bank loans and corporate bonds with strategic allocations to structured products, RMBS and credit hedges.
5. "RMBS"/"Mortgages" is defined as all investments in residential mortgage backed securities.
6. "Senior Loan Strategy" is defined as the Bain Capital Senior Loan Fund, Bain Capital Global Loan Fund, and various Bain Capital Credit separate accounts where the invested assets are predominately bank loans and corporate bonds.

Performance Disclosures

1. The performance information contained in this presentation is intended solely to provide investors with information about funds and accounts advised by Bain Capital Credit. There can be no assurance that the results achieved by Bain Capital Credit will be achieved by other investments, including other investments made by Bain Capital Credit. **Past performance should not be relied upon as an indication of future results.** Actual results may vary.
2. The information in this presentation has been prepared solely to assist interested parties in making their own evaluation of the strategy and does not purport to be complete or to contain all of the information that a prospective client or investor may consider material, or desirable, in making a decision to invest. The information contained herein is not a substitute for the recipient's independent evaluation and analysis.
3. Investors should not assume that the performance of any specific investment or investment strategy will be profitable or similar to past performance levels. An investment or investment strategy is impacted by numerous factors, including market and economic conditions, which are out of the control of Bain Capital Credit, which may result in loss to investors. Investment in a fund may fluctuate and the value may decline as well as appreciate and an investment should only be made by those persons who could sustain a total loss on their investment.
4. Some of the performance information contained in this document does NOT reflect the performance of any specific Bain Capital Credit fund, unless specifically noted. Performance is being shown to demonstrate Bain Capital Credit's relevant experience as an investment manager of the relevant assets. The returns of any Bain Capital Credit fund may be materially different from the returns shown. As such, investors should not construe the information contained in this presentation as an indication of potential performance of any Bain Capital Credit fund and should not rely on past performance when making an investment decision in any Bain Capital Credit fund. Full Bain Capital Credit fund returns are available upon request.
5. Investments shown are not a complete list of Bain Capital Credit fund investments. A full list of Bain Capital Credit fund investments and performance is available upon request.
6. The valuations and projections included herein do not currently include all estimated negative impact of the novel coronavirus outbreak in Asia, Europe, North America and/or other parts of the world, or the related economic ramifications. Given the significant level of uncertainty with this dynamic and evolving situation, we expect that valuations may be materially adversely impacted, at least in the short term.

Discussion of Returns

1. Gross returns shown do not reflect origination fees, advisory fees, performance allocations, taxes, transaction costs incurred in connection with the disposition of investments and other expenses to be borne by investors, which will have the effect of reducing returns and in the aggregate, are expected to be substantial. The compounding effect of fees on a portfolio reduce performance returns of an account. For example, an account paying no fees that begins with $1,000,000 and experiencing a consistent 8% return for 10 years would grow to approximately $2,169,000. An account charged a 1% fee and experiencing the same rate of return would grow to $1,998,000. Investment advisory fees including management fee, carried interest and other expenses are described in Part 2 of Bain Capital Credit's Form ADV, available upon request. Net returns may not be provided because the fees and expenses associated with individual investments are applied in aggregate at the vehicle level of the various Bain Capital Credit funds, which made these investments.
2. Net returns for commingled funds represent the returns to fee-paying non-affiliated investors after deduction of management fees, performance reallocation and partnership expenses. Performance information is unaudited and subject to change. These performance results may not have been compiled, reviewed, or audited by an independent party.
3. Fund level returns shown include returns generated by reinvested proceeds. If such returns were not included, the returns shown herein may have been lower.

Performance Calculations Methodologies

1. Multiple of Money (MoM) is equal to the total value for each investment divided by the investment amount for such investment.
2. Annualized returns are computed based on the change in value during the period of a theoretical investment made at the beginning of the period. The change in value of a theoretical investment is measured by comparing the aggregate ending value of Limited Partners with the aggregate beginning value adjusted for cash flows related to capital contributions or withdrawals during the period. Returns are geometrically linked on a monthly basis.
3. Internal Rate of Return (IRR) is a measure of the discounted cash flows (inflows and outflows) related to an investment. Specifically, IRR is the discount rate at which the net present value of all cash flows and any remaining investment value is equal to zero. In other words, IRR is the discount rate at which the (i) present value of all capital invested in an investment (including expenses specifically allocable to the investment) is equal to (ii) the present value of all returns from the investment (whether or not realized).
4. All IRR calculations are unaudited.
5. Net IRR reflects the impact of management fees, fund expenses and carried interest allocations.
6. IRRs shown include all returns generated by reinvested capital and profit.

AUM Calculations Methodologies

1. Firm-level AUM for Bain Capital is approximate and reflects assets under management for Bain Capital's affiliated registered investment advisers. Note that AUM presented for a particular affiliated adviser may not reflect that adviser's regulatory AUM as disclosed in its Form ADV.
2. AUM for Bain Capital Credit includes Bain Capital Credit, LP, its subsidiaries and credit vehicles managed by its AIFM affiliate except for vehicles managed by the Bain Capital Special Situations team.
3. AUM for Bain Capital Private Equity, Bain Capital Double Impact, Bain Capital Life Sciences, Bain Capital Ventures, Bain Capital Crypto, and Bain Capital Tech Opportunities includes gross asset value plus committed but uncalled capital for applicable active funds. In addition, the AUM includes the gross value plus committed but uncalled capital for internal coinvest commitments where applicable.
4. AUM for Bain Capital Credit includes vehicles advised and sub-advised by Bain Capital Credit, LP, its subsidiaries and credit vehicles managed by its AIFM affiliate.
5. AUM for Bain Capital Public Equity represents the aggregate net asset value of the Vehicles advised and sub-advised by Public Equity.
6. AUM for Bain Capital Real Estate represents the gross assets in the active funds and affiliated LP coinvest vehicles, as well as committed but uncalled capital for the active funds and affiliated LP coinvest vehicles managed by Bain Capital Real Estate.
7. AUM for Bain Capital Partnership Strategies includes NAV plus committed but uncalled capital for applicable active Funds. AUM includes Funds advised by BCPS as well as the value of certain other Partnership Strategies investments.
8. AUM for Bain Capital Insurance Solutions ("BCI") incudes net asset value of Insurance Dedicated Funds ("IDFs") sub advised by BCI and the gross asset value plus committed but uncalled capital for the Bain Capital Insurance Fund. In addition, the AUM includes the gross asset value plus committed but uncalled capital for internal coinvest commitments. The committed capital for the Bain Capital Insurance Fund includes commitments from the IDFs.

