

# Atom Investors LP

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of Atom Investors LP (“Atom,” the “Investment Manager,” or the “Firm”). If you have any questions about the contents of this brochure, please contact Atom’s Chief Compliance Officer at (737) 249-0292 or [compliance@atomlp.com](mailto:compliance@atomlp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Atom Investors LP is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Our registration as an investment adviser does not imply a certain level of skill or training.

## **ITEM 2 – MATERIAL CHANGES**

Item 9 of this brochure has been updated since the last filed brochure, dated March 2024, primarily to reference a settled action with the SEC, dated September 23, 2024.

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### **ITEM 4 – ADVISORY BUSINESS**

Atom Investors LP (“Atom,” the “Investment Manager,” or the “Firm”), a Delaware limited partnership, was founded in February 2018 and commenced operations in June 2018. The principal owners of Atom are (i) Fusion Investors LLC (“Fusion”), a Delaware limited liability company, and (iii) Atom Strategies LLC (“Strategies”), a Delaware limited liability company. Basil Qunibi, the Chief Executive Officer and Chief Investment Officer of Atom (the “Principal”), and his related parties are the controlling members of Fusion. The Principal is also the controlling member of Strategies. No other member or partner owns, directly or indirectly, over 25% of Fusion, Strategies or Atom, respectively. As of the close of business on December 31, 2022, Atom advised approximately \$1.2 billion in regulatory assets under management on a discretionary basis.

Atom is an investment management company that provides discretionary investment advice to private investment funds, and discretionary and non-discretionary advice to individuals and institutions either directly or through financial intermediaries, including investment advisers, consultants, and wealth managers (“Intermediaries,” and individually, an “Intermediary”). These private investment funds, individuals, and institutions advised by Atom, including Index Pro Clients and Advisory Clients (as defined below) are collectively referred to as “Clients” throughout this brochure.

#### **Private Investment Funds**

The private investment funds Atom advises on a discretionary basis include (a) Atom Overseas Ltd. (the “Offshore Feeder Fund”), (b) Atom Partners LP (the “Domestic Feeder Fund”) and (c)

Atom Master Fund L.P. (the “Master Fund” and, collectively with the Offshore Feeder Fund and the Domestic Feeder Fund, the “Funds”). The Offshore Feeder Fund is an exempted company incorporated under the laws of the Cayman Islands to facilitate investment by U.S. tax-exempt investors and non-U.S. investors. The Domestic Feeder Fund is a limited partnership formed primarily for investment by U.S. investors. The Master Fund is a Cayman Islands exempted limited partnership. The Offshore Feeder Fund and the Domestic Feeder Fund invest substantially all of their investable assets through the Master Fund in a “master-feeder” arrangement.

Atom Associates LLC, a Delaware limited liability company and an affiliate of the Investment Manager (the “General Partner”), serves as the general partner of the Domestic Feeder Fund and the Master Fund, and is expected to serve as the general partner to any other feeder funds that may be formed to invest in the Master Fund. The General Partner has ultimate responsibility for the management, operations and the investment decisions made on behalf of the Master Fund. The principal owners of the General Partner are (i) Fusion and (ii) Strategies.

The investment objective of the Funds is to provide attractive risk-adjusted returns over full market cycles with less volatility than the broad equity markets. The Investment Manager, on behalf of the Funds, seeks to achieve this investment objective using a proprietary equity market neutral investment strategy based upon fundamental research, quantitative analysis, the application of a systematic risk management program and systematic trading executions. The Investment Manager allocates a portion of the Funds’ assets to accounts managed by investment managers (each, a “Sub-Adviser”) that are not affiliates of the Firm. The Firm has discretion with respect to investment decisions it makes for the Funds and also with respect to the selection of brokers, dealers and other counterparties for such transactions, and the amount of commissions or other compensation to be paid by the Funds. The Firm provides investment advisory services to the Funds based on the particular investment objectives and strategies described in the offering documents for the Offshore Feeder Fund and the Domestic Feeder Fund, and investors in the Funds cannot obtain services tailored to their individual specific needs.

### **Index Pro**

Atom offers customized discretionary advisory and sub-advisory services, as well as non-discretionary model delivery services, for separately managed accounts for individuals and institutions through its Index Pro platform (each generated portfolio, an “Index Pro Portfolio”). Index Pro is a digital platform that enables Clients, through separate accounts, to create customized equity portfolios tailored to their specific goals. Index Pro provides Clients and their financial intermediaries with a scalable platform to build and manage custom equity portfolios on any benchmark that seek to reflect personalized values, performance, risk and tax-efficiency goals. Through Index Pro, Atom uses quantitative models and tools to incorporate Client specifications for benchmark tracking, factor or sector exposures, socially responsible investing (“SRI”) and environmental, social, and governance (“ESG”) values, other investment themes (e.g., artificial intelligence, robotics, and clean energy), and tax management. A Client receiving services through the Index Pro platform (an “Index Pro Client”) is also able to customize an investment portfolio to meet specific requirements, such as holding restrictions, industry/country limitations, rebalancing frequency, position size, and situation-appropriate tax needs. Benchmarks tracked include broad market equity indices representing domestic and/or foreign companies (e.g., S&P, Russell, and MSCI indices).

Once an Index Pro Client has selected an investment strategy and benchmark for its account, Atom provides continuous supervision and management of the assets in the account. Each Index Pro Client, directly or through its relevant Intermediary is responsible for informing Atom of any changes to the Index Pro Client's investment objectives, individual needs, and/or restrictions. To the extent an Index Pro Client includes any special instructions or limitations on the management of its account, Atom reserves the right to reject such restriction if Atom determines that the request is not reasonable in its sole discretion. Please refer to Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss for detailed information regarding the Index Pro strategy.

Index Pro is currently available to clients of Intermediaries through either sub-advisory or model delivery arrangements. It is also available on a discretionary basis to advisory services clients ("Advisory Clients") as well as institutional Clients interested in investing in long-only strategies.

In a sub-advisory arrangement, an Intermediary acts as the primary fiduciary to its clients, and the Intermediary is responsible for selecting Atom as a sub-adviser to certain of the Intermediary's clients' investment portfolios. This selection is based on the Intermediary's assessment about whether Atom's advisory services provided through Index Pro are appropriate for the Intermediary client's investment objectives and financial situation. Each Index Pro sub-advisory arrangement is governed by a Sub-Advisory Agreement between Atom and the relevant Intermediary, as well as the Intermediary's own agreement with the applicable Index Pro Client. Pursuant to each Sub-Advisory Agreement, the relevant Intermediary grants Atom full authority to buy, sell, or otherwise effect investment transactions for an Index Pro Client's account, in accordance with the Index Pro Client's stated investment objectives, strategies, and restrictions. If there is a change to an Index Pro Client's investment guidelines, the Index Pro Client is responsible for informing Atom of such change by notifying its applicable Intermediary.

In an Index Pro model delivery arrangement, Atom provides an Intermediary with one or more model investment portfolios through Index Pro ("Model Portfolio"), which the Intermediary may implement when managing one or more of its clients' investment portfolios. Model Portfolios are tailored to the investment objectives and portfolio restrictions of each Index Pro Client account managed by an Intermediary based on information provided by the Intermediary. Each model delivery arrangement is governed by a Model Delivery Agreement between Atom and an Intermediary. Under such arrangement, Atom, as model manager, is responsible for designing a Model Portfolio for an Index Pro Client based on information provided by the Intermediary, monitoring the Model Portfolio on a continuous basis to review the investment guidelines applicable to such Model Portfolio, and updating the Model Portfolio, as necessary. The relevant Intermediary is responsible for interposing its own investment judgement in exercising its investment discretion when implementing a Model Portfolio and placing orders for the execution of investment transactions for its Index Pro Client. Accordingly, the Intermediary can deviate from a Model Portfolio or any of Atom's non-discretionary advice when managing an Index Pro Client's portfolio. As primary fiduciary to the Index Pro Client, the relevant Intermediary retains initial and ongoing responsibility for determining whether Index Pro and each applicable Model Portfolio is suitable and appropriate for the relevant Index Pro Client. In addition, with regard to each Index Pro Client's portfolio, the Intermediary is responsible for selecting the custodian, the quality of trade execution, trade reporting, trade settlement, daily position cash reconciliation,

regulatory reporting, investor reporting, and the voting of proxies and monitoring of corporate events.

Index Pro relies on quantitative models, information and data supplied by third parties (“Models and Data”) to inform its investment decisions with respect to the Index Pro Portfolios. Models and Data are used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of the assets), to provide risk management insights, and to assist in hedging the account’s investments. When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose Clients to potential risks.

As part of Atom’s advisory services (“Advisory Services”), the Investment Manager may determine that it is suitable for an Advisory Client to invest in an Index Pro Portfolio. In an Advisory Services relationship, which includes an Index Pro strategy as part of the Client’s overall investment portfolio, the Advisory Client will enter into a master service agreement (“Master Services Agreement”) with a specific Index Pro annex.

### **Advisory Services**

Atom provides investment management and financial advice to Advisory Clients. Each Advisory Client will enter into a Master Services Agreement on a non-discretionary and/or discretionary basis. Atom manages and oversees Client’s assets (“Managed Assets”) primarily on a discretionary basis, though certain accounts may be non-discretionary. As part of the advisory relationship, Atom works with each Advisory Client to assess its unique financial situation to develop and maintain a customized investment policy statement (“IPS”) that reflects the Advisory Client’s overall investment objectives and constraints. Atom strives to ensure that Advisory Clients are invested in a portfolio strategy that corresponds to their needs at an appropriate risk level which is tailored in accordance with the IPS.

