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PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Atalaya Capital Management LP (the “Firm” or “Atalaya”). If you have any questions about the contents of this brochure, please contact us at (212) 527-8146. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

From time to time in this and other documents, Atalaya may refer to itself as a “registered investment adviser” by virtue of its registration with the SEC. This title does not imply any level of training or skill.

Additional information about Atalaya is also available on the SEC’s website at www.adviserinfo.sec.gov.

This brochure discusses Atalaya’s business in relation to the “Atalaya Clients” (as defined herein). A separate brochure describes Atalaya’s business in relation to the “TTM Clients” (as defined herein).

Item 2
Material Changes

This Form ADV Part 2A brochure of Atalaya Capital Management LP (“Atalaya”) updates the first annual Form ADV Part 2A filing made by Atalaya on February 14, 2012, which was made in connection with Atalaya’s initial registration as an investment adviser with the SEC.

There are no material changes to report.

In the future, this Item will identify and summarize material changes in this brochure from one year to the next (if any). It will also reference the date of the last annual update of the brochure.

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Advisory Business

Introduction

Atalaya, a Delaware limited partnership founded in 2006, is an investment adviser located in New York, New York. The principal owner of Atalaya is Ivan Q. Zinn. Mr. Zinn also serves as Atalaya's Chief Investment Officer.

From its founding in 2006 through May 2011, Atalaya provided investment advisory services exclusively to pooled investment vehicles (the "Atalaya Funds"), separately managed accounts (the "Atalaya Managed Accounts") and co-investment vehicles to the Atalaya Funds ("Atalaya Co-Investments" and, collectively with the Atalaya Funds and the Atalaya Managed Accounts, the "Atalaya Clients"), and focused on credit and special opportunities, including, without limitation, secondary loan acquisitions and primary loan originations. In May 2011, Atalaya acquired the assets of TTM Capital, LLC ("TTM"), an unaffiliated investment adviser. The assets Atalaya acquired from TTM included management rights related to pooled investment vehicles (the "TTM Funds") and managed accounts (the "TTM Managed Accounts" and, collectively with the TTM Funds, the "TTM Clients"). Together the Atalaya Clients and the TTM Clients are referred to herein as the "Clients." With the consent of the TTM Funds' underlying investors and the owners of the TTM Managed Accounts, Atalaya assumed investment advisory responsibilities for the TTM Clients. Because the advisory contracts for the TTM Clients were developed prior to Atalaya's acquisition of the TTM Clients, the strategies, fees and other important factors contained in the TTM Clients' advisory contracts differ significantly from those of the Atalaya Clients. Atalaya has no plans to launch any new investment vehicles that are similar in structure or fees to the TTM Clients.

Due to the binary nature of the Firm's business, Atalaya has created two (2) Form ADV Part 2A brochures. This brochure describes Atalaya's business in relation to the Atalaya Clients, while a separate brochure describes the business in relation to the TTM Clients. If you wish to receive both brochures, please contact Richard Lieberman, at lieberman@atalayacap.com, to request copies. Both brochures are also publicly available on the SEC's website at www.adviserinfo.sec.gov.

Affiliates of Atalaya serve as the general partner or managing member, as applicable (individually, a "General Partner" and, collectively, the "General Partners") to the Atalaya Clients. Any investment advisory activities of the General Partners are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder, and the General Partners are subject to examination by the SEC. The General Partners and all of their employees and persons acting on their behalf are subject to the Firm's supervision and control with respect to any investment advisory activities.

Atalaya Clients

Atalaya provides discretionary investment advisory services to the Atalaya Funds. Atalaya has full discretion to invest and trade the Atalaya Funds' assets pursuant to its investment management agreement with, and the governing documents of, each Atalaya Fund. Atalaya typically seeks to generate attractive risk-adjusted returns by acquiring and/or originating a relatively diversified portfolio of credit and special opportunity investments. Atalaya's investment focus is on the opportunistic purchase of loans from distressed or otherwise motivated sellers, as well as the origination of credit to small and mid-sized companies and/or credit secured by real estate or consumer finance related assets.