Endnotes

Indices Information

1. The Bank of America Merrill Lynch BBB & Lower Sovereign USD External Debt Index (EM Bonds) tracks the performance of US dollar denominated emerging market and cross-over sovereign debt publicly issued in the eurobond or US domestic market. Qualifying countries must have a BBB1 or lower foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P and Fitch). Countries that are not rated, or that are rated "D" or "SD" by one or several rating agencies qualify for inclusion in the index but individual non-performing securities are removed.
2. The Bank of America Merrill Lynch U.S. All Convertibles Index (Converts) is a rule driven index. which includes all bonds and preferred stocks of U.S.-registered companies, which have $50 million or more in aggregate market value and are convertibles in U.S. dollar-denominated common stocks, ADRs or cash equivalents.
3. The Bank of America Merrill Lynch US Corporate Index (HG Bonds or BAML US IG) tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.
4. The Bank of America Merrill Lynch U.S. High Yield Master II Index (BAML US HY) tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the US domestic market.
    - The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third Party Suppliers and has been licensed for use by Bain Capital, LP. ICE Data and its Third Party Suppliers accept no liability in connection with its use.
5. The Bank of America Merrill Lynch US Mortgage Backed Securities Index (Agency MBS) tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market.
6. The Bank of America Merrill Lynch US Treasury & Agency Index (Tsy/Agency Debt) tracks the performance of US dollar denominated US Treasury and non-subordinated US agency debt issued in the US domestic market.
7. The Barclays US Aggregate Bond Index (Investment Grade Corporates) is a broad-based, market-value-weighted benchmark that measures the performance of the US dollar-denominated, investment-grade, fixed-rate, taxable bond market. Sectors in the index include Treasuries, government-related and corporate securities, mortgage-backed securities (MBS) – agency fixed-rate and hybrid ARM pass-throughs-asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS).
8. The Barclays US Industrial Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate industrial bond market. It includes USD-denominated securities publicly issued by US and non-US industrial issuers.
9. The BKLN shows the PowerShares Senior Loan ETF.
10. The Credit Suisse High Yield Index is designed to mirror the investable universe of the $US-denominated high yield debt market. The highest Moody's/S&P ratings are Baa1/BB+ or Ba1/BBB+. Issues must be $US-denominated straight corporate debt, including cashpay, zero-coupon, stepped-rate and pay-in-kind (PIK) bonds. Floating-rate and convertible bonds and preferred stock are not included.
11. The Credit Suisse Leveraged Loan Index tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated "5B" or lower, meaning that the highest rated issues included in this index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries.
12. The Credit Suisse Western European High Yield Index is designed to mirror the investible universe of the Western European high yield debt market, with issues denominated in $US, Euro and British Pounds.
13. The Credit Suisse Western European Leveraged Loan Index (CS Western Euro LLI) is a weekly total return index that uses mark-to-market pricing to calculate market value change. The CS Western Euro LLI represents the investable universe of non-$US-denominated Western European loan market, with fully funded term loans denominated in Western European currencies, a minimum tenor of at least one year and a Moody's/S&P rating of Baa1/BB+, Ba1/BBB+ or lower; if unrated, the minimum initial spread must be 125 bps over LIBOR (or equivalent).
14. The J.P. Morgan European High Yield Index (JPM Euro HY) invests primarily in European and non-European below investment grade bonds denominated in European currencies.
15. The J.P. Morgan EU Leveraged Loan Index (JPM Euro LL) is designed to mirror the investable universe of Euro institutional leveraged loans.
16. The J.P. Morgan High Yield Index (JPM HY) is an unmanaged index of fixed income securities of domestic and foreign issuers with a maximum credit rating of BB+ or Ba1.
17. The J.P. Morgan Investment Grade Corporate Bond Index (JPM IG) is designed to broadly measure the performance of the most liquid securities in the investment grade corporate bond market.
18. The J.P. Morgan Leveraged Loan Index (JPM LL) is designed to mirror the investable universe of U.S. dollar institutional leveraged loans, including U.S. and international borrowers. The J.P. Morgan U.S. Liquid Index is a market-weighted index that measures the performance of the most liquid issues in the investment grade, dollar-denominated corporate bond market.
19. The J.P. Morgan Collateralized Loan Obligation Index (CLOIE, JPM CLO Index) is dedicated to tracking the US dollar-denominated broadly-syndicated, arbitrage CLO market. CLOIE is available categorized by period of origination (Pre- versus Post-Crisis) and further divided into five original rating classes (AAA, AA, A, BBB, BB, B).
20. The J.P. Morgan Default Monitor is published monthly and tracks defaults in the leveraged loan and high-yield markets.
21. The monthly rate shown for the 1 Month LIBOR+300 benchmark is based on an annualized rate of the current monthly LIBOR plus 3%. This benchmark will change based on any adjustments to LIBOR. 1 Month LIBOR +300 is shown since it is the performance hurdle for the Sankaty High Income Partnership, L.P. Refer to fund documents for full details of the performance hurdle.
22. Russell 2000 Value Index is a market capitalization-weighted index designed to measure the performance of the small-cap value segment of the U.S. equity market. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth rates.
23. The S&P/LSTA Leveraged Loan Index (LSTA) is a daily total return index that uses mark-to-market pricing to calculate market value change. The LSTA tracks, on a real-time basis, the current outstanding balance and spread over LIBOR for fully funded term loans. The facilities included in the LSTA represent a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers.
24. The S&P/LSTA U.S. Leveraged Loan 100 (LL100) is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market. The index consists of 100 loan facilities drawn from a larger benchmark – the S&P/LSTA (Loan Syndications and Trading Association) Leveraged Loan Index (LLI).
25. The S&P European Leveraged Loan Index (ELLI) is a multi-currency index that covers the European leveraged loan market back to 2003 and currently calculates on a weekly basis.
26. The S&P 500 Index (S&P 500) is a market capitalization-weighted index of common stocks of large capitalization companies. Companies in the S&P 500 Index have market capitalizations of at least $5 billion.
27. The S&P MidCap 400 provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.
28. The S&P SmallCap 600 measures the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.
29. SPX PE Forecast shows S&P 500 forecasted earnings per share.
30. The 50/50 LSTA/BAML US HY Blend Index is weighted as follows: 50% in the LSTA Index and 50% in the Bank of America Merrill Lynch US High Yield Master II Index.

Endnotes

INDICES INFORMATION CONTINUED

31. 10-Year Treasury measures total return of the 10-Year US treasury over the last 15 years.
32. These indices may not necessarily be indicative of the investment strategies for the investment vehicles advised by Bain Capital Credit. Assets and securities contained within indices are different than the assets and securities contained in Bain Capital Credit's investment vehicles and will therefore have different risk and reward profiles. Prospective investors should note that there are significant differences between the investment vehicles advised by Bain Capital Credit and the investments included in the various indices described herein. The investment vehicles advised by Bain Capital Credit will not necessarily invest in any of the investments that are included in an index, and may invest in types of investments not included in any index. The investment vehicles advised by Bain Capital Credit may have higher levels of risk, including through the limited use of leverage and concentrated positions, and volatility.
33. The returns of the indices are provided solely as an illustration of the market and economic conditions generally prevailing during the periods shown. Indices are not investments, are not professionally managed and do not reflect deductions for fees or expenses. It is not possible to invest directly in an index. Investors pursuing a strategy similar to an index may experience higher or lower returns and will bear the cost of fees and expenses that will reduce returns.