Together with the Advisory Client, Atom’s Chief of Investment Strategy, along with its investment professionals, identify an appropriate risk level based upon assumptions regarding future market volatility utilizing a diversified investment strategy. The Advisory Client’s IPS facilitates Atom’s development of an overall investment strategy to invest Managed Assets across a spectrum of investment strategies in one or more of the following ways: (i) directly in exchange-traded funds (“ETFs”), mutual funds, individual stocks and other investments (collectively “Direct Investments”), (ii) directly in pooled investment funds managed by Atom (“Atom Funds”), (iii) through a customized Index Pro Portfolio, and/or (iv) through a portfolio of separately managed accounts on a sub-advisory basis. Using these investment strategies Atom can customize each portfolio to meet an Advisory Client’s particular needs.

Depending on the Advisory Client’s investment goals and risk tolerance, the Investment Manager may determine to buy or sell various types of financial products, including but not limited to equity securities (such as exchange-listed securities, securities traded over-the-counter, securities of U.S. or foreign issuers, whether publicly or privately traded, and distressed securities), options on equity securities, debt securities (such as municipal securities and U.S. government securities, and which also could include other fixed income securities such as high yield bonds), warrants, commercial

paper, exchange-traded funds, mutual funds, including but not limited to money market funds, exchange-traded products, such as exchange-traded notes, and complex financial products, such as structured notes. Our trading strategies, depending on the applicable Advisory Client's investment goals and risk tolerance, may include both short-term trading and long-term purchases. Trading strategies may also include buying on margin, short-selling and options trading if approved by the Advisory Client. Certain Index Pro Portfolios may include investments in ESG focused strategies informed by data provided by third party providers.

Strategies involving direct equity investments of Managed Assets will be managed using Index Pro. Index Pro enables Atom to provide Advisory Clients with an Index Pro Portfolio which includes individual equities that meet each Advisory Client's specific risk, tax, values and other objectives. Each Advisory Client acknowledges and understands that Atom engaging Index Pro is a conflict of interest because Index Pro, a subsidiary of the Investment Manager, will receive compensation from this arrangement. As such, the Investment Manager has an incentive to recommend an Index Pro Portfolio instead of recommending non-affiliated investment portfolio providers which may provide superior and/or less expensive investment portfolios. Atom's investment professionals do not receive commissions from Index Pro and are not otherwise incentivized to use Index Pro on behalf of an Advisory Client. For the avoidance of doubt, the Advisory Client understands and agrees they do not maintain an account with, nor has it entered into a contractual relationship with Index Pro. Index Pro is a service provider to, and provides recommendations of non-personalized investment advice to the Investment Manager. The management of trading Managed Assets will be conducted by the Investment Manager not by Index Pro or any other investment portfolio provider.

The Firm does not participate in wrap fee programs.

## **ITEM 5 – FEES AND COMPENSATION**

### **Private Investment Funds**

The Firm does not currently have a general fee schedule. The fees and expenses associated with an investment in the Offshore Feeder Fund and the Domestic Feeder Fund vary, and they are described in detail in the offering documents for the Offshore Feeder Fund and the Domestic Feeder Fund, respectively. The Firm may, in its discretion, manage other funds or accounts with higher or lower fees, different fee structures, and different expense payment arrangements, than those of the Offshore Feeder Fund and the Domestic Feeder Fund. Certain classes of shares and interests of the Offshore Feeder Fund and the Domestic Feeder Fund, respectively, require investors to pay a redemption or withdrawal charge to redeem or withdraw an investment, depending upon the amount and timing of the redemption or withdrawal and other factors. Any such charges are retained by the Master Fund for the benefit of the continuing investors in the Offshore Feeder Fund and/or the Domestic Feeder Fund, as applicable.

The Offshore Feeder Fund and the Domestic Feeder Fund each pay the Investment Manager an asset-based management fee ("Management Fee") that is calculated and payable quarterly in advance. The Management Fee is deducted directly from the assets of the Offshore Feeder Fund and the Domestic Feeder Fund. The Offshore Feeder Fund and the Domestic Feeder Fund each

will amortize the Management Fee monthly over the fiscal quarter for which the Management Fee is paid.

The Management Fee will be prorated and payable as of the date of any subscription by an investor that is effective other than as of the first day of a fiscal quarter. In the event of a redemption or withdrawal by an investor other than as of the last day of a fiscal quarter, the Investment Manager will return to the Offshore Feeder Fund or the Domestic Feeder Fund for payment to, or credit to the redeeming investor in the Offshore Feeder Fund or the interests of the withdrawing investor in the Domestic Feeder Fund, respectively, an amount equal to the pro rata portion of the Management Fee, based on the actual number of days remaining in such fiscal quarter.

In the sole discretion of the Investment Manager, the Management Fee may be waived, reduced or calculated differently with respect to a series of the Offshore Feeder Fund or the Domestic Feeder Fund, including, without limitation, any investor related to the Investment Manager.

#### *Fund Expenses*

The Offshore Feeder Fund and the Domestic Feeder Fund each will bear its own expenses and its pro rata share of the Master Fund's expenses, including, without limitation, the following:

- (i) the Management Fee;
- (ii) expenses, including personnel expenses, related to the research (including, without limitation, alternative market data analysis), sourcing, due diligence and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including the following: fees and expenses related to obtaining research and market data (including, without limitation, any information technology software or other technology incorporated into the cost of obtaining such research and market data); research of participation in initial public offerings; internal trading strategies; brokerage, prime brokerage and futures commission merchant fees, commissions and expenses; expenses relating to short sales; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or re-financings; expenses related to onboarding and monitoring Sub-Advisers; fees and expenses of proxy research and voting services; and research-related travel, meal and accommodation expenses;
- (iii) the Sub-Advisers' management fee and/or performance compensation;
- (iv) organizational and reorganizational expenses;
- (v) operational expenses, including the following: Bloomberg terminals, market data feeds, trade matching services, portfolio management systems, risk management systems, general ledger systems and order management systems; enterprise and infrastructure-related expenses, cloud services, third-party administrative fees and expenses; fees and expenses of third-party professionals, including attorneys and accountants; expenses, including personnel expenses, associated with the negotiation and



preparation of the documentation memorializing the relationship by and among the Investment Manager, the Master Fund and each of the Sub-Advisers in an amount equal to \$250,000 per calendar year (with such amount to be reviewed by the Investment Manager on an annual basis); the costs of any litigation or investigation involving activities of the Funds; third-party audit and tax preparation expenses; fees and expenses of the Master Fund's officers (including, without limitation, any anti-money laundering officers appointed pursuant to any applicable anti-money laundering regulations); fees and expenses (including director registration fees) of the Funds' directors; fees and expenses of any advisory committee; fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Funds, including any governmental, regulatory, licensing, filing or registration fees or taxes (including fees and expenses incurred in connection with the preparation and filing of Form PF, Form CPO-PQR, Section 13 filings, Section 16 filings and other similar regulatory filings); expenses incurred in connection with the offering and sale of the shares and interests in the Offshore Feeder Fund and the Domestic Feeder Fund, respectively, and other similar expenses related to the Offshore Feeder Fund and the Domestic Feeder Fund (including expenses related to the preparation of side letters and similar agreements with investors, and excluding fees payable to any placement agent); director and officer liability insurance; extraordinary expenses, including the following: indemnification expenses; fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including any related administrative settlement and judicial review; fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of the Funds; and any expenses related to positions held by the Funds that would require the participation in class action lawsuits.

The Investment Manager's legal personnel provide legal services to the Funds that otherwise would be performed for the Funds by third party outside counsel. Among other things, the Investment Manager's legal personnel negotiate and prepare documentation memorializing the relationship by and among the Investment Manager, the Master Fund and each of the Sub-Advisers. Fees for such services are less than market rates for outside counsel and are capped at \$250,000 per calendar year.

Generally, all expenses borne by the Funds are charged against investors in the Offshore Feeder Fund or the Domestic Feeder Fund pro rata based on their direct participation in the Offshore Feeder Fund or the Domestic Feeder Fund, respectively, and their indirect participation in the Master Fund. To the extent that expenses to be borne by the Funds are paid by the General Partner or the Investment Manager, the Funds will reimburse such party for such expenses.

Neither the Offshore Feeder Fund nor the Domestic Feeder Fund has a pre-determined limit on its ordinary or extraordinary operating expenses. The actual annual operating expenses of the Offshore Feeder Fund and the Domestic Feeder Fund are disclosed in their year-end audited financial statements, which are provided to each investor in the Offshore Feeder Fund and Domestic Feeder Fund, respectively.

The Funds bear expenses for certain services, including, without limitation, certain research services, that may be utilized by Sub-Advisers at a reduced cost or at no cost.

### **Index Pro**

Atom charges each Index Pro Client and Advisory Clients invested in an Index Pro Portfolio an annual Management Fee that generally ranges from 0.3% to 1.0% of the Index Pro Client's account value with respect to the portion of the account managed by Atom. Management Fees are negotiable at the sole discretion of Atom and generally vary depending on account size, account parameters, investment models and strategies selected, overall relationship, and other factors and business considerations. For sub-advisory and model delivery arrangements, Management Fees are negotiated with each relevant Intermediary rather than the Index Pro Clients that ultimately receive Atom's services through Index Pro. A minimum annual Management Fee of up to \$2,500 may be applied; however, Atom has discretion to lower or waive the minimum at any time and for any Index Pro Client(s).