Atalaya generally manages each Atalaya Fund pursuant to the objectives specified in the materials by which each Atalaya Fund offers its ownership interests to investors and pursuant to the restrictions or limitations (if any) set forth therein. The Atalaya Funds' investors generally do not have the right to restrict or influence the Atalaya Funds' investment objectives or any investment or trading decisions. Atalaya may tailor the advisory services it provides to the Atalaya Funds to the extent that certain investments cannot be held by certain Atalaya Funds for legal, regulatory and/or tax reasons.

Atalaya Co-Investments are special purpose vehicles created for the Firm and one or more Atalaya Fund investors (and/or third parties) to invest directly in a company or credit-related transaction. Occasionally, these co-investment vehicles are used to invest in a company or credit-related transaction that Atalaya has recommended to a Client. This occurs only when any Client that invested in the company or credit-related transaction reaches its "threshold limit" regarding the amount of that investment such Client can hold in its portfolio (for purposes of ensuring a diversified portfolio, each Atalaya Fund has a limit on the percentage of capital that may be invested in a single investment or issuer), or with respect to prospective investments that do not meet the investment objectives of any Atalaya Fund.

Atalaya also generally has full discretionary authority to make all trading and investment decisions for the Atalaya Co-Investments and the Atalaya Managed Accounts, subject to any investment restrictions or limitations that an investor in an Atalaya Co-Investment or Atalaya Managed Account may negotiate with Atalaya. Atalaya Clients may be permitted to impose restrictions on investing in certain securities or transactions or types of securities or transactions in an Atalaya Co-Investment or Atalaya Managed Account.

As of December 31, 2012, Atalaya had discretion over approximately \$814 million of Atalaya Clients' assets. As of December 31, 2012, the TTM Clients had approximately \$29 million in assets, of which Atalaya had discretion over approximately \$15 million of such assets, with the remaining approximately \$14 million being non-discretionary.

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Fees and Compensation

Interests in Atalaya Clients are offered only to “qualified purchasers” as defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”), and therefore the Firm is not required to include a fee schedule in this brochure. Please contact Richard Lieberman at lieberman@atalayacap.com for more information, including the Firm’s fee schedule.

The Firm deducts management fees (the “Management Fee”) directly from Atalaya Clients’ assets on a quarterly basis in arrears. The Firm also may be entitled to a performance fee (the “Carried Interest Distribution”), based on Atalaya Clients’ aggregate net realized gains (inclusive of net interest income) from investments (“Gains”), to the extent such Gains exceed a certain performance benchmark or hurdle. Generally, the Carried Interest Distribution is received by the Firm through the General Partners. Carried Interest Distributions, if applicable, are deducted directly from Atalaya Clients’ assets as investments realize gains and not on a pre-determined schedule. The Carried Interest Distribution is generally subject to a clawback provision in the event of the dissolution of an Atalaya Client if certain applicable conditions are met.

The Management Fee and Carried Interest Distribution for Atalaya Funds are non-negotiable; however, the Firm’s agreement with each Atalaya Fund gives the General Partners the authority to vary these fees for particular investors. By virtue of their structure, the Management Fee and Carried Interest Distribution for Atalaya Co-Investments and Atalaya Managed Accounts are negotiable.

