

Atlas FRM LLC
(d/b/a Atlas Holdings LLC)
Form ADV Part 2A

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This brochure (“Brochure”) provides information about the qualifications and business practices of Atlas FRM LLC (d/b/a Atlas Holdings LLC) (referred to herein as “Atlas”). If you have any questions about the contents of this Brochure, please contact us at 203.622.0945 or via email at pschuch@atlasholdingsllc.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 Atlas is also available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT ATLAS OR ANY OF THE PRINCIPALS OR EMPLOYEES OF ATLAS POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This Brochure, dated as of February 14, 2012, has been prepared in connection with Atlas's registration with the SEC as an investment adviser. In the future, this Item 2 will set forth a brief summary of any material changes to our disclosure since our last annual update.

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Item 4 - Advisory Business

Atlas FRM LLC (d/b/a Atlas Holdings LLC) (“Atlas”) is a private equity firm that specializes in control investments in distressed private companies. Atlas has been in the investment advisory business since 2007. The principal owners of Atlas are Andrew Bursky and Timothy Fazio.

Atlas’s investment advisory business is principally focused on providing advisory services to one or more pooled investment vehicles (“Direct Funds”) organized to make private equity investments in privately-held distressed middle-market companies and in underperforming subsidiaries of public companies whose complex problems mask their intrinsic value. The Direct Funds primarily seek to acquire controlling interests in middle-market companies and underperforming subsidiaries of public companies undergoing financial or operational stress in sectors in which Atlas, its principals, Operating Partners (as defined below) and their respective affiliates have operating expertise. Such sectors include but are not limited to the building materials, energy, wood products, packaging and paper products sectors, both as a manufacturer and as a service provider or distributor. The Direct Funds will invest in debt and equity securities, typically in complex environments, including bankruptcies, restructurings, reorganizations and corporate spin-offs.

Atlas also provides advisory services to a single fund-of-funds, Atlas International Investors, LP (“Atlas International” and collectively with the Direct Funds, the “Atlas Fund”). Atlas International, which has ceased making new investments, invests in third-party managed private equity funds that primarily target growth equity investments in international markets.

Generally, a related person of Atlas acts as the general partner of each Atlas Fund, and Atlas (directly or indirectly through a wholly-owned subsidiary) serves as investment adviser to each Atlas Fund. References to Atlas in this Brochure include, as the context requires, affiliates through which Atlas provides investment advisory services or that act in any capacity referenced in the previous sentence.

Atlas tailors its advisory services to the specific investment objectives and restrictions of each Atlas Fund set forth in such Atlas Fund’s limited partnership agreement and investment management agreement. Investors and prospective investors of each Atlas Fund should refer to the confidential private placement memorandum, limited partnership agreement, investment management agreement and/or other governing documents (collectively, the “Governing Documents”) of the applicable Atlas Fund for complete information on the investment objectives and investment restrictions with respect to such Atlas Fund. There is no assurance that any of the Atlas Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Atlas Funds and/or their general partners may enter into “side letters” or similar agreements with certain

investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally.

Atlas does not participate in any wrap fee programs.

Atlas manages all client assets on a discretionary basis in accordance with the terms and conditions of each Atlas Fund's Governing Documents. As of December 31, 2011, the amount of assets Atlas manages on a discretionary basis is \$394,542,601.00.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

All investors and prospective investors should review the Governing Documents of each Atlas Fund in conjunction with this Brochure for complete information on the fees and compensation payable in connection with a particular Atlas Fund. Different Atlas Funds may be subject to different management fees and performance-based compensation arrangements. In limited circumstances, the advisory fees payable to Atlas by individual investors in the Atlas Funds may be negotiable and/or waived. Investors and prospective investors in each Atlas Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. With the exception of Atlas International, all other advisory clients (i.e., the Direct Funds) are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended ("Company Act"). Consequently, Atlas is not required to include specific fee information in this Brochure relating to the Direct Funds.