Atom generally deducts Management Fees from each Index Pro Client's custodial account. Management Fees are typically billed quarterly in arrears based on the Index Pro Client's account value at the end of the calendar quarter. In some cases, an Index Pro Client or its Intermediary may negotiate different billing terms, such as requiring invoicing of fees, or payment through means other than deduction of fees directly from the Index Pro Client's custodial account.

Since investment management fees typically are billed quarterly in arrears, if an Index Pro Client's relationship is terminated during a billing period, the Client will be responsible for pro rata portion of the fee for the period in which services were earned.

The Management Fees discussed above do not include certain fees and expenses that are charged by third parties, such as custodial fees, mutual fund fees and expenses, index fees, and additional fees charged by Intermediaries, as applicable. Index Pro Clients are also charged separately transaction fees, brokerage fees and commissions, and other fees and taxes on brokerage accounts and securities transactions, which will vary depending on the Index Pro Client's type of custodial account and the types of investments traded in the account.

Custodial fees and other fees, expenses, and commissions incurred in connection with an Index Pro Client's transactions are generally paid out of the assets in the Index Pro Client's custodial account and are in addition to the investment Management Fees charged by Atom. Please refer to Item 12 of this Brochure for additional important information about Atom's brokerage and transactional practices, including considerations for selecting broker-dealers for Index Pro Client transactions.

### **Advisory Services**

The Investment Manager charges Advisory Clients a fee based on the collective value of each account comprising the Managed Assets as detailed in the Fee exhibit to the MSA. Both discretionary and non-discretionary Advisory Clients will be charged quarterly in arrears which is deducted directly from the Advisory Client's account(s) either by Atom, the custodian or a third party service provider of Atom. Advisory Clients who have entered into a non-discretionary annex to the MSA will generally be charged a retainer fee, as determined by Atom in its sole discretion, based on the value of the Advisory Client's Managed Assets. Accounts managed on a discretionary basis, will be charged fees, up to 0.75%, based on the value of the total assets under management

held collective among each account. The fees charged to Advisory Clients who enter into both non-discretionary and discretionary annexes to the MSA will not be compounded, but rather a singular fee of up to 0.75%, as determined by Atom in its sole discretion, based on the total value of Managed Assets for which the Investment Manager provides investment advice. Investment in an Index Pro Portfolio will incur a supplemental fee as described above.

No supervised person of Atom receives transaction-based compensation related to investment recommendations or advice.

## **ITEM 6 – PERFORMANCE-BASED AND SIDE-BY-SIDE MANAGEMENT**

### **Private Investment Funds**

The General Partner will receive performance-based allocations (collectively, the “Incentive Allocation”) if the Funds generate net capital appreciation for investors in the Offshore Feeder Fund and the Domestic Feeder Fund. The offering documents for the Offshore Feeder Fund and the Domestic Feeder Fund each describe in detail the specific terms governing the structure and calculation of the Incentive Allocation and the high-water mark. The Incentive Allocation arrangements may give the Firm an incentive to engage in more speculative investment strategies in an effort to maximize the Funds’ profits and receive greater compensation. Such Incentive Allocation arrangements also may create an incentive for the Firm to favor Funds with higher Incentive Allocation arrangements over Funds with lower Incentive Allocation arrangements in the allocation of investment opportunities. The Firm seeks to allocate investment opportunities in a manner that it believes treats all Funds fairly over time.

The General Partner anticipates waiving or reducing the Incentive Allocation only for employees of Atom, their immediate family members and their estate planning or charitable vehicles.

The Offshore Feeder Fund and the Domestic Feeder Fund may issue shares and interests, respectively, in different classes, tranches or series (collectively, “Series”), subject to different terms and conditions of investment. Different Series may be subject to different Incentive Allocation rates and other terms. Such Series and the corresponding Incentive Allocation rates are described in the offering documents for the Offshore Feeder Fund and the Domestic Feeder Fund.

### **Index Pro**

Atom does not charge Index Pro Clients performance-based fees (i.e., fees calculated based on a share of capital gains on, or capital appreciation of, the Index Pro Client’s assets). However, as discussed above, the General Partner will receive performance-based allocations from the Funds. By simultaneously managing the Funds and Index Pro Client accounts, Atom has an incentive to favor the Funds that pay an Incentive Allocation over Index Pro Client accounts that do not pay performance-based fees. Atom’s policies and procedures, including trade allocation policies, are designed to mitigate such conflicts.

Additionally, at times, Atom will provide discretionary advisory or sub-advisory services to Index Pro Clients that share the same or similar investment objectives and guidelines and are eligible to participate in the same investment opportunity. Atom seeks to allocate investment opportunities among such clients on a fair and equitable basis and consistent with Atom’s policies and

procedures, including its trade allocation policies. When determining how to allocate investments, Atom will consider a number of factors, which may include, but are not limited to, (i) each Index Pro Client's investment objectives, (ii) the available investment's size, (iii) the guidelines, liquidity, capacity and restrictions applicable to an Index Pro Client account, (iv) the discretion of the Intermediary of an Index Pro Client, (v) the tax preferences of an Index Pro Client and (vi) any other information that Atom determines to be relevant to the allocation decision.

### **Advisory Services**

Atom does not charge Advisory Clients performance-based fees (i.e., fees calculated based on a share of capital gains on, or capital appreciation of, the Advisory Client's Managed Assets). However, as discussed above, the General Partner will receive performance-based allocations from the Funds. By simultaneously managing the Funds, Index Pro and Advisory Services Client accounts, Atom has an incentive to favor the Funds that pay an Incentive Allocation over Index Pro and Advisory Client accounts that do not pay performance-based fees. Atom's policies and procedures, including trade allocation policies, are designed to mitigate such conflicts.

Additionally, at times, Atom will provide discretionary advisory services to Advisory Clients that share the same or similar investment objectives and guidelines and are eligible to participate in the same investment opportunity. Atom seeks to allocate investment opportunities among such clients on a fair and equitable basis and consistent with Atom's policies and procedures, including its trade allocation policies. When determining how to allocate investments, Atom will consider a number of factors, which may include, but are not limited to, (i) each Advisory Client's investment objectives, (ii) the available investment's size, (iii) the guidelines, liquidity, capacity and restrictions applicable to an Advisory Client's Managed Assets, (iv) the tax preferences of an Advisory Client and (vi) any other information that Atom determines to be relevant to the allocation decision.

## **ITEM 7 – TYPES OF CLIENTS**

### **Private Investment Funds**

The Investment Manager provides investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to the investors. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, endowments, foundations, trusts, charitable organizations, pension plans, sovereign wealth funds and corporate or business entities. Each investor generally is required to be a "qualified purchaser", as defined in the U.S. Investment Company Act of 1940, as amended.

The Offshore Feeder Fund and the Domestic Feeder Fund each have a minimum investment amount, specified in their respective governing documents; however, this amount is subject to the discretion of the Investment Manager, and as such may permit investment amounts below the minimum amount on a case-by-case basis.

The Offshore Feeder Fund, the Domestic Feeder Fund, the General Partner and/or the Investment Manager may from time to time enter into agreements with certain investors in the Funds that may in each case provide for terms of investment that are more favorable to or otherwise different from

the terms described in the governing documents. Such terms may include: the provision of additional information or reports, more favorable transfer rights among affiliated investors or undertakings designed to address legal, regulatory or other internal policy considerations relevant to such investor. No such agreement will necessarily entitle any other investor to the same terms of investment, nor will any other investor have any recourse against the Funds, the General Partner, the Investment Manager and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such arrangements.

### **Index Pro**

Index Pro Clients generally will include, but are not limited to, registered investment advisers, family and multi-family offices, individuals, high-net-worth individuals, trusts, charitable organizations, endowments, foundations, pension plans and institutional investors.

The minimum account size for an Index Pro Client is \$250,000.

### **Advisory Services**

The Investment Manager will generally only advise Advisory Clients with investable assets exceeding \$10 million, although in certain circumstances Atom may permit investment from Advisory Clients below the minimum amount of investable assets on a case-by-case basis. Advisory Clients are generally sophisticated in financial matters, “accredited investors” within the meaning of Regulation D under the Securities Act of 1933, as amended, and “qualified purchasers” under the Investment Company Act of 1940. Such Advisory Clients who are considered to be accredited investors and qualified purchasers include, but are not limited to, a select number of high-net-worth individuals, trusts, endowments, charitable organizations, sovereign wealth funds and other institutional clients. The ISPs for Advisory Clients who meet the accredited investor and qualified purchaser qualifications may include investments that present a greater risk of loss. Any individual or trust who does not meet such qualifications will be limited in the types of investments and services offered. Generally speaking, Advisory Clients who do not possess a certain level of sophistication with respect to investing will be limited to investments in ETFs, mutual funds and long-only Index Pro Portfolios.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Investment Strategy**

#### **Private Investment Funds**

The investment objective of the Funds is to provide attractive risk-adjusted returns over full market cycles with less volatility than the broad equity markets. The Investment Manager seeks to achieve this investment objective through the use of a proprietary equity market-neutral investment strategy based upon fundamental research, quantitative analysis, the application of a systematic risk management program and systematic trading executions. The Investment Manager implements this strategy through the holding of both long and short positions in approximately equal aggregate market value amounts while maintaining near market-neutral exposure to certain risk factors.