The Atalaya Clients generally bear their own organizational, initial offering and operating expenses. Such operating expenses include, but are not limited to, investment expenses (*e.g.*, brokerage commissions, acquisition fees, expenses relating to short sales, clearing and settlement charges, loan servicing fees, custodial fees, initial and variation margin expenses, interests expenses, expenses related to proposed investments that were not consummated), professional fees (including, without limitation, expenses of consultants and experts’ fees relating to particular investments and retainer fees for sourcing services), travel and other expenses related to investments, entity-level taxes (including the New York City unincorporated business tax, if applicable), legal expenses, fees of the administrator, custodian fees, internal and external accounting expenses, compliance-related expenses (including, without limitation, in connection with any of Atalaya’s filing or reporting requirements with respect to the Atalaya Clients), loan-monitoring and other portfolio tracking software, audit and tax preparation expenses, appraisal and valuation fees, premiums for directors and officers, errors and omissions and lender liability insurance, the costs and expenses incurred in connection with indebtedness of the Atalaya Clients, including, without limitation, the costs of establishing such other indebtedness, the costs of monitoring compliance therewith (including, without limitation, the costs of purchasing, licensing or developing any computer software used for such purposes), expenses relating to the offer and sale of interests in the Atalaya Clients, including travel, printing and mailing fees, the Management Fees, the Additional Fees (as defined below), extraordinary expenses (including, without limitation, in

respect of litigation and taxes) and the costs and expenses of establishing the General Partners. To the extent that the Firm bears any of the above expenses, the Atalaya Clients will reimburse the Firm directly.

The Firm may charge a fee in connection with the management, administration and servicing of certain loans in the Atalaya Clients' portfolios (the "Additional Fee"). The Additional Fee is in addition to the Management Fee and is generally subject to a cap as defined in each Atalaya Client's governing documents.

As discussed above, Clients may incur brokerage and other transaction costs. Please see Item 12 "Brokerage Practices" for more information.

Clients do not pay fees in advance.

Neither Atalaya nor any of Atalaya's supervised persons accepts compensation for the sale of securities or other investment products.

Side Letters

The General Partner of an Atalaya Client may enter into side letters or other similar agreements with certain investors (without the approval of any other investors) in connection with their admission to such Atalaya Client. Such side letters or other similar agreements may alter and/or supplement the terms of an Atalaya Client's governing documents in a manner that makes the terms applicable to such investors more favorable than those applicable to other investors. Side letters will not alter rights to information with respect to the applicable Atalaya Client or its investment portfolio or investor liquidity rights.

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Performance-Based Fees and Side-By-Side Management

As stated in Item 5 (“Fees and Compensation”) above, Atalaya or a General Partner may be entitled to receive a Carried Interest Distribution in respect of its management of an Atalaya Client, based upon such Atalaya Client’s aggregate net realized gains (inclusive of net interest income) from investments (“Gains”), to the extent such Gains exceed a certain performance benchmark or hurdle specified in such Atalaya Client’s private placement memorandum (or the applicable governing agreements of an Atalaya Co-Investment or Atalaya Managed Account). With respect to certain Atalaya Funds, Atalaya or a General Partner is entitled to receive a Carried Interest Distribution after investors in such funds have received a return of their capital contribution plus a preferred rate of return, as specified in the governing documents of each such Atalaya Fund.

The Carried Interest Distribution may create an incentive for the Firm to recommend to the Atalaya Clients investments that are riskier or more speculative than those which would be made under a different fee arrangement.

Further, because the fee structure varies among the different Atalaya Clients and between the Atalaya Clients and the TTM Clients, Atalaya could have an incentive to favor one Atalaya Client over another or an Atalaya Client over a TTM Client based upon a potentially greater Carried Interest Distribution. The governing documents for each Atalaya Client and each TTM Client set forth specific procedures designed to ensure that each Atalaya Client and each TTM Client is treated fairly and to prevent this conflict from unduly influencing the allocation of investment opportunities. The potential for conflicts resulting from different fee structures among the Atalaya Clients and between the Atalaya Clients and the TTM Clients is further mitigated by Atalaya’s investment allocation policy, which addresses (and sets forth procedures designed to ensure) the fair allocation of investment opportunities with respect to all Clients.