With respect to Atlas International, an affiliate of Atlas receives an annual management fee generally equal to 1% per annum of the capital commitment of each limited partner of Atlas International. In addition, an affiliate of Atlas receives a carried interest allocation from Atlas International ranging from 5% to 15% of the cumulative gross realized profits attributable to Atlas International after each partner of Atlas International has each received an amount equal to 108% of the capital such partner contributed to Atlas International. The specific percentage of cumulative gross realized profits that such Atlas affiliate receives as a carried interest allocation is tied to Atlas International's internal rate of return.

Deduction of Fees; Timing of Payments; Termination

As a general matter, Atlas will charge and deduct advisory fees directly from the Atlas Funds pursuant to the terms of the Governing Documents.

Payment of advisory fees is generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Atlas Funds for complete information on the timing of advisory fee payments.

Upon termination of any investment management agreement, any prepaid, unearned fees will be promptly refunded (determined on a pro rata basis based on the number of days

elapsed in the applicable payment period), and any earned, unpaid fees will be due and payable.

Other Fees and Expenses

In addition to the fees payable to Atlas and its affiliated entities, the Atlas Funds (and therefore, indirectly, the limited partners of such Atlas Funds) may incur certain charges imposed by third parties and other expenses as set forth in the Governing Documents attributable to each Atlas Fund. Such expenses may include (but are not limited to) any costs and expenses incurred in investigating, developing, negotiating, structuring, acquiring, trading, settling, monitoring and holding portfolio investments (whether or not consummated), travel, legal, tax and accounting expenses in connection therewith; broken deal expenses; brokerage fees and commissions and prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs; payments to legal counsel, tax advisors, auditors, accountants, administrators, custodians, consultants and other outside advisors; expenses of an Atlas Fund's advisory board attributable to the Atlas Fund; insurance; market data costs; research-related expenses, including, without limitation, news and quotation equipment, software and services; other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of Atlas Fund assets; costs of any investigation, litigation or threatened litigation relating to the business or activities of a Fund or its general partner; indemnification obligations; interest and other expenses for borrowed money; taxes, fees or government charges that may be assessed against an Atlas Fund; any extraordinary expenses of an Atlas Fund, including fees and expenses associated with any tax or other audit, investigation, settlement or review of an Atlas Fund; liquidation expenses of an Atlas Fund; expenses of annual and special meetings of the partners of an Atlas Fund; costs of preparing financial statements and reports to such limited partners as well as tax returns and Schedule K-1s; and all other expenses properly chargeable to the activities of an Atlas Fund. Additionally, in the case of Atlas International, limited partners will indirectly bear the management fees paid to, and performance-based allocations received by, the managers (or affiliates thereof) of the underlying private equity funds in which Atlas International invests.

The types of such other fees and expenses incurred may vary among Atlas Funds. All investors and prospective investors should review the Governing Documents of the applicable Atlas Fund in conjunction with this Brochure for complete information on the charges and expenses payable with respect to a particular Atlas Fund.

The section titled “*Brokerage Practices*” describes the factors Atlas considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Timing of Payments

Please refer to the subsection entitled “*Deduction of Fees; Timing of Payments; Termination*” described above.

Transaction-Based Compensation

Atlas does not receive any compensation as broker or agent for the sale of securities or other investment products to any Atlas Fund. Please refer to the subsection titled “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that Atlas may receive with respect to investments by the Atlas Funds.

Item 6 - Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

All Atlas Funds are subject to performance-based compensation arrangements. A related entity of Atlas, as general partner of an Atlas Fund, will typically receive certain allocations calculated and charged based on a share of capital gains on or capital appreciation of the assets of such Atlas Fund. Such “carried interest” allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the “Advisers Act”) to the extent required thereunder. Any share of profits allocated or distributed to a general partner or affiliate of an Atlas Fund is separate and distinct from the advisory fees charged by Atlas to such Atlas Fund for advisory services.