In managing the portfolios of the Funds, the Investment Manager takes both long and short positions in a broad range of investment instruments (include securities, options, futures, currencies, derivatives and other instruments). The Investment Manager may implement the investment objective of the Funds on a systematic and/or discretionary basis. The Investment Manager continuously implements and develops new analytical methodologies and quantitative models on behalf of the Funds.

The Investment Manager, on behalf of the Funds, allocates a portion of the Funds' assets to accounts managed by Sub-Advisers. Such funds or accounts may be subject to asset-based and/or performance-based fees payable to the Sub-Advisers. The Sub-Advisers may use a wide range of both traditional and alternative investment strategies. The Sub-Advisers may use aggressive investment techniques for investment or hedging purposes, including, without limitation, leverage, short sales and derivatives. The Sub-Advisers may invest in global securities and financial markets. The Firm has discretion with respect to investment decisions it makes for the Funds and also with respect to the selection of brokers, dealers and other counterparties for such transactions, and the amount of commissions or other compensation to be paid by the Funds.

In addition to the foregoing, the Investment Manager may create and manage a separate entity that pursue an investment strategy that utilizes allocations to Sub-Advisers. The Master Fund may invest in such entity; provided, however, that no additional compensation (including, without limitation, any asset-based fee or performance-based fee) will be paid by the Master Fund to the Investment Manager or any Sub-Adviser in respect of any such investment.

### **Index Pro**

The investment objective of the Index Pro platform is to enable Index Pro Clients to create customized equity portfolios tailored to specific goals. Index Pro provides Index Pro Clients and their financial intermediaries with a scalable platform to build and manage custom equity portfolios on any benchmark that seek to reflect personalized values, performance, risk and tax-efficiency goals.. Index Pro allows Index Pro Clients to select from a variety of benchmarks, create blended benchmarks/allocation models, or construct a fully customized index upon which to customize a portfolio. Once an Index Pro Client selects or creates a benchmark, Index Pro may incorporate proprietary active alpha signals to help the Index Pro Client meet its investment goals. Through Index Pro, Atom uses quantitative models and tools to incorporate Index Pro Client specifications for benchmark tracking, factor or sector exposures, SRI and ESG values, other investment themes (e.g., artificial intelligence, robotics, and clean energy), and tax management (e.g., tax loss harvesting, tax aware, and tax neutral strategies). The Index Pro platform also includes solutions aimed to enhance the tax efficiency of custom portfolios, including through proprietary tax-loss harvesting technology.

### **Advisory Services**

The descriptions set forth in this brochure of specific advisory services that we offer to Advisory Clients, and investment strategies pursued, and investments made by us on behalf of our Advisory Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this brochure, that we consider appropriate, subject to each Advisory Client's investment objectives and guidelines, including those as set forth in offering documents of the

respective Funds. The investment strategies we pursue are speculative and entail substantial risks. Advisory Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Advisory Client will be achieved.

The Investment Manager believes that the most responsible way to manage risk is to first work with a particular Advisory Client to determine how much risk is appropriate for that Advisory Client, build a diversified portfolio reflecting that level of risk, and then make disciplined, incremental decisions to maintain that risk level. As a first step, the Investment Manager will consider whether active management of Managed Assets is warranted in a given asset class, or whether it would be more productive to obtain exposure to the asset class via an index fund or ETF. The Investment Manager offers a range of diversified investment strategies and uses a combination of active and passive investments in an Advisory Client's Managed Assets.

Direct investments in individual securities are generally managed through Index Pro, which uses sophisticated optimization to build custom Index Pro Portfolios based on an Advisory Client's specific goals. The securities selected in the Index Pro Portfolio may also be informed by the aggregate positioning of sub-advisors investing Fund assets. Index funds, serving as the benchmark to an Index Pro Portfolio, are selected based on the stability of the provider, fees, and approach to index replications. In some instances, the Investment Manager may select active managers on a sub-advisory basis for investment into a private investment vehicle, fund or separately managed account, in various markets where we believe the opportunity exists for sustained outperformance. Such alternative investment strategies may include investment into the Atom Fund, which bears additional risks, including, but not limited to, liquidity risk. There can be no assurance that Client accounts will perform as well or better than accounts with similar objectives that are managed by other investment advisors. When a third-party manager is selected for the management of an Advisory Client's Managed Assets, these managers are evaluated on an initial and ongoing basis and replaced as necessary.

## **Method of Analysis**

### **Private Investment Funds**

In managing the Funds, the Investment Manager seeks to identify investment opportunities that have favorable risk/reward characteristics. The Investment Manager monitors various risk parameters of the investment instruments and portfolios that the Investment Manager oversees on behalf of the Funds. The Investment Manager is not limited to any specific policies or requirements for diversification or risk mitigation and will not be liable for any failure to adopt any particular diversification strategy, implement any particular risk control or follow any particular risk management policy, except as set forth in the investment management agreements between the Investment Manager and each of the Funds.

### **Index Pro**

Through Index Pro, Atom uses mathematical models and software to manage its Index Pro Clients' strategies. Investment strategies are typically customized to each Index Pro Client's specifications and have a defined benchmark and a set of restrictions/targets. Index Pro portfolios are constructed using optimization techniques and generally hold a number of positions that relate to the benchmark, strategy, and an Index Pro Client's constraints. For taxable Index Pro Clients,

portfolios are rebalanced using a tax-efficient approach. Atom's methodologies consider portfolio risk, transactions costs, and taxes when making investment decisions.

### **Advisory Services**

The Investment Manager's Chief of Investment Strategy, along with other investment professions, based on experience and judgement, utilize various analytical frameworks to determine which investment strategies best serve our Advisory Clients' needs. Atom stays abreast of microeconomic and macroeconomic fundamentals to build portfolios based on our expectation of returns, risk and correlation amongst assets. By developing and maintaining a customized IPS that reflects the Advisory Client's overall risk tolerance in conjunction with their overall objectives and constraints, the Investment Manager creates an investment plan and implements an Advisory Client's portfolio by investing in various asset types including, but not limited to, placement in an Index Pro Portfolio, investment in the Atom Fund or a separately managed account. The Investment Manager regularly monitors risk levels in Managed Assets, taking advantage of the natural volatility of the markets to actively rebalance portfolios and align the investments to Advisory Clients' targeted risk objective as expressed in their IPS. Each Advisory Client's IPS is adjusted, within agree-upon constraints and updated investment objectives expressed by the Advisory Client in order to improve the risk and/or return of the Managed Assets. Where possible, and as requested by the Advisory Client, the Investment Manager may employ tax-loss harvesting strategies to improve the tax characteristics of any given strategy.

### **Material Risks of Significant Strategies and Methods of Analysis**

In this section we summarize some of the material risks of Atom's investment strategy and methods of analysis. More complete information about the specific risks associated with an investment in the Offshore Feeder Fund or Domestic Feeder Fund is provided in the offering documents for the Offshore Feeder Fund and the Domestic Feeder Fund, respectively. Investing in Atom's advisory programs involves the risk of loss that investors should be prepared to bear, including the risk that an investor could lose the entire value of their investment.

#### *Risk of Loss*

No guarantee or representation is made that Atom's investment programs, including, without limitation, any Client's investment objective, diversification strategies, or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. None of the strategies in which Atom invests Client assets is a deposit in a bank, nor are the investment vehicles or Index Pro Portfolios insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Depending on the nature of an investment, the following non-exhaustive list of risk apply:

#### *Limited Operating History*

Each of the Funds and the Investment Manager was formed in 2018 and does not have an extensive operating history upon which current and prospective investors can evaluate its anticipated performance. The Investment Manager began offering its Index Pro platform and Advisory



Services in 2022. In addition, the Principal has limited experience serving as a chief investment officer (or substantially similar role) with ultimate responsibility for managing an investment portfolio. Neither the Investment Manager nor the Principal or any of their affiliates, including their employees, makes any representation or warranty that their prior experience in portfolio analysis and consulting will result in the Funds being successful in pursuing their investment objective.

#### *Proprietary Trading Methods*

Because the trading methods employed by the Investment Manager and the Sub-Advisers on behalf of the Funds are proprietary to the Investment Manager, Clients, and investors in the Funds will not be able to determine any details of such methods or whether they are being followed.

#### *Dependence on the Investment Manager and Sub-Advisers*

The success of the Clients depends upon the ability of the Investment Manager (and, in the case of the Funds, the Sub-Advisers or an Intermediary for applicable Index Pro Portfolios) to develop and implement investment strategies that achieve each Client's investment objective. Subjective decisions made by the Investment Manager (and/or the Sub-Advisers with respect to asset allocation and hedging activity of the Funds or Intermediaries with respect to assets invested in an Index Pro Portfolio) may cause Clients to incur losses or to miss profit opportunities on which they may otherwise have capitalized.

The success of the Investment Manager's investment programs depend on the trading and investing skills of the Investment Manager (and, in the case of the Funds, any Sub-Advisers or the Intermediary for applicable Index Pro Portfolios). To the extent that the Investment Manager is unable to select, manage, allocate appropriate levels of capital to, and retain Sub-Advisers (where applicable) that, in the aggregate, are able to produce consistent positive returns for Clients and provide the necessary liquidity and transparency, or to the extent that the Investment Manager does not adequately monitor the Sub-Advisers, the performance of the Funds may be impaired. In addition, to the extent the Investment Manager invests Clients' assets directly, Clients may incur losses if the Investment Manager fails to select and allocate appropriate levels of assets to market favorable strategies.