BAIN CAPITAL CREDIT RISK FACTORS

The following considerations, which summarize some, but not all, of the risks of investing in a particular Bain Capital Credit fund or strategy (the "Fund") should be carefully evaluated before making an investment in the Fund. The information set forth under "Risk Factors" in the Fund's Confidential Private Placement Memorandum must be reviewed in its entirety prior to investing in the Fund. An investment in the Fund will involve significant risks, including the loss of the entire investment. The interests in the Fund will be illiquid, as there is no secondary market for interests in the Fund and none is expected to develop.

General Market and Credit Risks of Debt Securities. Debt portfolios are subject to credit and interest rate risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk.

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

High Yield Debt. From time to time, the Fund will invest in high yield debt, a substantial portion of which is rated below investment-grade by one or more nationally recognized statistical rating organizations or are unrated but, in the adviser's opinion, of comparable credit quality to obligations rated below investment-grade, and have greater credit and liquidity risk than more highly rated debt obligations. High yield debt is generally unsecured and is often subordinate to other obligations of the obligor.

Financially Troubled Companies. From time to time, the Fund invests in the obligations of companies that are financially troubled and that are either engaged in a reorganization or expect to file for bankruptcy. Investments in financially troubled companies involve significantly greater risk than investments in non-troubled companies, and the repayment of obligations of financially troubled companies is subject to significant uncertainties.

Bank Loans. The investments of the Fund at times include interests in loans originated by banks and other financial institutions. The loans invested in by the Fund may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or subordinated.

Priority of Repayment for Certain Investments. The characterization of the Fund's investments as senior debt or senior secured debt does not mean that such debt will necessarily be repaid in priority to all other obligations of the businesses in which the Fund invests. Furthermore, debt and other liabilities incurred by non-guarantor subsidiaries of the borrowers of senior secured loans made by the Fund are often structurally senior to the debt held by the Fund. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, the debt and other liabilities of such subsidiaries will generally be repaid in full before any distribution can be made to an obligor of the senior secured loans held by the Fund.

Risks of Secured Loans. Fund have in the past and may in the future invest in secured loans that are over-collateralized at the time of the investment, but such secured loans nonetheless may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance.

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

Structured Products. The adviser has in the past and will in the future cause the Fund to invest in structured products, including assets typically referred to as "CLO debt" and "CLO equity." These investments will typically consist of equity or subordinated debt securities issued by a private investment fund that invests, on a leveraged basis, in the bank loan, high yield debt or other asset groups. The Fund's investments in structured products will be subject to a number of risks, including risks related to the fact that the structured products will be leveraged. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor in the equity or subordinated debt securities issued by a structured product.

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

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

Endnotes: GIPS® presentation

Bain Capital Liquid Senior Loan Composite

November 1, 2008 through December 31, 2021

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return (%)[1]	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Internal Dispersion (%)	Total Composite Assets ($M)	Composite Percentage of Firm Assets (%)	Total Firm Assets Excl. Uncalled Capital ($M)
2008[2]	-5.09%	-5.18%	-11.20%	N/A	N/A	1	N/A	$484.5	4.72%	$10,255.9
2009	43.79%	43.05%	51.62%	N/A	N/A	2	N/A	$738.6	4.40%	$16,791.5
2010	13.89%	13.32%	10.13%	N/A	N/A	3	N/A	$892.8	5.32%	$16,785.7
2011	4.68%	4.15%	1.52%	7.39%	8.43%	4	N/A	$1,210.2	7.87%	$15,380.7
2012	12.28%	11.68%	9.66%	4.88%	4.42%	4	N/A	$1,384.9	7.43%	$18,636.2
2013	6.95%	6.40%	5.29%	4.17%	3.77%	7	N/A	$1,722.0	9.95%	$17,305.6
2014	1.51%	1.02%	1.60%	2.32%	2.10%	13	N/A	$3,170.2	14.85%	$21,343.8
2015	0.06%	-0.45%	-0.69%	2.34%	2.14%	13	1.00%	$4,044.1	17.71%	$22,832.7
2016	9.84%	9.36%	10.16%	2.68%	2.89%	14	0.62%	$4,630.8	16.66%	$27,797.7
2017	4.92%	4.47%	4.12%	2.40%	2.70%	17	0.49%	$5,724.1	18.19%	$31,462.5
2018	0.90%	0.49%	0.44%	2.51%	2.86%	13	0.37%	$5,050.7	14.87%	$33,955.4
2019	8.74%	8.25%	8.64%	2.60%	2.77%	16	0.61%	$5,759.3	15.34%	$37,544.0
2020	4.44%	3.98%	3.12%	8.05%	8.67%	14	0.82%	$5,335.1	12.62%	$42,282.2
2021	6.67%	6.17%	5.20%	7.87%	8.47%	13	0.92%	$6,943.0	13.29%	$52,223.1

Bain Capital Credit, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Bain Capital Credit, LP has been independently verified for the periods January 1, 2001 – December 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Bain Capital Liquid Senior Loan Composite has had a performance examination for the periods November 1, 2008 – December 31, 2021. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

FIRM AND COMPOSITE INFORMATION

Bain Capital Credit, LP, the credit affiliate of Bain Capital, LP, is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Bain Capital Credit, LP invests in a wide variety of securities and investments, including leveraged loans, high-yield bonds, distressed/stressed debt, mezzanine debt, structured products and equities.

The Bain Capital Liquid Senior Loan Composite invests in assets that are predominately bank loans and corporate bonds.

The Bain Capital Liquid Senior Loan Composite was created on February 1, 2012. A complete list and description of firm composites is available upon request. A list of pooled fund descriptions for limited distribution and broad distribution pooled funds is available upon request.

BainCapital CREDIT

[1]The benchmark presented is the LSTA Leveraged Loan Index. Benchmark returns are not covered by the report of independent verifiers
[2]Represents performance from November 1, 2008 – December 31, 2008

Endnotes: GIPS® presentation

Bain Capital Liquid Senior Loan Composite

November 1, 2008 through December 31, 2021

PERFORMANCE CALCULATIONS
Valuations and returns are computed and stated in U.S. dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management fees, operating expenses, and carried interest (if any), but after all trading expenses and withholding taxes. Net-of-fees returns are calculated using actual management fees paid. Net-of-fees returns are presented before operating expenses but after management fees, all trading expenses, withholding taxes, and carried interest (if any). Prior to January 7, 2014, Net of Fees returns were presented after management fees, operating expenses, all trading expenses, withholding taxes, and carried interest (if any).

A representative management fee for the Bain Capital Liquid Senior Loan Composite is 0.50% per annum though the actual management fees can vary by account structure and size. A representative performance fee for the Bain Capital Liquid Senior Loan Composite is an amount equal to 15% of the Outperformance Accrual Amount for such Fiscal Period, though the performance fees can vary by account structure and size. Additional details are available upon request.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios included in the composite for the full year; it is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year.