Item 7

Types of Clients

The Firm provides investment advisory services to the Clients, which consist of privately offered pooled investment vehicles that are exempt from registration under the Investment Company Act Sections 3(c)(1) and/or 3(c)(7), co-investment vehicles and separately managed accounts. The Atalaya Funds are primarily marketed to institutional investors and high net worth individuals, and the Atalaya Funds limit investors to persons who meet the criteria for “qualified purchasers” as defined in the Investment Company Act, “accredited investors” as defined in the Securities Act of 1933 and “qualified clients” as defined in Rule 205-3 under the Advisers Act.

Each Atalaya Fund imposes minimum investor qualification standards (as noted above) and minimum investment requirements. In general, the minimum investment in Atalaya Funds has been \$5 million (although the Firm intends to increase this minimum investment to \$10 million with respect to future Atalaya Funds); however, this minimum investment threshold may be waived on a case-by-case basis at the discretion of the General Partner of each Atalaya Fund.

Investors in the Atalaya Managed Accounts and Atalaya Co-Investments are primarily institutional investors and high net worth individuals. Minimum account size for opening or maintaining an Atalaya Managed Account or participating in an Atalaya Co-Investment is negotiable.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

The Firm's investment focus for the Atalaya Clients is on the opportunistic purchase of loans from distressed or otherwise motivated sellers, as well as the origination of credit to small and mid-sized companies and/or credit secured by real estate or consumer finance related assets. The Firm utilizes a fundamental bottom-up process of identifying investment opportunities, beginning with proprietary sourcing efforts and utilizing an extensive network of industry contacts. The Firm's network helps Atalaya locate unadvertised, off-the-run potential investment opportunities (which, together with more widely marketed opportunities that Atalaya believes may still represent attractive investment opportunities), and its investment professionals conduct extensive diligence to determine which of these investment opportunities provides the best prospective risk/reward. The diligence process carried out by the Firm's investment professionals includes, but is not limited to, analysis of publicly available information, forensic accounting, on-site information gathering and analysis of company specific, sector specific, and general market trends. While the Firm focuses primarily on opportunistic loan purchases and the issuance of private credit, Atalaya reserves the right to utilize any investment strategy it believes will serve the best interests of the Atalaya Clients, subject only to the restrictions and limitations set forth in the governing documents of the Atalaya Clients.

The Firm's investment program is speculative and entails substantial risks. Investing in securities and transactions involves substantial risk of loss that Clients should be prepared to bear, including the risk of losing the entire investment. Certain of these risks are summarized below. Prospective investors, however, should consider carefully all of the risks related to investing in an Atalaya Client that are set forth in the applicable private placement memorandum or other offering documents, as well as the other matters (such as potential conflicts of interest) discussed therein.

Credit and Debt Related Investments

The Firm recommends primarily credit and debt related investments to the Atalaya Clients. There are a number of risks involved with these types of securities including general credit market risk, meaning that events which negatively impact the overall US and/or international credit markets could have a profoundly adverse impact on the value of investments held by the Atalaya Clients. Furthermore, the Firm does not "hedge out" credit risk, effectively creating Atalaya Client portfolios which are "long" the credit market. The Atalaya Clients' investments also tend to be illiquid, with a small or non-existent readily available market for resale. Therefore, the market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and an Atalaya Client may not be able to sell its investments when it desires to do so or to realize what it perceives to be fair value in the event of a sale.

Distressed Companies

The Firm will often recommend investments to the Atalaya Clients in companies in a distressed or near-distressed financial condition. There are a multitude of risks inherent with these types of recommendations, including but not limited to bankruptcy, litigation and default. Furthermore, it may

be difficult to obtain information as to the true condition of such companies. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Investments in such companies may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Firm's recommendation of any investment, and a significant portion (or all) of the obligations and securities which the Firm recommends may be less than investment grade.

Bank Loans

The Firm's investment strategy includes investments in bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Atalaya Client holding such an investment to directly enforce its rights with respect to participations.