There can be no assurance that the trading strategies employed by the Intermediaries, Sub-Advisers and the Investment Manager will be successful. For example, the proprietary models used by the Investment Manager, Intermediary or a Sub-Adviser may not function as anticipated during unusual market conditions. Furthermore, while the Investment Manager, Intermediary and each Sub-Adviser may have performance records reflecting their prior experience, this performance cannot be used to predict future profitability.

#### *Discretion of the Investment Manager; New Strategies and Techniques*

While the Investment Manager and the Sub-Advisers generally will seek to employ the representative investment strategies and techniques discussed herein, the Investment Manager (subject to the policies and control of the Board of Directors in the case of the Offshore Feeder

Fund) has considerable discretion in the types of securities that the Clients may trade, and it has the right to modify the investment strategies and techniques of Clients, at times, without the consent of Clients and the investors in the Funds. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to Clients. In addition, any new investment strategy or technique developed by the Investment Manager may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Investment Manager's Funds and advisory programs.

#### *Diversification and Concentration*

The Investment Manager and the Sub-Advisers (where applicable) may select investments that are concentrated in a limited number or types of securities. In addition, Clients' portfolios may become significantly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

#### *Quantitative Model Risk and Risk Management Danger*

There can be no assurance that the models used by the Investment Manager will continue to be viable. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of Clients. There can be no assurance that the investment objectives of Clients will be achieved or that the models (even if completely or partially viable) will continue to further or ultimately be capable of furthering the investment objectives of the Clients.

Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be subject to misinterpretation. In the complex environment in which the Investment Manager operates, effective risk management depends upon many factors, not all of which may be properly identified, and effective assessment, analysis, process creation, control or treatment of risks could be difficult to implement. For the sake of clarity and without limitation, though losses arising from quantitative model risks could adversely affect Client performance, such losses would likely not constitute reimbursable trade errors under the Investment Manager's policies or investment management agreements.

At times the Investment Manager may manually override or shut down the operations of a quantitative model. This would generally be done in an effort to mitigate the damage from a deteriorating or malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

### *Model and Data Risk*

The Investment Manager relies heavily on quantitative and systematic models and information and data supplied by third parties which constitute Models and Data. Models and Data can be used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of Client accounts), to provide risk management insights, and to assist in hedging Client exposure.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose Clients to potential risks. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

All models rely on correct market data inputs. Because the Investment Manager's models are usually constructed based on, or employ, historical or current market data supplied by third parties, the success of relying on Models and Data may depend heavily on the accuracy and reliability of the supplied data, which can contain errors.

For the sake of clarity and without limitation, though Model and Data risks could adversely affect Client performance, losses that arise as a result of the use of Models and Data likely would not constitute reimbursable trade errors under the Investment Manager's policies or investment management agreements.

### *Risk of Programming and Modeling Errors*

The research and modeling process engaged in by the Investment Manager is extremely complex and involves financial, economic, econometric and statistical theories, research and modeling; the results of that process must then be translated into computer code. Although the Investment Manager seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raise the chances that the finished model may contain an error.

For the sake of clarity and without limitation, though losses arising from programming and modeling errors could adversely affect Client performance, such losses would likely not constitute reimbursable trade errors under the Investment Manager's policies or investment management agreements.

### *Factor-Based Analysis*

The Investment Manager uses analytics to understand and estimate the risk and return composition of a Client's investments or a portfolio. Although the Investment Manager believes that factor analysis can help it understand a Client's sources of common or systematic risk and return, increased awareness of or optimization or other analysis of a Client's exposures to factors is not a

guarantee of increased performance or decreased risk. Diversification and asset allocation is not a guarantee against market risk or loss of principal. The Investment Manager makes no representations, warranties, or guarantees that any factor or any other quantitative investment characteristic (or set thereof) identifies, embodies, or otherwise explains any or all actual market, portfolio, or other risk or return.

### *Reliance on Human Discretion*

Although the Investment Manager and certain of its services are technology-based, the factors and other analytics, methodologies, algorithms, and software used by the Investment Manager are ultimately created and selected by humans and are materially reliant on human discretion and skill and, in particular, on that of personnel of the Investment Manager and of unaffiliated third parties, including unaffiliated third-party data and software licensors. Any such factors, analytics, methodologies, research, algorithms, and software, the assumptions and beliefs on which they each rely, and the data they utilize (or the technology ultimately used to create, gather, cull, and clean such data) depend on the skill and resources of people. Additionally, certain personnel of the Investment Manager interact with Clients in connection with providing the Investment Manager's advisory services, including with respect to helping Clients upload data and answering questions about outputs produced models and software. In any of the foregoing situations, no guarantee is made that any person's discretion, skill, or other decisions will be successful or error-free. Third-party personnel licensing or otherwise supplying resources to the Investment Manager exercise discretion in creating and maintaining such resources and are not under the Investment Manager's control.

### *Tracking Error*

To the extent that a portfolio managed by the Investment Manager attempts to track the holdings and weightings of an index, such portfolio may experience tracking error risk. Tracking error refers to the risk that the Investment Manager may not be able to cause a portfolio's performance to match or correlate to that of an index that it seeks to track, either on a daily or aggregate basis. There are a number of factors that may contribute to a portfolio's tracking error, such as portfolio expenses, imperfect correlation between the portfolio's investments and those of the applicable index, rounding of share prices, the timing or magnitude of changes to the composition of the index, regulatory policies, and high portfolio turnover rate. There are operating expenses related to managing a portfolio, including costs associated with buying and selling securities, which will not apply to the relevant index. A portfolio is especially susceptible to tracking error when rebalancing the portfolio's holdings to reflect changes in the composition of the index. To the extent a portfolio utilizes a sampling approach, it may experience tracking error to a greater extent than if the portfolio sought to replicate its index. Tracking error may cause a portfolio's performance to be less than expected.

### *SRI and ESG Investing*

The Investment Manager integrates SRI and ESG factors into certain of its investment models and analysis in Index Pro Portfolios. When managing certain Index Pro Portfolios, the Investment Manager considers SRI and ESG factors selected by Index Pro Clients, which may include, but

are not limited to, environmental concerns (e.g., climate change, pollution, and waste), social issues (e.g., social and economic inequality), treatment of the labor force (e.g., use of child labor), and diversity, equity, and inclusion. The Investment Manager's assessment of these and other SRI and ESG issues are limited by the availability of information about companies in which a portfolio will seek to invest and the information provided by third-party research firms (i.e. MSCI). Applying SRI and ESG investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Atom, which is obtained from third-party research firms or any judgment exercised by Atom, when a suitability analysis is conducted after an Advisory Client's selection of values in an Index Pro Portfolio, will reflect the beliefs or values of any particular investor. Issues associated with a particular industry, changing social conditions, or other circumstances may affect the manner in which SRI or ESG criteria are applied in a particular situation. Companies in which a portfolio will seek to invest will not necessarily meet targeted standards in all aspects of SRI or ESG performance. SRI and ESG related practices differ by region, industry, and issue and are evolving accordingly, and a company's practices, a third-party research firms' methodology or the Investment Manager's assessment of such practices or a third-party research firms' methodology may change over time. In addition, changes in the regulatory environment, or a third-party research firms' assessment thereof, may impact the Investment Manager's ability to achieve a Client's SRI or ESG objectives and implement an SRI or ESG focused strategy.

Consideration of a third-party research firm's assessment of a company's SRI or ESG profile and risks is only one factor among several other components of the Investment Manager's investment thesis, and such SRI and ESG considerations are not determinative of the Investment Manager's determination that a particular investment strategy is suitable for a Client. In addition, by a Client specifically requesting a strategy that integrates SRI and ESG factors, the Investment Manager may forgo opportunities to select or retain investments for its Clients' portfolios when it might otherwise be advantageous or profitable to do so. The exclusion of investments for SRI or ESG purposes, as directed by a Client, may cause the performance of a portfolio to be lower than it otherwise would be if such investments were included.

### *Third-Party SRI and ESG Research Firms*

The Investment Manager's analysis of SRI and ESG factors relies heavily on SRI and ESG related data and ratings provided by third-party research firms that specialize in assessing companies' exposure to SRI and ESG risks and each company's effectiveness in managing these risks. Based on data that it collects, and by using a proprietary methodology over which the Investment Manager has no influence, certain third-party research firms assign SRI or ESG ratings to each company it evaluates. At times, the Investment Manager's advisory programs use these ratings to develop portfolios that seek to align with the stated investment preferences, selections and goals of a Client. Despite conducting initial and ongoing due diligence of any third-party research firm utilized in a particular Index Pro Portfolio, the Investment Manager cannot guarantee the accuracy or completeness of data received from third-party research firms and cannot guarantee the assumptions on which such information is based. There can be no guarantee that any third-party research firm's methodology will, in every instance, appropriately measure a company's SRI or ESG risks or such company's effectiveness in addressing these risks.

### *Tax-Managed Investing Risk*

Market conditions may limit the ability to generate tax losses or to generate dividend income taxed at favorable tax rates. A tax-managed strategy may cause a Client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. The ability to utilize various tax-management techniques may be curtailed or eliminated in the future by tax legislation or regulation. The benefit of tax-managed investing to an individual investor is dependent upon the tax liability of that investor. Over time, the ability of an investor in a tax-managed strategy to harvest losses may decrease and gains may build up in a securities portfolio.