Arrangements regarding performance-based allocations received by related persons of Atlas may create an incentive for Atlas to recommend investments that may carry more risk or be more speculative than those that would be recommended under a different fee arrangement.

Side-by-Side Management

Atlas Funds with similar investment strategies may, in the future, be subject to different performance-based compensation arrangements. If Atlas or an affiliate is entitled to receive a higher percentage of the net profits of the account of one Atlas Fund than the percentage that Atlas or an affiliate receives from another Atlas Fund with a similar investment strategy, then Atlas may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Atlas Fund that is subject to the higher percentage.

To mitigate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each Direct Fund will be made by Atlas with respect to all Direct Funds in accordance with Atlas’s investment allocation policy, which takes into account multiple criteria, including: (i) the investment objectives, strategies, guidelines and restrictions of each Direct Fund, (ii) the relevant allocation of investment opportunity provisions in a Direct Fund’s Governing Documents, (iii) the liquidity needs of each Direct Fund and the investment cycle of each Direct Fund; (iv) the respective holding periods for the prospective investments; (v) the nature of the disposition opportunity, including the size and source of the opportunity; (vi) current and anticipated market conditions; and (vii) tax, legal and/or regulatory considerations.

Please refer to the Governing Documents of each Atlas Fund for complete information on the specific “performance-based fee” arrangements of each Atlas Fund.

Item 7 - Types of Clients

Types of Clients and Investment Vehicles

Atlas provides investment advice solely to the Atlas Funds, which are pooled investment vehicles generally offered to accredited investors and/or qualified purchasers pursuant to Section 3(c)(1) or 3(c)(7) of the Company Act. As a result, the Atlas Funds are not required to register as investment companies under the Company Act in reliance upon certain exemptions available to the Atlas Funds, the securities of which are not publicly offered. The limited partners of the Atlas Funds may include high net worth individuals, corporations, funds of funds, financial institutions, endowments, foundations, trusts, estates, sovereign wealth funds, and public and private pension and profit sharing plans.

Atlas and/or its affiliates may establish certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, “AIVs”) for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by one or more Atlas Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Atlas Fund for complete details on any Feeder Fund that may be established by such Atlas Fund and such Atlas Fund’s ability to make investments through AIVs.

Minimum Investment Requirements

In general, the minimum investment commitment required of a limited partner to participate in a Direct Fund is \$5,000,000. The minimum investment commitment requirement for a limited partner with respect to Atlas International, which is closed to new investors, was set at \$50,000. Notwithstanding the foregoing, the general partner of each Atlas Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each Atlas Fund for complete information on minimum investment requirements for participation in a particular Atlas Fund.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

As discussed in Item 4 above, the Direct Funds’ primary investment strategy is to make private equity investments in distressed middle-market privately-held companies and in underperforming subsidiaries of public companies. The Direct Funds’ portfolio companies operate in various industrial sectors including, but not limited to, building materials, energy, wood products, packaging and paper products. The investment strategy utilized by Atlas on behalf of the Direct Funds involves attempting to identify and capitalize on hidden value in a target portfolio company that meets the following criteria: (i) the target portfolio company competes in a sector that Atlas knows well by virtue of historic operating experience, either directly or through its operating partners

who are experienced managers with expertise and established relationships in the various industry sectors Atlas invests in (“Operating Partners”), (ii) the target portfolio company is undergoing significant financial or operational distress caused by an understandable, finite and resolvable causal factor or set of factors, (iii) a catalyst for a transaction is in place, creating a motivated seller and (iv) the target portfolio company is likely to experience limited interest by prospective buyers, either because of complexity, timing or other factors which may mask value and discourage investors.

Also, as discussed in Item 4 above, Atlas International was organized to invest in third-party managed private equity funds that primarily target growth equity investments in international markets. Atlas International is closed to investors and has ceased making new investments. Additionally, Atlas does not anticipate implementing a fund-of-funds investment strategy in the foreseeable future. Existing investors in Atlas International should review Atlas International’s confidential private placement memorandum for a detailed description of the fund’s investment strategy.