Direct Lending

In regards to the Firm's direct lending investments, of primary concern is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Firm to perfect or effectuate a lien on the collateral securing the loan. The Firm will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

No Assurance of Investment Return

There can be no assurance that any Atalaya Client will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Atalaya Client participates.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that an Atalaya Client will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Limited Liquidity

Many of the Firm's recommendations are made with the assumption that a considerable amount of time will pass before the investment provides a realizable gain to investors and the Firm. In certain

instances, an Atalaya Client may be forced to sell or exit an investment earlier than the Firm would recommend due to liquidity issues, Atalaya Client dissolution, or other possible factors.

Illiquid and Long-Term Investments

Investment in an Atalaya Client may require a long-term commitment with no certainty of return. Many of the Atalaya Clients' investments will be highly illiquid, and there can be no assurance that an Atalaya Client will be able to realize on such investments in a timely manner. Although certain investments may generate current income, the return of capital and the realization of gains, if any, from an investment may (on a case-by-case basis) occur only upon the partial or complete disposition or refinancing of such investment.

Investments Longer than Term

An Atalaya Client may make investments which may not be advantageously disposed of prior to the date such Atalaya Client will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Litigation

Distressed credit investing and reorganizations, workouts and restructurings resulting from such activities can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Atalaya Client and would reduce net assets or could require investors to return to the applicable Atalaya Client distributed capital and earnings.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of an Atalaya Client that may adversely affect such Atalaya Client. There is a material risk that regulatory agencies may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including an Atalaya Client.

No Market for Interests; Restrictions on Transfers

Interests in the Atalaya Funds have not been registered under the Securities Act of 1933, as amended ("Securities Act"), or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in the Atalaya Funds and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the General Partner of the applicable Atalaya Fund, which consent may be given or withheld in accordance with the governing documents of the applicable Atalaya Fund. Withdrawals

from an Atalaya Fund are generally not permitted, and there may be little or no near-term cash flow available to investors as a result of owning the interests. Investors must be prepared to bear the risks of owning interests in the Atalaya Funds for an extended period of time.

Item 9
Disciplinary Information

In the past ten years, there have been no legal or disciplinary events involving either the Firm or any of its management persons that are material to Atalaya's advisory business.

Item 10

Other Financial Industry Activities and Affiliations

Neither the Firm nor any management person is registered, or has an application pending to register, as a broker-dealer, representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or associated person of a futures commission merchant commodity pool operator or commodity trading advisor.

As noted under Item 4 “Advisory Business,” Atalaya is affiliated with (i) related entities that serve as the general partners (previously defined individually as a “General Partner” and, collectively, as the “General Partners”) to the Atalaya Clients and (ii) TTM Partners LLC (the “TTM Managing Member”), which serves as the managing member to each of the TTM Clients. Atalaya serves as the investment manager to each of the Atalaya Clients and each of the TTM Clients. The General Partners, TTM Managing Member and all of their respective employees and persons acting on their behalf are subject to the Firm’s supervision and control with respect to any investment advisory activities. Mr. Zinn serves as the Chief Investment Officer of the Firm and the managing member of each General Partner. Mr. Zinn is the principal owner of the Firm and the General Partners. The relationships by and among Atalaya, the General Partners and the TTM Managing Member do not, in and of themselves, create any material conflicts of interest affecting investors in the Atalaya Clients.

Other than its investment advisory activities (and ancillary activities such as those generating Additional Fees), as described in Item 5 (“Fees and Compensation”) above), Atalaya currently does not engage in other financial industry activities or maintain other financial industry affiliations. The Firm does not generally recommend or select other investment advisers for its Clients; provided that it may do so on a case-by-case basis; but further provided that in any such instance, the Firm will not be compensated (whether directly or indirectly) by any such other investment adviser. In connection with the investment program for certain Atalaya Clients, the Firm will periodically cause the applicable Atalaya Client to enter into joint ventures with partners, the terms of which may provide for fees (including incentive fees) to be paid to such partners; provided that in any such instance, the Firm will not be compensated (whether directly or indirectly) by any such joint venture partner; and further provided that the Firm will typically maintain a material degree of investment decision-making rights.