The three-year annualized standard deviation measures the variability of the gross composite returns and the benchmark returns over the preceding 36-month period. Three year annualized ex-post standard deviation is not presented when the composite does not yet have 36 monthly returns.

The composite uses forward currency contracts to attempt to hedge foreign exchange risk. Additional information regarding policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Past performance does not guarantee future results.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE
From: Neil M. Guglielmo, General Manager

MEETING: AUGUST 8, 2023
ITEM: V

SUBJECT: **INVESTMENT MANAGER CONTRACT WITH WELLINGTON MANAGEMENT COMPANY LLP REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKET DEBT PORTFOLIO AND POSSIBLE COMMITTEE ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Committee recommend to the Board a three-year contract renewal with Wellington Management Company LLP for management of an active emerging markets debt portfolio.

Executive Summary

Wellington Management Company LLP (Wellington) has managed an active emerging markets debt portfolio for LACERS since February 2021. LACERS' portfolio was valued at $452 million as of June 30, 2023. Wellington is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

Discussion

Background
Wellington manages an active emerging markets debt portfolio for LACERS benchmarked against a custom benchmark consisting of a 50% weighting to the J.P. Morgan Emerging Market Bond Index (JPM EMBI) Global Diversified Index and a 50% weighting to the J.P. Morgan Government Bond Index-Emerging Markets (JPM GBI-EM) Global Diversified Index. Wellington's investment process begins with a thorough assessment of global economics and market conditions in order to develop a market outlook that sets the overall risk of the portfolio. An assessment of countries' ability and willingness to service external debt is formalized by a Wellington-developed country score that is used to identify relative value opportunities for the portfolio. The firm utilizes bottom-up corporate credit research, local debt analysis, and yield curve management to determine credit attractiveness. In addition, currency is considered with significant magnitude that warrants its own sector allocation strategy.

The Blended Opportunistic Emerging Markets Debt investment team is led by Senior Managing Director and Fixed Income Manager, Kevin Murphy (36 years industry experience), with support from portfolio manager Michael Henry (27 years industry experience) and macro strategist Gillian Edgeworth (20 years industry experience). They lead a team of ten portfolio managers, supported by a team of 31 specialists that include four macro strategists, six corporate credit analysts, and five quantitative research analysts. LACERS' portfolio was valued at $452 million as of June 30, 2023.

The Board hired Wellington through the 2019-2020 Active Emerging Markets Debt search process and authorized a three-year contract on September 8, 2020; the contract became effective on December 1, 2020. The current contract expires on November 30, 2023. Representatives of Wellington most recently presented a portfolio review to the Investment Committee on February 14, 2023.

Organization
Wellington is a private limited liability partnership owned by 199 partners, all of whom are fully active in the business of the firm. The firm has a total of 3,178 employees and is headquartered in Boston. As of June 30, 2023, the firm managed over $1.2 trillion in total assets with over $6.2 billion in the Blended Opportunistic Emerging Markets Debt strategy.

Due Diligence
Staff conducts routine due diligence of the manager that includes quarterly portfolio reviews and ad hoc investment discussions. LACERS staff last conducted an onsite meeting at Wellington's headquarters on April 11, 2023, that included interviews with key personnel across the organization. Staff concluded that Wellington's investment philosophy, strategy, and process have not changed materially over the contract period. As to the January 2022 retirement of Lead Portfolio Manager, James Valone, staff and NEPC were satisfied with the firm's organized transition to Kevin Murphy.

Due diligence discussions also addressed previously disclosed non-direct portfolio organizational and staffing changes including changes to the CEO, co-heads of Investment Strategy, CFO, and several other operational and administrative positions, none of which were deemed to have created any adverse impact on the management of the strategy.

Performance
As of June 30, 2023, Wellington outperformed its benchmark over the 3-month, 1-year, 2-year, and since inception time periods, as presented in the table below.

Annualized Performance as of 6/30/2023 (Net-of-Fees)				
	3-Month	1-Year	2-Year	Since Inception 2/5/2021
Wellington	2.75	11.60	-5.50	-4.95
50% JPM EMBI Global Diversified Index/50% JPM GBI-EM Global Diversified Index	2.35	9.41	-6.58	-5.89
% of Excess Return	*0.40*	*2.19*	*1.08*	*0.94*

Calendar year returns are presented as supplemental information in the following table.

Calendar Year Performance as of 6/30/2023 (Net-of-Fees)			
	1/1/2023- 6/30/2023	2022	2/5/2021- 12/31/2021
Wellington	6.78	-13.44	-4.20
50% JPM EMBI Global Diversified Index/50% JPM GBI-EM Global Diversified Index	5.94	-14.75	-4.26
% of Excess Return	*0.84*	*1.31*	*0.06*

Wellington is in compliance with the LACERS Manager Monitoring Policy.

Fees
LACERS pays Wellington an effective fee of 49 basis points (0.49%), which is approximately $2.2 million annually based on the value of LACERS' assets as of June 30, 2023. This fee ranks in the 57th percentile of fees charged by similar managers in the eVestment database (i.e., 43% of like-managers have higher fees). Since inception, LACERS has paid Wellington a total of $4.6 million in investment management fees as of June 30, 2023.

General Fund Consultant Opinion
NEPC concurs with this recommendation.

Strategic Plan Impact Statement

A contract renewal with Wellington will allow the fund to maintain a diversified exposure to active emerging markets debt, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's organization, strategy, performance, and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/WL/JP:rm

Attachment: 1. Consultant Recommendation – NEPC, LLC

To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: August 8, 2023

Subject: Wellington Management Company LLP

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System ('LACERS') renew the contract with Wellington Management Company LLP ('Wellington') for a period of three years from the date of contract expiry.

Background

Wellington has been an investment manager for LACERS since February 5, 2021 and manages an emerging markets fixed income portfolio within the Credit Opportunities asset class. As of June 30, 2023, Wellington managed $451.9 million, or 2.1% of Plan assets. The portfolio is benchmarked against a 50:50 split between the JPM EMBI Global Diversified Index and the JPM GBI-EM Global Diversified Index. The portfolio has a performance objective of outperforming the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The portfolio is currently in good standing according to LACERS' manager monitoring policy.

Wellington traces its history back to 1928. As of March 31, 2023 the firm had $1.18 trillion in assets under management ('AUM') and focused on investments across asset classes including global equities, fixed income, currencies and commodities. Wellington is an independent, private partnership. The Managing Partners are responsible for the governance of the partnership. Headquartered in Boston, Massachusetts, Wellington has offices in Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Luxembourg; Singapore; Sydney; Tokyo; Toronto; and Zurich.