Methods of Analysis

Investments, and potential investments of the Direct Funds, are analyzed by Atlas based upon the business strategy and focus of the target portfolio company and the relevant experience of the target portfolio company’s officers and directors. Atlas also considers general economic characteristics of potential investments, including the potential for becoming low cost-competitors in their industry sector, recurring revenue, strong cash flow margins, barriers to entry, high margins, significant operating leverage, long-term customer relationships, and opportunities for add-on acquisitions.

Atlas’s principal sources of information in identifying investments include its proprietary network of industry participants, bankers, consultants, executives and professional advisors (including attorneys, accountants and other industry advisors), its Operating Partners, private offering memoranda, quarterly and annual reports, personal interviews with directors and officers of such entities, visits to such entities, SEC filings (if available) and general industry knowledge.

Atlas determines the intrinsic value of each potential portfolio company acquisition by engaging with its Operating Partners in order to understand the company’s fundamental operational drivers, metrics, risks and relative competitive position. Atlas systematically considers certain attributes of the company in the context of a set of industry-specific criteria that assist it in predicting its future performance. These criteria include, but are not limited to: (i) the target portfolio company’s performance relative to industry-specific operating metrics; (ii) the sensitivity of the target portfolio company to fundamental drivers of change in the company’s industry; (iii) the target portfolio company’s particular strengths and weaknesses relative to its competitors; and (iv) the target portfolio company’s management and/or opportunity to enhance management.

Upon identifying a target portfolio company investment, Atlas engages in a thorough due diligence process that includes a presentation first within the industry group responsible

for the segment in which the prospective portfolio company falls and then to Atlas's principals and the relevant Operating Partners as part of their periodic meetings. As part of the due diligence, Atlas will rigorously consider the potential for cost reductions, productivity improvements or other solutions that can be implemented to enhance the value of a portfolio company immediately upon acquisition. These potential solutions whose efficacy will be considered during the due diligence process include the ability to: (i) negotiate with unions in order to obtain more favorable contracts or work rules, often in exchange for profit sharing; (ii) shed legacy costs such as pension liabilities; (iii) rationalize operations to obtain maximum efficiency; (iv) sell non-core assets that inhibit operating performance or investment returns; and (v) create transaction structures or agreements that minimize exposure to environmental and other liabilities. Further diligence, if warranted, will serve to establish the original thesis of the investment and address the issues identified by the initial discussion.

Subsequently, Atlas determines a suitable purchase price after weighing the factors outlined above and vigorously negotiates in order to obtain the best possible contract terms. These terms often include cost reductions requiring union consent, indemnities and other protections from potential legal and/or environmental liabilities, and additional considerations that address risks Atlas has discovered and analyzed over the course of its due diligence process.

The investment process used by Atlas with respect to the evaluation and selection of underlying funds and their respective managers on behalf of Atlas International is no longer being implemented as Atlas International has completed its final underlying fund investment and, as such, is not expected to make any new investments. Additionally, Atlas does not anticipate implementing a fund-of-funds investment strategy in the foreseeable future. As a result, Atlas' fund-of-funds investment process is no longer relevant to prospective investors and, therefore, is not described in this Brochure. Existing investors in Atlas International should review the fund's confidential private placement memorandum for a detailed description of the investment process that Atlas utilized in connection with making investments on behalf of the fund.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Atlas will be able to choose, and the Atlas Funds will be able to make and/or realize, any particular investment or that the Atlas Funds will be able to generate returns for their investors. In addition, there can be no assurance that any investor will receive any distribution from an Atlas Fund. Investing in the Atlas Funds involves a risk of loss that investors should be prepared to bear. Investors in the Atlas Funds are requested to refer to the Governing Documents of the applicable Atlas Fund for complete information on investment strategies employed by such Atlas Fund and the corresponding risks associated with such investment strategies. Investors in the Atlas Funds should carefully consider, among other factors, the following material risks involved with the Atlas Funds' investment strategies.