Item 11

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

The Firm has adopted a Code of Ethics (the “Code”), which (i) describes the Firm’s fiduciary duties and responsibilities to its Clients and (ii) requires that the Firm’s employees act in the best interests of its Clients, act in good faith and in an ethical manner, avoid conflicts of interest with Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. The Firm’s employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Atalaya or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Atalaya’s employees. The Code generally prohibits employees from engaging in personal trading involving securities of issuers on the Firm’s restricted list and requires employees to: (i) pre-clear personal trading involving securities of issuers with certain market capitalization sizes; (ii) provide duplicate brokerage accounts statements to the Firm or to report all securities transactions on at least a quarterly basis; and (iii) provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material nonpublic information (“insider trading”) and other confidential information, as well as policies and procedures addressing conflicts of interest, outside activities of employees, gifts and business entertainment (including limitations and reporting requirements), and pre-clearance and reporting of political contributions. Atalaya will provide a complete copy of its Code to any investor upon request to Richard Lieberman, at lieberman@atalayacap.com.

From time to time, consistent with an Atalaya Client’s investment objectives and subject to satisfaction of the policies and procedures set forth in the Code, the Atalaya Client’s governing documents and applicable law, the Firm may recommend that an Atalaya Client acquire or sell an investment in which the Firm, an Atalaya employee, another Atalaya Client or a TTM Client has a pre-existing direct or indirect interest. A potential conflict of interest could arise from the fact that the Firm, the interested Atalaya employee, another Atalaya Client or a TTM Client could benefit from such a purchase or sale of the applicable investment by an Atalaya Client. However, the Code is designed to identify and manage conflicts of interest to the extent they arise in connection with such principal or cross-trade transactions and ensure that the Firm fulfills its role as a fiduciary to each of the applicable Atalaya Clients. Certain terms of the Atalaya Clients’ governing documents (including, without limitation, applicable terms and conditions with respect to investor advisory committees) and the equity participation of Atalaya related persons in the Atalaya Clients are designed to further mitigate such potential conflicts.

From time to time, the Firm creates co-investment vehicles (as previously defined, the Atalaya Co-Investments) through which Atalaya and one or more Atalaya Fund investors (and/or third parties) invest directly in a company or credit-related transaction. Occasionally, these co-investment vehicles are used to invest in a company or credit-related transaction that Atalaya has recommended to a Client. This

occurs only when any Client that invested in the company reaches its “threshold limit” regarding the amount of that investment such Client can hold in its portfolio (for purposes of ensuring a diversified portfolio, each Atalaya Fund has a limit on the percentage of capital that may be invested in a single investment or issuer), or with respect to prospective investments that do not meet the investment objectives of any Atalaya Fund.

Except as specifically set forth above, neither Atalaya nor any related person invests in the same securities that the Firm or any related person recommends to Clients.

Except as specifically set forth above, neither Atalaya, nor any related person, recommends securities to Clients, or buys or sells securities for Client accounts, at or around the same time Atalaya or such related person buys or sells securities for their own account.

Item 12

Brokerage Practices

While due to the nature of the Atalaya Clients' strategy, the transactions in which Atalaya Clients engage do not typically require the use of broker-dealers, the Firm will occasionally utilize broker-dealers in respect of Atalaya Client transactions (for example, a broker-dealer may be utilized to facilitate the purchase or sale of a portfolio of loans, assets or properties, or to source or arrange another type of investment opportunity). As a general matter, in such instances the broker-dealer will act in an advisory capacity to one of the transaction parties and as such, the applicable Atalaya Client will generally not transact directly with the broker-dealer.

Atalaya does not engage in soft dollar arrangements with broker-dealers.

Atalaya does not consider Client referrals when selecting or recommending a broker-dealer.

Atalaya does not engage in directed brokerage.