The lead portfolio manager on the LACERS portfolio is Kevin Murphy, Portfolio Manager and he is supported by Michael Henry, Portfolio Manager and Gillian Edgeworth, Macro Strategist. Wellington's Emerging Markets Debt team relies on dedicated research analysts which includes macro strategists, fixed income credit analysts and fixed income strategists. The macro strategists are responsible for having a view on country fundamentals, local rates, and local currencies. They express their recommendations on a graduated scale: Top Perform, Outperform, Market weight, Underperform, Sell. The corporate analysts use a similar framework. Country fundamental assessments are core to the research process and incorporate both quantitative and fundamental factors. The fixed income strategists maintain and enhance the quantitative models that are a critical component of the research process. The research team is located in a small number of global offices, with the majority of the analysts based in Boston.

The portfolio's investment philosophy is based upon three principles. First, that emerging markets must be approached from a global perspective. Second, market inefficiencies can be exploited by using proprietary quantitative and fundamental research and a disciplined investment process.

Third, the risks associated with investing in emerging markets must be managed across multiple dimensions.

The investment process begins with an assessment of global economics and market conditions. Wellington combines top-down macroeconomic analysis with detailed bottom-up research to identify key secular trends, assess cyclical risks and compare valuations across sectors and markets to determine the outlook for emerging markets debt and currency markets. This market outlook helps determine the overall risk level of the portfolio. The team then employs proprietary quantitative techniques and fundamental research to analyze the drivers of sovereign, corporate, currency, and local debt markets across approximately 80 emerging markets countries.

The portfolio managers are responsible for constructing the LACERS portfolio with Kevin Murphy having final responsibility. They review the best ideas that come out of the research process and select the positions best suited to meet the overall portfolio objectives established. Typically, the investment horizon on a holding is three-to- twelve months. The portfolio will invest across the full opportunity set in emerging markets debt including sovereign and corporate debt of emerging markets countries, as well as local-currency denominated debt on both a hedged and an unhedged basis.

Performance

Referring to Exhibit 2, as of June 30, 2023, since the portfolio's inception date of March 1, 2021, the portfolio has outperformed its benchmark by 1.1% and ranked in the 51st percentile in its peer group. In the past one-year, ended June 30, 2023, the portfolio has outperformed the benchmark by 2.2% and ranked in the 22nd percentile in its peer group. Referring to Exhibit 1, evaluating Wellington's performance over longer periods of time using Wellington's composite data sourced from eVestment, the composite has outperformed over all time periods. Since March 1, 2009, the portfolio has outperformed by 1.1%, over the last 10 years the portfolio outperformed by 0.7% and over the last 5 years the portfolio outperformed 0.6%.

Referring to Exhibit 3, outperformance since inception has been driven by the last five quarters with the portfolio exhibiting some meaningful down-market outperformance in the third quarter of 2022. Within the third quarter of 2022, Russian debt which had not been trading since the invasion of Ukraine rebounded in pricing. More broadly, security selection, developed market duration positioning and emerging markets local duration positioning has driven outperformance.

Fees

The portfolio has an asset-based fee of 0.49% annually. This fee ranks in the 57th percentile among its peers in the eVestment Global Emerging Markets Fixed Income – Blended Currency universe. In other words, 43% of the products included in the peer universe have a lower fee than the LACERS account.

Conclusion

Wellington has performed in-line with expectations and has outperformed the benchmark since inception. The firm and portfolio management team has exhibited stability in team and investment process. NEPC recommends a contract extension for a period of three years from the period of contract expiry.

The following tables provide specific performance information, net of fees referenced above.

Exhibit 1: Wellington Blended Opportunistic Emerging Markets Debt Net of Fees Composite as of June 30, 2023

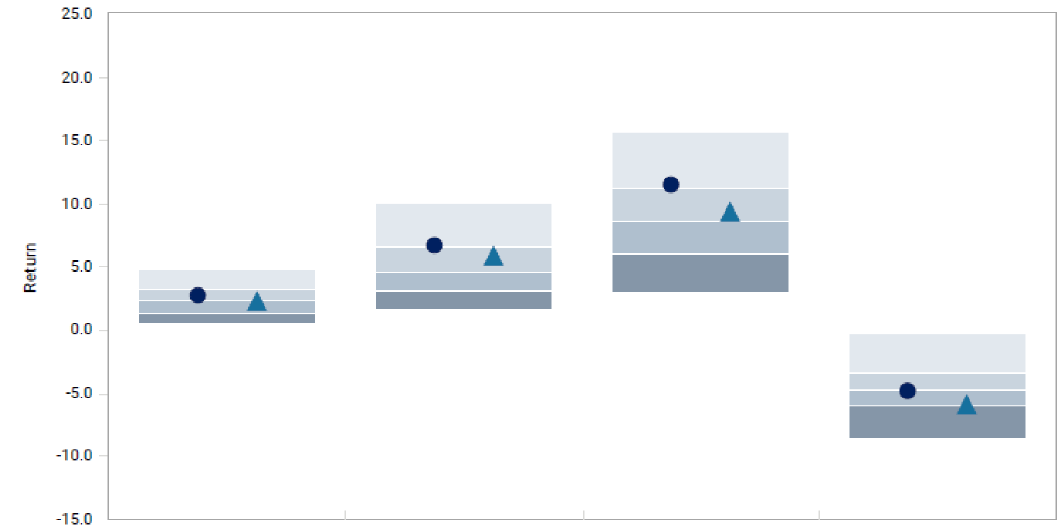
Firm Name	Returns - MRQ (06/2023)	Returns - 1 Year (06/2023)	Returns - 3 Years (06/2023)	Returns - 5 Years (06/2023)	Returns - 10 Years (06/2023)	Returns - Since Inception 14.33 Years 03/2009 - 06/2023
Wellington Management Company LLP	2.92	10.99	-1.64	1.02	1.85	5.72
50% JPM EMBI GD/50% JPM GBI-EM GD	2.35	9.41	-2.24	0.47	1.18	4.60
Excess	*0.57*	*1.58*	*0.60*	*0.56*	*0.67*	*1.13*