Nature of Investments. A substantial portion of an Atlas Fund's investments will be in private equity or private equity-related investments that by their nature involve business, financial, market and/or legal risks. An Atlas Fund's investments will be highly illiquid, and there can be no assurance that an Atlas Fund will be able to realize on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to investors.

While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the general partner of an Atlas Fund or Atlas will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of an Atlas Fund's activities.

Control Liability. A Direct Fund will often own a significant or controlling percentage of the equity of its portfolio companies. A Direct Fund will generally appoint one or more representatives to the board of directors of the companies in which it invests. Significant or controlling ownership and serving on the board of directors of a portfolio company exposes a Direct Fund's representatives, and ultimately a Direct Fund, to potential liability because a Direct Fund or its representatives may in certain cases be thought to control, participate in the management of or influence the conduct of such portfolio company.

Non-Controlling Investments. A Direct Fund may, in limited instances, make minority equity investments in portfolio companies where it may have limited influence. Such a portfolio company may have economic or business interests or goals that are inconsistent with those of such Direct Fund, and the Direct Fund may not be in a position to limit or otherwise protect the value of its investment in the company, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the Direct Fund's investments. The Direct Fund's control over the investment policies of these companies may also be limited.

Investments in Distressed Securities. The Direct Funds primarily invests in the securities and obligations of distressed and/or bankrupt portfolio companies, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer of those obligations might not make any interest or other payments. In addition, these securities may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Distressed and debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws as described below, (ii) so-called "lender-liability" claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations and, in certain circumstances, (iv) challenges to

claims based on face value of securities purchased at distressed levels against par.

Middle-Market Investments. A primary component of the Direct Funds' investment strategy is to invest in middle-market portfolio companies. While investments in middle-market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in large companies. Small and medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small and medium-sized companies, could make it difficult for the Direct Funds to react quickly to negative economic or political developments.

Reliance on Other Management. The day-to-day operations of each portfolio company in which a Direct Fund invests will be the responsibility of such portfolio company's management team. Although Atlas and each Direct Fund's general partner will monitor the performance of a Direct Fund's portfolio companies and will screen for and, if necessary, recruit capable management, there can be no assurance that such management will be able to operate any such portfolio company in accordance with such Direct Fund's expectations.

In addition, in connection with Atlas International's fund of funds strategy, Atlas International has invested in a limited number of private equity funds managed by third-party investment managers not affiliated with Atlas. Atlas will not have an active role in, or exercise control over, the day-to-day management of such underlying funds or their respective managers. As such, Atlas will not have an opportunity to evaluate the specific investments made by such underlying fund managers. The performance of Atlas International will depend in large part on the performance of these underlying funds and the expertise and skills of their respective investment managers. In light of Atlas International's concentrated exposure to a limited number of underlying funds, unfavorable performance by even a single underlying fund could have a material adverse effect on Atlas International's overall performance.

Follow-On Investments. A Direct Fund may be called upon to provide follow-on funding for its portfolio companies or have the opportunity to increase its investment in portfolio companies. There can be no assurance that a Direct Fund will have sufficient capital to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish a Direct Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development.

Non-U.S. Investments. A Direct Fund may from time to time invest in portfolio companies operating and/or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. Such investments may be subject to certain additional risks not presented by investments in U.S. portfolio companies due to, among other things, potentially unsettled points of applicable governing law, the risks associated with different accounting standards, different legal protections for investors, unusual regulatory burdens, political instability, fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of such Direct Fund) and the application of complex tax rules to cross-border investments. Even those portfolio companies that nominally are U.S. portfolio companies by virtue of their jurisdiction of organization or management headquarters may be exposed to significant foreign risks due to the increasingly international nature of many growth stage companies. Any adverse change to the political, economic, military or social environments in the host countries of a Direct Fund's portfolio companies could have a significant adverse effect upon the operations or financial performance of a Direct Fund. The foregoing factors may increase transaction costs, adversely impact the value of a Direct Fund's investments in non-U.S. portfolio companies and otherwise reduce returns to a Direct Fund's investors.