### *Alternative Data*

Atom may obtain and use alternative data in its investment process. Alternative data may consist of datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as “big data” or “alternative data”). Atom intends to apply this alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes. The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne, in whole or in part, by Clients. No assurance can be given that the Investment Manager will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for the Investment Manager and Clients in numerous jurisdictions. Atom cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to the Investment Manager or Clients. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of a Client’s portfolio.

### *Crowding/Convergence*

There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with the broader global markets and similar managers is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is not able to develop sufficiently differentiated models, the investment objective of Clients may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that the Investment Manager’s models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect Clients is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of participants in the marketplace.

For the sake of clarity and without limitation, though losses arising from crowding/convergence risks could adversely affect Client performance, such losses would likely not constitute reimbursable trade errors under the Investment Manager's policies or investment management agreements.

#### *Limited Liquidity*

An investment in the Funds has limited liquidity because investors generally will have only limited rights to redeem or withdraw their capital from the Funds or transfer their shares or interests in the Funds to third parties, and the Funds have the right to suspend redemptions and withdrawals. Investors in the Funds must be prepared to bear the financial risks of an investment in the Funds for an indefinite period of time. Other investments made on behalf of Clients may be subject to additional liquidity risks due to a lack of demand in the marketplace or other factors. An account may not be able to sell some or all of its investments promptly, or may only be able to sell investments at less than desired prices. This may result in a delay in returning Client assets if they are forced to liquidate a position.

#### *Volatility Risk*

The Investment Manager's investment programs may involve the purchase and sale of relatively volatile securities and/or investments in volatile markets. Fluctuations or prolonged changes in the volatility of such securities and/or markets can adversely affect the value of investments held by Clients.

#### *Hedging Transactions*

The Investment Manager may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the unrealized gains in the value of investment portfolios; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any portfolio security; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on securities; (vii) protect against any increase in the price of any securities the Investment Manager anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Investment Manager will not be required to hedge any particular risk in connection with a particular transaction or investment portfolios generally. The Investment Manager and the Sub-Advisers (as applicable) may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Investment Manager may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in any such hedging transaction. Moreover, investment portfolios will always be exposed to certain risks that cannot be hedged.

#### *Leverage for Investment Purposes*

The use of leverage will allow the Funds to make additional investments, thereby increasing their exposure to assets, such that their total assets may be greater than their capital. However, leverage

will also magnify the volatility of changes in the value of the Funds' portfolios. The effect of the use of leverage by the Funds in a market that moves adversely to its investments could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged.

#### *Borrowing for Cash Management Purposes*

The Funds have the authority to borrow for cash management purposes, such as to satisfy redemption or withdrawal requests. The rates at and terms on which the Funds can borrow will affect the operating results of the Funds.

#### *Collateral*

The instruments and borrowings utilized by the Funds to leverage investments may be collateralized by all or a portion of the Funds' portfolios. Accordingly, the Funds may pledge securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call", pursuant to which the Funds must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Funds can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Funds may have similar rights. There can be no assurance that the Funds will be able to secure or maintain adequate financing.

#### *Costs*

Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Funds' portfolios.

#### *Short Selling*

The success of the Funds' short selling investment strategies depends upon the Investment Manager's and the Sub-Advisers' ability to identify and sell short securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover



or close out a short position and the Funds may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Funds secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing a Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Fund.

#### *Co-Investments with Third Parties*

The Funds may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Funds or is in a position to take (or block) action in a manner contrary to the investment objective of the Funds. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

#### *Valuation of Assets and Liabilities*

Clients' assets and liabilities are valued in accordance with the Investment Manager's valuation policies. The valuation of any asset or liability involves inherent uncertainty. The value of a security determined in accordance with the Investment Manager's valuation policies may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Uncertainties as to the valuation of portfolio positions could have an impact on the value of Client accounts if judgments regarding the appropriate valuation should prove to be incorrect.

#### *GAAP Net Asset Value Divergence*

Due to U.S. Generally Accepted Accounting Principles ("GAAP") requirements, the net asset value of the Funds for purposes of GAAP-compliant financial reporting may diverge from the net asset value of the Funds for all other purposes, including, without limitation, for purposes of allocating gains and losses among the investors in the Funds, which, is relevant to, among other things, determining the net asset value of the Funds, calculating the Management Fee and the Incentive Allocation, and calculating the amounts payable by the Funds in respect of a redemption by or dividend to an investor in the Funds. Net asset value divergence may occur, for example, in connection with the amortization of the organizational and initial offering expenses of the Funds, the measuring of fair value (as a result of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820), or the recognition or unrecognition of uncertain tax positions (as a result of FASB ASC 740).

#### *Equity Market Risk*

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If a Client held common stock, or common stock equivalents, of any given issuer, the Client would generally be exposed to greater risk than if the client held preferred stocks and debt obligations of the issuer. The price of a mutual fund or ETF may rise or fall based on the underlying equity securities or market indices, which may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the portfolios or the securities market as a whole, such as changes in economic or political conditions.

#### *Credit Risk*

If debt obligations held by an account are downgraded by rating agencies, go into default, or if business considerations, management action, legislation or other government action reduces the issuers' ability to pay principal and interest when due, the value of the debt obligation may decline and an account's value may be reduced. Because the ability of an issuer of a lower rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower-rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades, and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

#### *Foreign Investment Risk*

Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

#### *Interest Rate Risk*

When interest rates increase, the value of certain investments may decline. This effect is typically more pronounced for intermediate and longer-term fixed income obligations. This effect is also typically more pronounced for mortgage and other asset-backed securities. When interest rates decrease, an account's current income may decline.

#### *Prepayment Risk*

Decreases in market interest rates may result in prepayments of debt obligations then held in an account or fund which have high interest rates, requiring the account or fund to reinvest at lower interest rates.

#### *Risks Affecting Specific Issuers*

The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including management issues or other corporate disruption, political factors adversely affecting governmental issuers, a

decline in revenues or profitability, an increase in costs, or other events adversely affecting an issuer's competitive position.

### *Smaller Company Risk*

Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

### *ETF and Mutual Funds Fees and Risks*

When investing in an ETF or mutual fund, the Client will bear additional expenses based on the Client's pro rata share of the ETF's or mutual fund's operating expenses, including fund management fees and other expenses, which adversely affects performance of a Client's portfolio. ETF shares are purchased and sold on the secondary market (i.e., the New York Stock Exchange). The Client will incur brokerage costs (commissions) and other transaction costs (the spread between the bid price and the offer price) when ETFs are purchased and sold. Moreover, the price of such shares may be higher than (trade at a premium to) or lower than (trade at a discount to) the fund's actual net asset value per share, which also could adversely impact the performance of a Client's portfolio. Additionally, in stressed market or extremely volatile market conditions, the market for the ETF shares may be halted, which may delay a sale or cause a variance in the market price of the shares and their underlying value. In addition, the risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.

### *Assumption of Business, Terrorism and Catastrophe Risks*

Client portfolios may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism, pandemics and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on Clients and the investors in the Funds.

### *COVID-19*

In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which has resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China and South Korea, among other affected countries. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain. As of March 2021, COVID-19 has spread across the world, resulting in disruption and closures of certain travel and businesses. Additional market disruptions may occur. The extent to which COVID-19 may negatively affect the operations of the Investment Manager and the performance of Clients continues to be difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of

COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact.

In addition, in response to the spread of COVID-19, many businesses, including Atom's, the Sub-Advisers' and Intermediaries', have encouraged or mandated that their personnel work from home in an effort to help slow the spread of the coronavirus pandemic. Notwithstanding such precautionary measures, the Investment Manager, the Sub-Advisers and Intermediaries may still experience a significant increase in illness of their respective personnel. Additionally, to the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be more vulnerable to cybersecurity incidents and cyberattacks and could have more difficulty resuming normal operations in the event it is the target of such incident or attack. See "*Cybersecurity Risk*," below.

#### *Exposure to Material Non-Public Information*

From time to time, the Investment Manager may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, Clients may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

#### *Future Legislative and Regulatory Actions*

New laws and regulations, changing regulatory schemes and the burdens of regulatory compliance with respect to Clients, the Investment Manager or any related entity may have a material negative impact on the performance of Clients. Such legislation and regulations may, directly or indirectly, (a) require us to provide reports and other disclosure to investors, counterparties, creditors and regulators, (b) cause us to alter our management of the Funds, certain service offerings to other Clients, including for the purposes of avoiding increased regulatory burdens, (c) limit the types and structures of the investments available to the Funds or other Clients including limitations on the use of leverage, or (d) otherwise change or restrict the operations of the Funds or services made available to other Clients.

#### *Systems Failure*

The Investment Manager's strategies are highly dependent on the proper functioning of its internal computer systems. Accordingly, systems failure, whether due to third party failures upon which such systems are dependent or the failure of the Investment Manager's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short period of time), could, in certain market conditions, cause Clients to experience significant trading losses or to miss opportunities for profitable trading.

#### *Cybersecurity Risk*

As part of its business, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of Clients and personally identifiable information of Clients, as well as the investors in the Funds. Similarly, service providers of the Investment Manager, the Sub-Advisers, the Funds and Intermediaries, especially the administrator of the Funds, may process, store and transmit such information. The Investment Manager has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network-connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to Clients and the investors in the Funds may also be susceptible to compromise. Breach of the Investment Manager's, the Sub-Advisers' and Intermediaries' information systems may cause information relating to the transactions of Clients and the Sub-Advisers and personally identifiable information of Clients and the investors in the Funds to be lost or improperly accessed, used or disclosed.