Source: eVestment and NEPC

Exhibit 2: Universe Performance Comparison Net of Fees Ending June 30, 2023

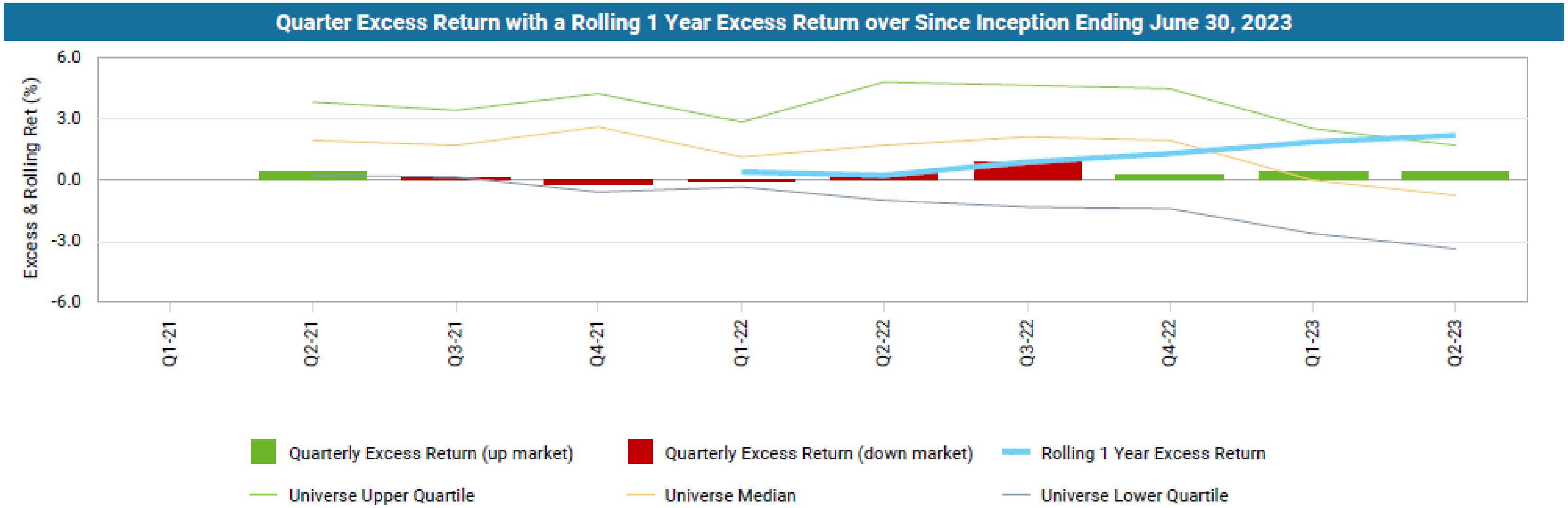
Note: Universe is considered preliminary

Wellington vs. eV All Emg Mkts Fixed Inc



	3 Mo (%)	YTD (%)	1 Yr (%)	Inception (%)
● Wellington	2.7 (37)	6.8 (24)	11.6 (22)	-4.8 (51)
▲ *50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified*	*2.3 (49)*	*5.9 (34)*	*9.4 (44)*	*-5.9 (71)*
5th Percentile	4.8	10.1	15.8	-0.2
1st Quartile	3.2	6.6	11.1	-3.3
Median	2.3	4.6	8.7	-4.8
3rd Quartile	1.4	3.2	6.0	-6.0
95th Percentile	0.5	1.7	3.0	-8.5
Population	258	255	255	245

Exhibit 3: Cumulative Excess Performance Net of Fees Ending June 30, 2023



LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE **MEETING: AUGUST 8, 2023**
From: Neil M. Guglielmo, General Manager **ITEM: VI**

SUBJECT: **ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM**

ACTION: ☐ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☒

Recommendation

That the Investment Committee receive and file this report.

Executive Summary

LACERS' Emerging Investment Manager Program aims to hire and retain Emerging Investment Managers in order to add value to the LACERS investment portfolio. This report highlights the Emerging Investment Manager firms hired, dollar amounts awarded, and staff and consultant efforts to increase Emerging Investment Manager representation in the LACERS investment portfolio in calendar year 2022. Staff will schedule the Annual Report on LACERS Emerging Investment Manager Program for Board review at a future meeting.

Discussion

Background
LACERS' Emerging Investment Manager Policy (Policy) was adopted on February 14, 2012, and was most recently revised on May 25, 2021. The Policy identifies guidelines and sets goals to hire and retain Emerging Investment Managers that would otherwise not be identified in the standard LACERS investment manager search process in order to add value to the LACERS investment portfolio. Smaller investment management firms may generate superior performance returns due to increased market flexibility associated with smaller asset bases. The Policy sets a goal of funding Emerging Investment Managers at no less than 10% of available capital and provides minimum criteria for firms to qualify as an Emerging Investment Manager.

Pursuant to the Policy, this annual report provides the status of the Emerging Investment Manager Program for the year ending December 31, 2022, including the following information:

1. Names and dollar amounts awarded to Emerging Investment Managers
2. Report of Emerging Investment Manager goal metrics
3. List of all investment manager searches

4. Staff and consultant efforts to increase the visibility of LACERS' investment manager searches and representation of Emerging Investment Managers in the LACERS investment portfolio
5. Performance data for funds managed by Emerging Investment Managers

1. Names and Dollar Amounts Awarded to Emerging Investment Managers in 2022

Manager	Style	Asset Class	Investment/ Commitment	Consultant
Lightbay Investment Partners II, LP	Buyout - Small	Private Equity	$25,000,000	Aksia CA LLC
1315 Capital III, LP	Growth Equity	Private Equity	$30,000,000	Aksia CA LLC
L2 Point Opportunities I, LP	Mezzanine	Private Equity	$30,000,000	Aksia CA LLC
Auldbrass Partners Secondary Opportunity Fund III, LP	Secondaries	Private Equity	$20,000,000	Aksia CA LLC
Sunstone Partners III-Main, LP	Growth Equity	Private Equity	$20,000,000	Aksia CA LLC

2. Emerging Investment Manager Goal Metrics

The Policy sets a goal for Emerging Investment Manager exposure in public and private market asset classes at no less than 10%.

Public Markets
For each public markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total market value of Emerging Investment Managers within a respective asset class divided by the total market value of the respective asset class; and 2) Manager Search Metric: total dollars awarded to Emerging Investment Managers in a particular public asset class manager search divided by the total dollars awarded for the respective manager search.

In calendar year 2022, there were no public markets search initiated. The Passive U.S., Non-U.S., and Global Index Strategies, initiated in 2021, was completed in 2022; no contracts were awarded to Emerging Investment Managers.