Litigation Risks. An Atlas Fund will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties during the term of such Atlas Fund. Legal disputes, involving any or all of the Atlas Funds, their affiliates, or their portfolio companies, may arise from an Atlas Fund's activities and investments and could have a significant adverse effect on such Atlas Fund.

Changes in Environment. An Atlas Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Atlas Fund operates may undergo substantial changes, some of which may be adverse to such Atlas Fund. A drawn-out recession, downturns in the economy, deteriorations in the condition of an industry sector in which an Atlas Fund has invested or adverse developments in the securities or credit markets may have an adverse impact on some or all of an Atlas Fund's investments. A sustained period of inactivity and/or low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by an Atlas Fund. In addition, factors specific to a portfolio company may have an adverse effect on an Atlas Fund's investment in such company. The economic environment for all companies may remain challenging. All portfolio companies may face intense competition, changing business and economic conditions, risks of technological acceptance and obsolescence or other developments that may adversely affect their performance. The investment sourcing, selection, management and liquidation strategies and procedures exercised by Atlas in the past may not be successful, or even practicable, during an Atlas Fund's term.

Investments Longer than Term. A Direct Fund may invest in portfolio companies that may not be advantageously disposed of prior to the date that the Direct Fund will be

dissolved, either by expiration of the Direct Fund's term or otherwise. Although the Direct Fund's general partner expects that investments will be either disposed of prior to dissolution or suitable for in-kind distribution at dissolution, the Direct Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Item 9 – Disciplinary Information

Atlas and its principals have not been the subject of any disciplinary events or material legal proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither Atlas nor any of its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Atlas and its management persons are not affiliated with any broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

Neither Atlas nor any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

As discussed in the subsection titled “*Participation or Interest in Client Transactions and Personal Trading*,” Atlas and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of the general partner of each of the Atlas Funds. Atlas and its related persons manage multiple Atlas Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the Atlas Funds. Please refer to the Governing Documents of the relevant Atlas Fund for complete information on the requisite time commitments (if any) of Atlas and its related persons to the Atlas Funds and the allocation of investment opportunities among the Atlas Funds. Please also refer to the description of Atlas's investment allocation policy described in the subsection “*Side-by-Side Management*” above.

Employees of Atlas and its affiliates may serve as officers, advisors, managers, directors or in comparable management functions for portfolio companies in which the Direct Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. In connection with such activities, employees of Atlas may be given access to confidential information relating to companies in which the Direct Funds invest or may otherwise become subject to legal or contractual restrictions on their ability to effect transactions for the Direct Funds. As a result, the Direct Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies,

which prohibition may have an adverse effect on the Direct Funds. The above individuals may spend a substantial portion of their time with these related management activities.

From time to time, certain Direct Funds may hold or may acquire positions in portfolio companies in which other Direct Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which a Direct Fund and one or more other Direct Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The Direct Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple Direct Funds hold an interest in the same company, disposition opportunities with respect to that investment shall, to the extent practicable, be allocated among such Direct Funds on a basis that is fair and equitable to each Direct Fund as determined by Atlas taking into account all relevant facts and circumstances.

In addition, prior to forming the Direct Funds Atlas made a number of proprietary investments in operating companies, and Atlas will continue to hold and manage these legacy proprietary investments. Atlas does not believe that this poses any material conflict of interest with the Direct Funds. All future potential investments that fall within the investment strategy of the Direct Funds will be allocated to the Direct Funds in accordance with the allocation policy as described herein.