The service providers of the Investment Manager, the Sub-Advisers, the Funds and Intermediaries are subject to the same electronic information security threats as the Investment Manager. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of Clients and personally identifiable information of Clients and the investors in the Funds may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Manager's, the Sub-Advisers', Intermediaries' and Clients' proprietary information may cause the Investment Manager, the Sub-Advisers, Intermediaries and Clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on Clients and the investors in the Funds.

#### *Privacy and Data Protection Laws*

The Investment Manager, the General Partner and/or the Funds may be subject to data protection laws passed by many states and by localities that require enhanced levels of cybersecurity and notification to users and/or regulators when there is a security breach for personal data. Compliance with these regulations, including the obligation to timely notify stakeholders in the event of a cybersecurity incident, may divert Atom's time and effort and entail substantial expense. Any failure by the Investment Manager or the General Partner to comply with these laws and regulations could result in negative publicity and may subject the Funds to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities and other penalties, for which the Investment Manager and the Funds may not have insurance coverage.

## *Conflict in Ukraine*

Russia launched a large-scale invasion of Ukraine on February 24, 2022 and, in response, the United States and other governments have imposed economic sanctions on certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures. It is possible that such governments could institute broader sanctions or impose other economic and political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors. Such effects and impacts could have a material adverse effect on Clients and their investments.

## **ITEM 9 – DISCIPLINARY INFORMATION**

On September 23, 2024, Atom entered into a settled administrative proceeding with the SEC related to alleged violations of recordkeeping rules under Section 204 of the Advisers Act and Rule 204-2(a)(7) without admitting or denying the SEC's allegations. The order alleged that from May 2018 through October 2021, certain Atom personnel, including senior employees, engaged in off-channel communications using personal devices, failing to retain certain required records. Atom self-reported these violations to the SEC. Atom was censured but no financial penalties were imposed. Atom agreed to cease and desist from further violations of the securities laws. The SEC order notes that the SEC determined not to impose a financial penalty because "Atom self-reported the ... conduct, took prompt steps to remediate the violations and cooperated with the Commission staff with respect to its investigation of another entity."

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither the Firm nor any of its management persons is registered or has an application pending to register as (i) a broker-dealer or a registered representative of a broker-dealer or (ii) a futures commission merchant, a commodity pool operator, a commodity trading adviser or associated person of the foregoing.

The Firm has no material relationships or arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer that are material to its advisory services or its Clients. The Firm has developed and will continue to develop relationships with professionals who provide services such as legal, accounting, banking, tax preparation, insurance brokerage, and other personal services. None of

the above relationships create a material conflict of interest with either Clients or investors in the Funds.

As mentioned above, the General Partner is an affiliate of Atom and is under common ownership and control. Any persons and employees acting on behalf of the General Partner are subject to the supervision and control of Atom. While the General Partner is not separately registered as an investment adviser, all of its activities are subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and the rules thereunder.

Index Pro is a subsidiary of Atom and is under common ownership and control. The Chief of Investment Strategy and other investment professionals are employees of Atom and are subject to the supervision and control of Atom. While Index Pro is not separately registered as an investment adviser, all of its activities are subject to the Advisers Act and the rules thereunder.

### **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Atom has adopted a code of ethics (“Code”) that establishes the standard of business conduct that all employees providing services to Clients must follow and requires compliance with all applicable securities laws. Our Code addresses policies and procedures that govern personal trading by our Employees as well as policies and procedures that govern certain other matters that present potential conflicts of interest, such as outside business activities and gifts and entertainment. A copy of Atom’s Code is available upon request to both investors and prospective investors.

The Code contains written policies reasonably designed to prevent the unlawful use of material non-public information Atom or any of its employees. Prospective clients and Clients may contact Atom at the telephone number or email listed on the cover of this Brochure to request a copy of its Code of Ethics. Atom appointed an individual to serve as Chief Compliance Officer (“CCO”) who, together with senior management, will be responsible for monitoring and enforcing the Code.

The Code establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. The foundation of our Code is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of its Clients, the Fund and investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code’s Employee Personal Investment Policy; and
- Employees should not take inappropriate advantage of their position at the Firm.

#### *Personal Trading*

Employees are prohibited from engaging in any transactions in reportable securities in any personal account while they are employed by the Firm, and in certain circumstances, after terminating employment with the Firm; provided, however, that any Employee that holds any

reportable securities in any personal account prior to joining the Firm may dispose of such covered securities while employed by the Firm if such Employee obtains written pre-approval from the Firm's CCO to dispose of such reportable securities.

Notwithstanding the foregoing prohibition, an Employee is permitted to purchase and sell investments in private investment funds if such Employee obtains written pre-approval of the CCO. In the case of a transaction in securities of an exchange-traded fund ("ETF"), the CCO's approval will be based, in part, on whether such ETF is considered "broad-based" (*i.e.*, holding at least 25 positions), and is otherwise consistent with the letter and spirit of the Code. The CCO may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper. Generally, Employees will be expected to hold an investment for at least 30 days before a sale will be permitted. If clearance is granted for a specified period of time, the Employee receiving the approval is responsible for ensuring that his or her trading is completed before the clearance's expiration.

All Employees are reminded that the Firm discourages its Employees from engaging in short-term trading, including with respect to mutual funds. In addition, all Employees are prohibited from trading in the shares of mutual funds for their *personal accounts*, and for the Funds managed by the Firm, in a manner inconsistent with a mutual fund's prospectus.

From time to time, Employees of the Firm may invest in private investments, including, but not limited to, venture capital, private equity and seed funding, so long as such investment does not pose a conflict of interest to Atom's business or the services provided to its Clients. The CCO will evaluate each request made by an Employee to determine if the particular investment poses a conflict of interest or otherwise appears improper.

#### *Outside Business Activities*

An Employee's service on the board of directors of an outside firm, as well as other outside activities generally, could lead to the potential for conflicts of interest and insider trading risks, and may otherwise interfere with an Employee's duties to the Firm. Accordingly, Employees are prohibited from serving on the boards of directors of any outside company, unless the service (i) (a) would be in the best interests of the Firm or its Clients and (b) has been approved in writing by the CCO or (ii) is for a charitable or civic organization (which would also have to be approved in writing if investment advice is being provided to the organization). In addition, any Employee serving on the board of a private company which is about to go public may be required to resign either immediately or at the end of the current term.

The Firm also discourages Employees from (i) engaging in outside business ventures; (ii) accepting any executorships, trusteeship or power of attorney (except with respect to a family member); and (iii) serving on a creditors committee except as part of the Employee's duties at the Firm. Accordingly, an Employee must obtain pre-approval from the CCO prior to engaging in any of these activities.

If an Employee does receive approval to associate with an outside business, such as by serving as an officer or director, the Employee should recuse himself or herself from any decisions regarding



that entity's political contributions. If the Employee believes that the outside business' political contributions could give even the appearance of being related to the Firm's advisory activities or marketing initiatives, the Employee must discuss the matter with the CCO.

## **ITEM 12 – BROKERAGE PRACTICES**

The Investment Manager generally has discretion on behalf of the Funds, Index Pro Clients and Advisory Clients who receive services through a sub-advisory arrangement in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. However, the Investment Manager does not have such brokerage or investment discretion with regard to Fund assets allocated to a Sub-Adviser, which are invested pursuant to investment guidelines and restrictions determined by the Investment Manager. The Investment Manager also does not have such discretion over an Index Pro Client's assets that are invested by an Intermediary pursuant to a model delivery arrangement or any portion of an Advisory Client's Managed Assets for which advisory services are provided solely on a non-discretionary basis.

When Atom has discretion over a Client's investment transactions and broker-dealer selection, Atom will allocate portfolio transactions for Clients to brokers and dealers based on numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or the Funds, Index Pro Clients, Advisory Services Clients certain managed accounts, proprietary accounts and other investment vehicles that are managed by the Investment Manager, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Investment Manager may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to a Client by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Manager nor Clients separately compensate any broker or dealer for any of these other services.

The Investment Manager maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

*Soft Dollars*

While the Firm does not intend to regularly generate and use “soft dollars”, from time to time, the Sub-Advisers may pay broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. In the event that the Investment Manager generates and uses “soft dollars”, it will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). The Investment Manager believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with “soft dollars” generated by the Fund may be used by the Investment Manager to service one or more accounts, including accounts that may not have paid for the soft dollar benefits. The Investment Manager will not seek to allocate “soft dollar” benefits to accounts in proportion to the “soft dollar” credits the accounts generate. Where a product or service obtained with “soft dollars” provides both research and non-research assistance to the Investment Manager (*i.e.*, a “mixed use” item), the Investment Manager will make a good faith allocation of the cost which may be paid for with “soft dollars”. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of the Investment Manager’s allocation of the costs of such benefits and services between those that primarily benefit the Investment Manager and those that primarily benefit the accounts.

When the Investment Manager uses brokerage commissions (or markups or markdowns) generated by any accounts to obtain research or other products or services, the Investment Manager receives a benefit because it does not have to produce or pay for such products or services. The Investment Manager may have an incentive to select or recommend a broker-dealer based on the Investment Manager’s interest in receiving research or other products or services, rather than on an account’s interest in receiving most favorable execution.