Due to the nature of the Atalaya Clients' strategy, Atalaya does not aggregate the purchase or sale of securities for various Clients accounts.

Allocation of Investment Opportunities

Atalaya seeks to allocate investment opportunities in a manner which is in the best interest of all Clients. Atalaya owes each Client a duty of loyalty and a duty to act in the Client's best interests. Accordingly, under no circumstances will Atalaya unfairly favor one Client over another. Although, when applicable, Atalaya generally seeks to allocate investment opportunities on a pro rata basis based on the size of each Client account, the allocation of an investment opportunity may be adjusted based on relevant circumstances including, without limitation: investment objectives, strategies and restrictions; portfolio and risk management strategies; tax, legal, regulatory and other considerations; asset levels and cash flow considerations; portfolio liquidity; timing and size of capital contributions and redemptions; market conditions; whether certain accounts would receive nominal or de minimis allocation amounts; portfolio concentration; participation in prior investments in the same issuer, and liquidity considerations, among others. The potential for conflicts resulting from different fee structures among the Atalaya Clients and between the Atalaya Clients and the TTM Clients is mitigated by Atalaya's investment allocation policy, which addresses (and sets forth procedures designed to ensure) the fair allocation of investment opportunities with respect to all Clients.

Certain Atalaya Funds are structured with onshore and offshore side-by-side fund vehicles. With respect to these structures, certain credit origination investments are initially entered into solely by the onshore fund vehicle and after a period of time, applicable pro rata interests in such investments are sold from the onshore fund vehicle to the offshore fund vehicle, in order to give the latter exposure to the investment. Atalaya's policies with respect to these types of transactions (including requiring a third

party appraisal and independent investor advisory board approval) are designed to allocate these investment opportunities appropriately, while complying with certain applicable structuring guidelines and considerations.

Trade Errors

From time to time trade errors may occur with respect to transactions made on behalf of the Atalaya Clients. The Atalaya Clients bear the costs of correcting these trade errors unless they are attributable to gross negligence of Atalaya or its employees.

Item 13

Review of Accounts

Ivan Q. Zinn, Atalaya's Chief Investment Officer, along with the other Partners of the Firm, generally reviews approximately twenty-five (25) percent of the investments in the Atalaya Clients' portfolios weekly. Through the weekly "asset management meetings", each investment held by an Atalaya Client is reviewed on at least a monthly basis. Additionally, these same individuals continually review the Atalaya Clients' portfolios on an informal basis. Due to the low turnover and long holding periods for typical Atalaya Client investments, more frequent formal review is conducted only as necessary.

The Firm does not utilize any specific criteria to trigger a review of Client investments at this time.

Within 120 days after the Firm's fiscal year-end, audited financial statements are delivered to each investor in the Atalaya Clients. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles by an independent public accounting firm that is registered with the Public Company Accounting Oversight Board. The Firm also sends investors unaudited performance information for the Atalaya Funds after each calendar quarter-end. Such reports will include the value of such investor's interest in the applicable Atalaya Fund, as determined based on the unaudited fair market value of the holdings in such fund.

Item 14
Client Referrals and Other Compensation

Atalaya's Clients are the pooled investment vehicles, co-investment vehicles and separately managed accounts to which it provides investment advisory services. Atalaya does not receive any economic benefits from non-Clients for providing advisory services to its Clients.

Atalaya does not compensate third parties for Client referrals.

Item 15

Custody

The Firm is deemed to have custody of Atalaya Client assets by virtue of it having the authority to obtain Atalaya Clients' assets, for example, by deducting advisory fees from an Atalaya Client's accounts or otherwise withdrawing funds from an Atalaya Client's account. Therefore, the Firm is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

In accordance with the Custody Rule, the Firm's CFO is responsible for ensuring that the Atalaya Clients' securities, other than certain "privately offered securities," are held only with a qualified custodian. The Firm's CFO is also responsible for arranging for annual independent audits of the Atalaya Funds by a major accounting firm within 120 days of the Atalaya Funds' fiscal year end and for obtaining audited financial statements prepared in accordance with GAAP. Atalaya arranges for the delivery of such audited financial statements to investors within 120 days of the Atalaya Funds' fiscal year end. Pursuant to the Custody Rule, in the event Atalaya has custody of the assets of any Atalaya Managed Account, Atalaya will arrange for the qualified custodian to send quarterly account statements directly to such managed account.