Selection or Recommendation of Other Advisers

Except in the case of Atlas International, a private equity fund-of-funds, Atlas does not recommend or select other investment advisers for its clients. With respect to Atlas International, Atlas does not receive compensation, directly or indirectly, from such other advisers in a manner that would create a material conflict of interest. Atlas does not have business relationships with other advisers that create a material conflict of interest in relation to Atlas' clients.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Atlas has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing Atlas's commitment to ethical conduct. Atlas's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth, among other things, Atlas's (i) policies on receipt of gifts by employees and campaign contributions and (ii) practice of monitoring the personal securities transactions of supervised persons with access to client investment recommendations. Under Atlas's Code of Ethics, all supervised persons have a duty to act only in the best interests of the Atlas Funds and potential conflicts and violations of the Code of Ethics must be promptly reported to Atlas's Chief Compliance Officer ("CCO"). All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of Atlas that no person

employed by Atlas shall prefer his or her own interest to that of an Atlas Fund or make personal investment decisions based on the investment decisions of the Atlas Funds.

To supervise compliance with its Code of Ethics, Atlas requires that anyone associated with its advisory practices with access to advisory recommendations provide annual securities holdings reports and quarterly brokerage statements (or equivalent quarterly transaction reports) to the firm's CCO. Atlas requires such "access persons" to also receive approval from the CCO prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by Atlas's personnel, the CCO will from time to time establish and make available a list of restricted securities. Access persons are strictly prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

Atlas requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Atlas also has a policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

Atlas will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions; Personal Trading

As general partners, limited partners and/or managing members of the general partners of each of the Atlas Funds, Atlas and its related persons have indirect beneficial interests in the securities owned by the Atlas Funds and will share in any profits and losses generated by the Atlas Funds' investments. Moreover, in certain situations, related persons of Atlas may purchase interests in the same portfolio investments held by one or more Atlas Funds. All such transactions are subject to compliance with Atlas's Code of Ethics as described above and the governing documents of the applicable Atlas Funds. Any access person who has or acquires ownership of an issuer through a private placement (excluding any indirect investment in an issuer via a direct or indirect interest in an Atlas Fund) must affirmatively disclose that interest to the CCO if such access person is involved in considering or determining any subsequent investment decision regarding an investment by an Atlas Fund in any security of that issuer or an affiliate.

Atlas and/or certain related persons of Atlas may, on rare occasions, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Atlas Funds in connection with certain "warehousing" transactions, provided that the sale is consistent with Atlas's fiduciary obligations to the Atlas Funds. Such transactions will be fully disclosed and the written consent of the appropriate Atlas Fund (which, in certain circumstances, may be provided by the Atlas Fund's advisory committee) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute "principal transactions" under Section 206(3).

Moreover, Atlas may, in limited instances, cause an Atlas Fund to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Atlas Fund, provided that the transfer is consistent with Atlas’s fiduciary obligations to each Atlas Fund participating in the cross transaction.

While Atlas endeavors at all times to act in the best interests of the Atlas Funds, investors should be aware that such transactions create a potential conflict of interest.

Item 12 - Brokerage Practices

Discretionary Brokerage

The Atlas Funds invest primarily in private equity investments, although they may acquire, sell or distribute public securities on occasion (for example, where an Atlas Fund receives shares of a company as part of a general distribution or initial public offering). Subject to the investment objectives, policies and restrictions of each Atlas Fund, as set forth in such Atlas Fund’s Governing Documents, Atlas will generally have discretionary authority to select the broker or dealer to be used to execute transactions in securities on behalf of the Atlas Funds and negotiate the commission cost to be paid.

In the limited instances where Atlas selects brokers, Atlas’s primary consideration will be to obtain the most favorable net result for the Atlas Funds under the circumstances, which may not involve the lowest possible commission cost. In selecting broker-dealers to effect securities transactions, Atlas seeks to obtain best execution by considering factors including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker’s execution abilities, commission rates, and financial responsibility and responsiveness. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

Research and Soft Dollar Benefits

Atlas does not engage in soft dollar arrangements with respect to securities transactions for the Atlas Funds.

Brokerage and Client Referrals

Atlas does not consider referrals of investors to the Atlas Funds in determining its selection of broker dealers or other third parties.