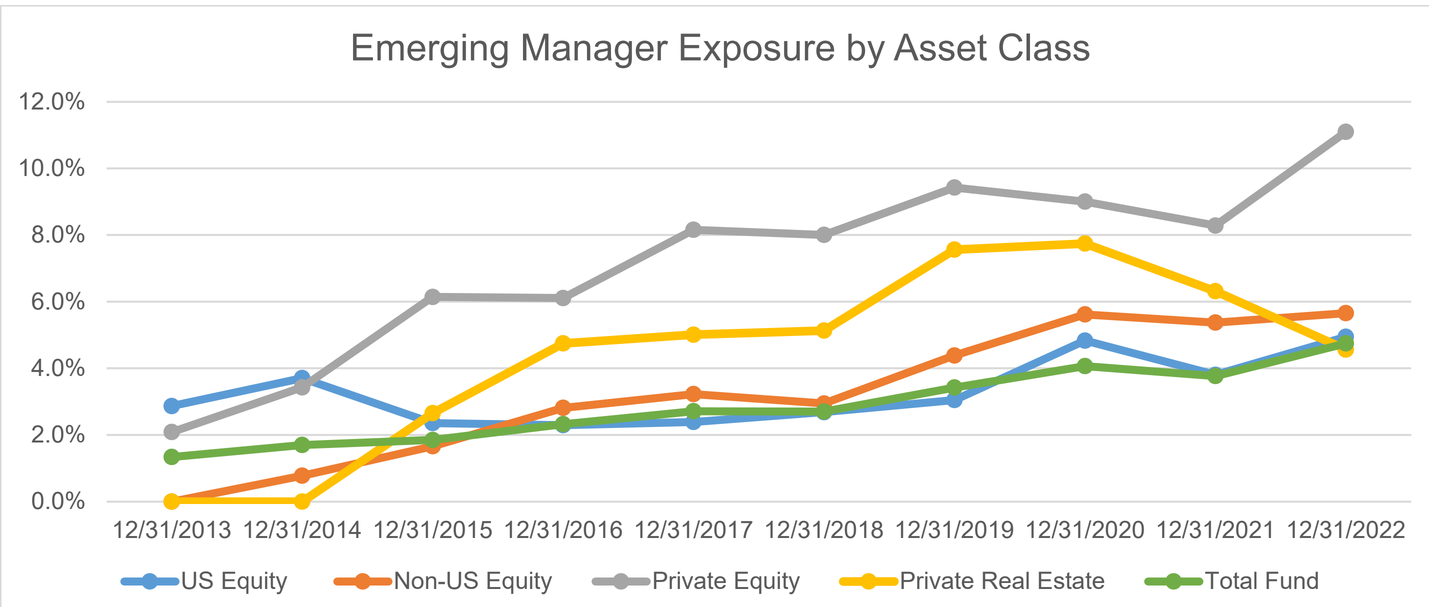
Public Market Asset Classes	Emerging Manager Exposure (Metric 1)	Public Markets Manager Searches (Metric 2)
U.S. Equity	4.9%	0.0%
Non-U.S. Equity	5.7%	0.0%
Core Fixed Income	0.0%	N/A
Credit Opportunities	0.0%	N/A
Public Real Assets	0.0%	N/A

Private Markets

For each private markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total committed dollars of Emerging Investment Managers within a respective asset class divided by all the dollars within that respective asset class on a market value basis; and 2) Manager Search Metric: the total of all committed capital awarded to Emerging Investment Managers of completed searches within a respective private market asset class divided by all committed capital awarded within the respective private market asset class over a 36-month rolling period ending December 31, 2022.

Private Market Asset Classes	Asset Class (Metric 1)	Manager Search (Metric 2)
Private Equity	11.1%	9.3%
Private Real Estate	4.6%	0.0%

On a fund-number basis for the 36-month period ending December 31, 2022, LACERS authorized commitments to a total of 12 private equity Emerging Investment Managers out of 69 private equity funds (17%) and zero real estate Emerging Investment Managers out of 11 real estate funds (0%).



Asset Class	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
U.S. Equity	2.9%	3.7%	2.4%	2.3%	2.4%	2.7%	3.0%	4.8%	3.8%	4.9%
Non-U.S. Equity	0.0%	0.8%	1.5%	2.8%	3.2%	2.9%	4.4%	5.6%	5.4%	5.7%
Private Equity	2.1%	3.4%	6.1%	6.1%	8.2%	8.0%	9.4%	9.0%	8.3%	11.1%
Private Real Estate	0.0%	0.0%	2.7%	4.7%	5.0%	5.1%	7.6%	7.7%	6.3%	4.6%
Total Fund	1.3%	1.7%	1.8%	2.3%	2.7%	2.7%	3.4%	4.1%	3.8%	4.7%

3. Searches Conducted in 2022

Searches Initiated:

- N/A

Searches Completed:

- Passive U.S., Non-U.S., and Global Index Strategies Mandate Search – $8.8 billion

4. Efforts to Increase Visibility and Representation of Emerging Investment Managers

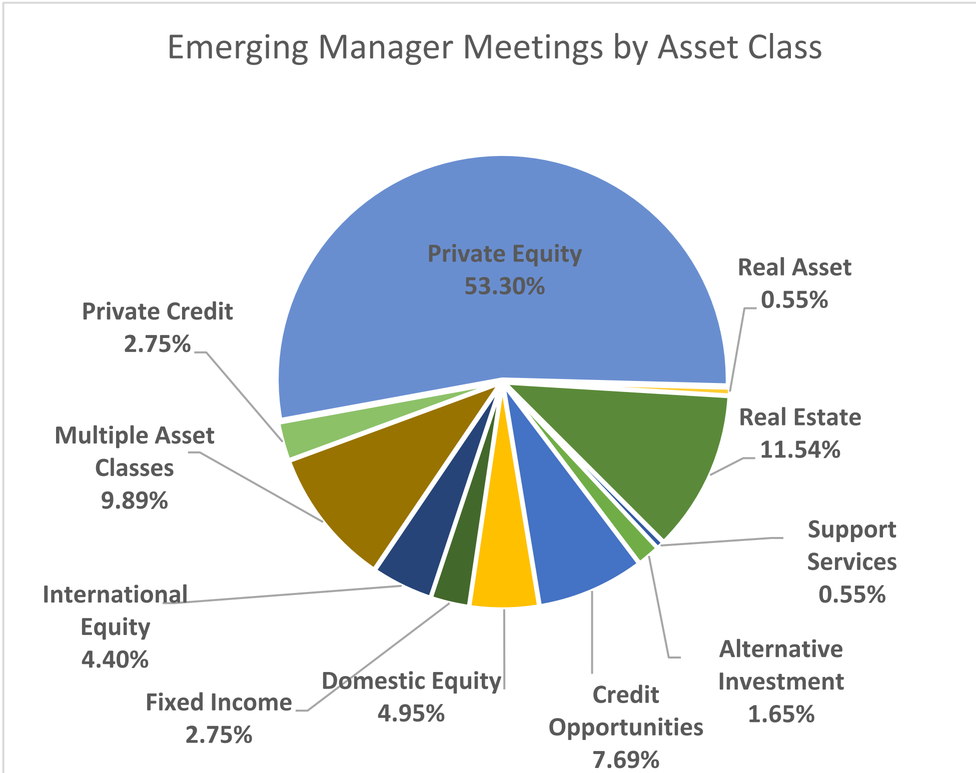
Staff

LACERS actively engages the emerging manager community to help achieve the policy objectives established by the Emerging Investment Manager Policy. During calendar year 2022, staff participated in the following emerging manager networking and meeting events:

2022 Emerging Manager Events	
January	Teacher Retirement System of Texas/Texas Employees Retirement System Emerging Manager Conference
April	LACERS Emerging Manager Symposium
June	GCM Grosvenor Emerging Manager Consortium
July	The Investment Diversity Exchange
August	Girls Who Invest
October	GCM Grosvenor Small and Emerging Managers Conference
November	LACERS Emerging Manager Symposium
November	Toigo Foundation
December	Institutional Allocators for Diversity Equity & Inclusion
December	Transact Global

In 2022, LACERS hosted Spring and Fall Emerging Manager Symposium events. These semi-annual events are designed to educate emerging managers about LACERS' Emerging Manager Program and investment process. Both events were highly successful and well attended. The combined events had over 650 participants. Replays of the Spring and Fall symposiums which have been viewed 532 times as of July 26, 2023, are available on the LACERS YouTube channel: https://www.youtube.com/lacersyoutube

Additionally, staff regularly meets with emerging managers. During the calendar year 2022, staff held a total of 182 emerging manager meetings depicted by asset classes in the chart below.