Item 16

Investment Discretion

As noted in Item 4 “Advisory Business,” Atalaya has full discretionary authority to manage the assets of the Atalaya Funds. This authority is conveyed pursuant to: (i) the investor’s subscription agreement, (ii) the investment management agreement, and (iii) the governing documents in connection with each Atalaya Fund. Investment decisions for each Atalaya Fund are made in accordance with the investment objectives, guidelines, restrictions and limitations set forth in each Atalaya Fund’s private placement memorandum.

Subject to any investment restrictions or limitations that the investors in each Atalaya Co-Investment and Atalaya Managed Account may negotiate with Atalaya, the Firm has complete investment authority with respect to all investments owned by the Atalaya Co-Investments and Atalaya Managed Account.

Item 17

Voting Client Securities

Atalaya has voting authority and responsibility with respect to securities held by the Atalaya Funds and may have voting authority with respect to securities held by other Atalaya Clients. In addition to proxy solicitations in connection with equity securities of traditional operating companies, proxy voting is also deemed to include any consent requested in matters such as bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities.

Given that the Atalaya Clients' investment strategy does not generally involve the acquisition of securities with voting authority, it is unlikely that any Atalaya Client will be placed in a position of traditional proxy voting authority. However, in accordance with the more expansive definition of proxy voting outlined above, all such decisions will be made in accordance with Atalaya's proxy voting policy adopted pursuant to Rule 206(4)-6 of the Advisers Act.

The Firm's policy is to vote proxies solely in the best interests of its Clients, in accordance with general fiduciary principles. Generally, Atalaya believes that management is best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, the Firm will generally vote proxies in line with management on routine and administrative matters, unless the Firm has a particular reason to vote to the contrary. This general policy is not a predetermination, however, to vote in favor of management, as the Firm will review all applicable proxies in accordance with the general fiduciary principles noted above. Under certain circumstances when Atalaya believes that management's proposal is not designed to maximize value for its Clients, the Firm will vote against management. Particularly with respect to non-recurring or extraordinary matters, the Firm will vote on a case-by-case basis in accordance with the goals of achieving a Client's stated objectives. The Firm at times may determine that refraining from voting a proxy is in the Client's best interest, such as when the Firm's analysis of a particular proxy indicates that the cost of voting the proxy may exceed the expected benefit to the Client.

If an Atalaya employee becomes aware that a conflict (or potential conflict) exists between (or among) the interests of Atalaya and one or more of its Clients or between (or among) one or more of Clients with respect to a proxy vote, the employee must bring the conflict to the attention of the Chief Compliance Officer who (in conjunction with senior management) will determine the appropriate course of action. If it is determined that a conflict of interest or potential conflict of interest is material, one or more methods may be used to resolve the conflict, including (i) disclosing the conflict to the Client and obtaining its consent before voting, (ii) engaging a third party to recommend a vote with respect to the proxy or (iii) such other method as is deemed appropriate under the circumstances.

Atalaya may retain a third party to assist it in coordinating and voting proxies with respect to Atalaya Client securities. If so, the Chief Compliance Officer will monitor the third party to assure that all proxies are being properly voted and appropriate records are being retained.

Clients may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting Richard Lieberman at lieberman@atalayacap.com.

Item 18
Financial Information

Atalaya does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

Atalaya does not believe there are any financial conditions reasonably likely to impair its ability to meet contractual commitments to Clients.

Atalaya has not been the subject of a bankruptcy petition at any time during the past ten years.