At least annually, the Investment Manager considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its accounts on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will the Investment Manager make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

### **ITEM 13 – REVIEW OF ACCOUNTS**

### **Private Investment Funds**

The Firm performs various daily, weekly, monthly, quarterly and periodic reviews of each Fund's portfolio. Such reviews are conducted in the ordinary course by the members of the Firm's personnel, including members of its investment, research, risk, accounting and compliance teams. A review of a Fund's account may also be triggered by any unusual activity or special circumstances.

The Funds distribute monthly capital statements to investors in the Funds identifying opening and closing balances for the period, net income, and capital contributions and withdrawals. The Funds provide to each investor, as applicable, tax information relating to the Funds necessary for the preparation of an investor's US federal income tax return. The Funds' audited financial statements will be distributed to investors in the Funds within 120 days of each Fund's fiscal year-end. The Firm may distribute additional reports to investors in the Funds from time to time in its sole discretion.

The Firm anticipates that any additional funds and client accounts will provide similar investor reporting, although the actual terms of such reporting will be set forth in the governing documents of the relevant fund or client account.

The Domestic Feeder Fund and the Master Fund each have an Advisory Committee composed of at least three members, and the Offshore Feeder Fund as a Board of Directors (the "Board of Directors"). The Board of Directors is composed of two independent parties and a member of the Firm's management team.

The Advisory Committees and the Board of Directors may be asked to review the Funds' financial statements and performance, review and approve certain conflicts of interest and related-party transactions and provide advice on or approval of such other matters as may be requested by the General Partner. The decisions of the Advisory Committees and the Board of Directors are binding on the corresponding Funds. The independent members of the Board of Directors or their respective corporate entities receive a reasonable and customary annual fee and are reimbursed for all reasonable out-of-pocket expenses, which fees and expenses are paid out of the assets of the Funds.

### **Index Pro**

The Firm's operations team conducts daily position-level reconciliations for each Index Pro Client's account. The Firm's investment team reviews each Index Pro Client's account to assess whether such account is managed consistently with the applicable model portfolio selected or designed for such account. A review of an Index Pro Client's account may also be triggered by any unusual activity or special circumstances.

With respect to each Index Pro Client that receives non-discretionary advisory services from the Firm via a model delivery arrangement with an Intermediary, the Firm is neither responsible for reviewing the Index Pro Client's account nor the applicable Intermediary's investment decisions made for such account.

Under Index Pro sub-advisory and model delivery arrangements, the Firm provides Intermediaries with electronic access to Index Pro Client portfolios that include position and performance information. Each Intermediary or custodian is ultimately responsible for providing periodic investment reports to the applicable Index Pro Client.

### **Advisory Services**

The Investment Manager regularly reviews an Advisory Client's Managed Assets. Reviews generally include assessing performance, liquidity, and suitability of investments. Reviews will also be conducted and tailored when and as requested by an Advisory Client. The frequency and extent of the reviews vary by Advisory Client and are driven generally by Advisory Client circumstances, changes to their financial situation, and assets and investment currently held or proposed to be held. Other factors that could trigger a review include extraordinary events, changes in the tax law, or major investment developments.

An Advisory Client's custodian provides quarterly reports to Advisory Clients showing the assets held in each account at the respective custodian, the market value, and each account's performance for the quarter. Reports from the custodian will generally be provided in electronic format, when agreed upon by the client. Advisory Clients must rely on their custodian for trade confirmations and reports. As noted in the MSA, the Investment Manager has no obligation to provide supplemental account information.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

The Investment Manager does not, directly or indirectly, compensate anyone for investor referrals.

## **ITEM 15 – CUSTODY**

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Atom relies on qualified custodians to maintain the funds and securities of Clients.

Each Index Pro and Advisory Client's qualified custodian will deliver a periodic (at least quarterly) account statement directly to such Client. The statement will include all transactions that took place in the Client's custodial account during the period covered and reflect any advisory fees deducted and paid to Atom. Index Pro and Advisory Clients are encouraged to review their account statements for accuracy and compare them to the account information made available by Atom. Should there be any discrepancies, Index Pro and Advisory Clients should rely on the information in their custodians' account statements.

The Funds are subject to an annual financial statement audit by an independent certified public accounting firm that is both registered with, and subject to regular inspection by, the Public Companies Accounting Oversight Board, that will be prepared in accordance with GAAP. The audited financial statements will be distributed to the investors in the Funds within 120 days of each Fund's fiscal year-end.

## **ITEM 16 – INVESTMENT DISCRETION**

### **Private Funds**

The governing documents of the Funds grant the Investment Manager full discretionary authority to determine, without obtaining specific consent from shareholders or Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds and to conduct the day-to-day investment operations of the Funds. Shareholders or Limited Partners do not have authority to impose restrictions on the Investment Manager's investment discretion.

### **Index Pro**

Except in the case of model delivery arrangements, Atom generally has discretionary authority to manage an Index Pro Client's investment portfolio according to agreed-upon guidelines, to buy and sell securities, invest cash, implement Client instructions, deduct fees, and perform other actions consistent with managing the portfolio. An Index Pro Client is able to request that special instructions or limitations be imposed on the management of its portfolio, but Atom reserves the right to reject such restriction if Atom determines that the request is not reasonable in its sole discretion. For Index Pro Clients receiving services through a sub-advisory model, the relevant Intermediary grants Atom full authority to buy, sell, or otherwise effect investment transactions for an Index Pro Client's account via the applicable Sub-Advisory Agreement.

In a model delivery arrangement, Atom has no discretionary authority over the Index Pro Client's investment portfolio, and the relevant Intermediary retains responsibility for implementing any Model Portfolio.

### **Advisory Services**

The MSA contains three annexes (i) Non-Discretionary Authority; (ii) Discretionary Authority; and (iii) Index Pro. Advisory Clients will enter into an MSA with the Investment Manager and select the level of authority it seeks to grant.

Non-Discretionary Authority allows the Investment Manager to provide generalized investment advice over an Advisory Client's Managed Assets and with the Client's consent, allocate Managed Assets into suitable investment opportunities.

Most Advisory Client accounts are discretionary, meaning that the Investment Manager exercises discretion over (i) the securities to be purchased or sold; (ii) the number of security transaction; (iii) the broker to be utilized; and (iv) the timing of the transaction. The Investment Manager is considered to exercise investment discretion over an Advisory Client's account if it can effect transactions for that account without first having to seek the Client's consent. Typically, the Investment Manager will request Advisory Clients to execute both the Non-Discretionary Authority and Discretionary Authority annexes to the MSA so that Managed Assets can be allocated, and transactions executed to best serve the Client's investment objectives.

In order to benefit from the full suite of Advisory Services, Advisory Clients must execute all three annexes to the MSA. To participate in the Index Pro platform, an Advisory Client must execute the Non-Discretionary Authority annex to the MSA, in addition to the Index Pro annex, so that Managed Assets can be allocated to Index Pro. By executing an Index Pro annex to the MSA, the

Advisory Client grants discretionary authority over the management of and execution of transaction in an Index Pro Portfolio.

Notwithstanding the foregoing, an Advisory Client may limit the extent of discretionary authority granted to the Investment Manager by providing guidelines and restrictions on particular investments. These guidelines and/or restrictions will be included and inform the investment objectives delineated in the IPS.

### **ITEM 17 – VOTING CLIENT SECURITIES**

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests. Clients generally grant proxy voting authority to Atom, except with respect to Advisory Clients who do not maintain an Index Pro Portfolio and model delivery arrangements in which Intermediaries retain any proxy voting authority that Clients delegate to them.

In instances where the Firm has proxy voting authority, it follows a standard proxy voting policy that is used to vote proxies on behalf of the Funds and Index Pro Clients

In order to facilitate the Standard Policy, the Firm has engaged an independent proxy voting service (the “Standard Policy Proxy Service”) to vote proxies for Atom’s Clients on the Firm’s behalf in accordance with the Standard Policy Proxy Service’s proxy voting guidelines. The Standard Policy Proxy Service provides the Firm with proxy analysis and voting recommendations, vote execution, and quarterly reports reflecting the Firm’s voting history. The Firm has authorized the Standard Policy Proxy Service to vote all proxies in accordance with those recommendations provided by Proxy Policies and Insights. In the event that Proxy Policies and Insights has not provided recommendations in respect of a particular vote, the Firm will vote proxies in support of management recommendations. In no event will Clients or investors in the Funds be permitted to direct the Firm to vote proxies in a particular way. Notwithstanding the foregoing, as a matter of policy, the Firm refrains from voting proxies of portfolio securities of issuers in share blocking jurisdictions, *i.e.*, in jurisdictions that bar the trading of a security pending a proxy vote in which the holder of such security has cast a vote.

Unless otherwise agreed in writing, the Firm will not vote proxies on behalf of Advisory Clients. The only Advisory Clients that will benefit from the Proxy Service are those Managed Assets invested in an Index Pro Portfolio.

The Firm believes that it generally will not be faced with any direct or indirect conflicts of interest with respect to the voting of any proxy because it has engaged the Proxy Services to handle proxy votes. However, to the extent that such a conflict may arise, the Firm will resolve the conflict in a manner we believe to be in the best interests of its Clients.

Upon request, a Client or an investor in the Funds will receive a report setting forth certain information regarding each proxy voted, including the identity of the relevant issuers and how

each ballot measure was voted. Any request for information about proxy voting will be addressed by the CCO.

#### **ITEM 18 – FINANCIAL INFORMATION**

Atom has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.