Consultants

LACERS retains three investment consultants. The consultants' respective emerging manager activities for the one-year period ending December 31, 2022, are summarized below.

Consultant	Meetings or Calls	Emerging Manager Conferences	Awarded to Emerging Managers
NEPC, LLC (General)	206	12	$4.1 billion / 19 managers
Aksia CA LLC (Private Equity)	172	11	$90 million / 4 managers
The Townsend Group (Real Estate)	80	12	$805.7 million / 7 managers

Note: The definition of "Emerging Manager" for this matrix is based on the emerging investment manager criteria unique to each consultant.

5. Performance Data of LACERS Emerging Investment Managers (as of 12/31/2022)

Public Markets Managers Performance (Net-of-Fees)	Inception Date	One Year	Two Years	Three Years	Five Years	Since Inception
Oberweis Asset Management, Inc.[1]	Jan-2014	-37.28	-19.27	2.36	0.54	4.53
MSCI EAFE Small Cap Index		-21.39	-6.97	-0.93	-0.04	3.76
Excess Return		*-15.89*	*-12.30*	*1.43*	*0.58*	*0.77*
EAM Investors LLC[2]	Sep-2015	-31.11	-15.45	0.99	6.10	8.06
Russell 2000 Growth Index		-26.36	-12.98	0.65	3.51	7.47
Excess Return		*-4.75*	*-2.47*	*0.34*	*2.59*	*0.59*
Granahan Investment Management, Inc.[3]	Aug-2020	-31.38	-17.33	-	-	-2.77
Russell 2000 Growth Index		-26.36	-12.98	-	-	-0.83
Excess Return		*-5.02*	*-4.35*	-	-	*-1.94*

Public Markets Managers Peer Comparison	Universe	Number of Peers in Universe	5-Year Return % (Peer Rank)	5-Year Peer Median Return %	5-Year Sharpe Ratio (Peer Rank)	5-Year Sharpe Ratio Median
Oberweis Asset Management, Inc.	eV EAFE Small Cap Equity Net Median	72	0.54 (43rd)	0.16	0.09 (29th)	0.05
EAM Investors LLC	eV US Small Cap Growth Equity Net Median	157	6.10 (68th)	7.69	0.31 (68th)	0.37
Granahan Investment Management, Inc.[4]	eV US Small Cap Growth Equity Net Median	157	18.56 (1st)	7.69	0.57 (1st)	0.37

Private Real Estate Emerging Fund Managers	Vintage Year	Net IRR[5]	Return Multiple	Sourced By
Gerrity Retail Fund 2, LP	2015	4.1%	1.2x	Townsend Group
Asana Partners Fund I, LP	2017[6]	14.3%	1.8x	Townsend Group
Broadview Real Estate Partners Fund, LP	2019	11.4%	1.1x	Townsend Group

[1] Account funded on January 15, 2014. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed $2 billion.
[2] Account funded on October 1, 2015. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed $2 billion.
[3] Account funded on October 1, 2020. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed $2 billion.
[4] Composite strategy performance was used to determine the 5-year peer rankings due to the limited track record of LACERS' accounts. Five-year data sourced from eVestment Small Cap Focused Growth composite provided by Granahan.
[5] A private market fund typically yields a low or negative IRR during its early life “J Curve” period.
[6] LACERS committed to fund in calendar year 2016.

Private Equity Emerging Fund Managers	Vintage Year	Net IRR[5]	Return Multiple	Sourced By
High Road Capital Partners Fund II, LP	2013	14.8%	1.8x	Hamilton Lane
Blue Sea Capital Fund I, LP	2014	19.9%	2.3x	Portfolio Advisors
Oak HC/FT Partners, LP	2014	31.6%	4.1x	Portfolio Advisors
1315 Capital, LP	2015	17.6%	2.0x	Portfolio Advisors
New Water Capital Partners, LP	2015	13.5%	1.5x	Portfolio Advisors
Angeles Equity Partners I, LP	2015	19.6%	1.6x	Portfolio Advisors
CenterGate Capital Partners I, LP	2015	22.5%	1.7x	Portfolio Advisors
Sunstone Partners I, LP	2016	37.6%	2.8x	Portfolio Advisors
Defy Partners I, LP	2016[7]	11.7%	1.4x	Portfolio Advisors
NMS Fund III, LP	2017	27.4%	1.9x	Portfolio Advisors
Oak HC/FT Partners II, LP	2017	39.2%	2.9x	Portfolio Advisors
Astra Partners I, LP	2017	5.9%	1.2x	Portfolio Advisors
Mill Point Capital Partners, LP	2018	27.4%	2.1x	Portfolio Advisors
1315 Capital Fund II, LP	2018	23.2%	1.5x	Portfolio Advisors
DEFY Partners II, LP	2019	22.2%	1.4x	Aksia CA LLC
P4G Capital Partners I, LP	2019	-12.6%	0.9x	Aksia CA LLC
Sunstone Partners II, LP	2019	23.7%	1.2x	Aksia CA LLC
OceanSound Partners Fund, LP	2020	24.1%	1.5x	Aksia CA LLC
Builders VC Fund II, LP	2020	8.7%	1.1x	Aksia CA LLC
ULU Ventures Fund III, LP	2021	-1.7%	1.0x	Aksia CA LLC
Mill Point Capital Partners II, LP	2021	17.3%	1.1x	Aksia CA LLC
Avance Investment Partners, LP	2021	4.7%	1.0x	Aksia CA LLC
Biospring Partners Fund, LP	2021	-19.4%	0.9x	Aksia CA LLC
DEFY Partners III, LP	2021	-	0.8x	Aksia CA LLC
LightBay Investment Partners II, L.P.	2022	-	0.9x	Aksia CA LLC
1315 Capital III, L.P.	2022	-	-	Aksia CA LLC
L2 Point Opportunities I, L.P.	2022	-	1.0x	Aksia CA LLC
Auldbrass Partners Secondary Opportunity Fund III, L.P.	2022	-	0.4x	Aksia CA LLC
Sunstone Partners III-Main, LP	2022	-	-	Aksia CA LLC

[7] LACERS committed to fund in calendar year 2017.

Strategic Plan Impact Statement

The Emerging Investment Manager Policy aims to add value to the LACERS investment portfolio by hiring Emerging Investment Managers, consistent with Goal IV, which aims to optimize long-term risk adjusted investment returns. The presentation and discussion of the Policy's goals, metrics, manager outreach and manager performance are consistent with Goal V, which aims to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Ricky Mulawin, Management Analyst, Investment Division

NMG/RJ/BF/BS/RM