Trade Aggregation

Although Atlas does not often trade in public securities, in such circumstances Atlas will, to the extent possible, generally place a combined order for two or more Atlas Funds it manages engaged in the purchase or sale of the same security if, in its good faith

determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Atlas Funds' Governing Documents, and otherwise in the best interest of the Atlas Funds.

Item 13 - Review of Accounts

Review of Client Accounts

Atlas will continuously monitor portfolio investments on behalf of the Atlas Funds. Investments are reviewed in the context of each Atlas Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Atlas Fund. Atlas principals meet regularly to determine and review overall investment objectives, risk tolerance and other information relevant to the Atlas Funds.

Reports to Clients

The general partners of each Atlas Fund distribute quarterly and annual written reports to their respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, certain descriptive investment information relating to the Atlas Funds' investments and the audited financial statements of the Atlas Funds. The quarterly reports generally contain unaudited financial statements of the Atlas Funds for the fiscal quarter and certain descriptive investment information relating to the Atlas Funds' investments.

Investors are requested to refer to the Governing Documents of each Atlas Fund for further information on the reports provided by a particular Atlas Fund to its investors.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

From time to time, in connection with investments made by certain Atlas Funds, Atlas or its affiliates or supervised persons may receive directors, commitment, monitoring, advisory, success, break-up and/or similar fees or other remuneration from portfolio companies in which one or more of the Atlas Funds may invest or propose to invest. To mitigate potential conflicts of interest, Atlas will generally offset a portion of such benefits against advisory fees payable by the applicable Atlas Fund or otherwise remit such benefits to the limited partners of such Atlas Fund in accordance with such Atlas Fund's Governing Documents. Investors are requested to refer to the Governing Documents of each of the Atlas Funds for complete information on the additional compensation received by Atlas or its affiliates or supervised persons in connection with a particular Atlas Fund's investments and the amount of the applicable advisory fee offset.

Third Party Compensation for Client Referrals

Atlas and related entities of Atlas may enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing investors to an Atlas

Fund. In accordance with the terms of the relevant Atlas Fund's governing documents, any sales charge associated therewith will ultimately be payable by Atlas and/or its related entities, either directly or through an offset of the advisory fee payable by the relevant Atlas Fund to Atlas. An investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

Atlas endeavors at all times to put the interests of the Atlas Funds first as part of Atlas's fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to Atlas and the Atlas Funds.

Item 15 - Custody

Atlas will not have physical possession of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, Atlas will generally be deemed to have custody of the assets of the Atlas Funds as a result of its position as an affiliate of the general partner of each Atlas Fund.

It is Atlas's policy to cause each Atlas Fund with assets over which Atlas is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days (or, in the case of Atlas International, 180 days) after the end of each fiscal year. In addition, upon the final liquidation of any such Atlas Fund, Atlas will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Atlas Fund to all investors promptly after completion of the audit.

Item 16 - Investment Discretion

Subject to the investment objectives, policies and restrictions of each Atlas Fund as set forth in the Governing Documents of such Atlas Fund, Atlas has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Atlas Fund. Atlas is provided with this authority pursuant to a limited power of attorney granted via the applicable Governing Documents.

Item 17 - Voting Client Securities

Because Atlas has, or will accept, authority to vote securities held by an Atlas Fund, it has adopted policies and procedures ("Proxy Voting Policies and Procedures") that have been designed to ensure that Atlas complies with the requirements of the Advisers Act and reflect Atlas's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the Atlas Funds.

When exercising its voting authority over client securities, Atlas considers all relevant information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. Atlas votes all proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner

consistent with the Proxy Voting Policies and Procedures and Atlas's fiduciary duties to the Atlas Funds.

Atlas reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Atlas Fund. As a result, depending on the Atlas Fund's particular circumstances, Atlas may vote one Atlas Fund's securities differently than it votes those of another Atlas Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Atlas may determine that it is in an Atlas Fund's best interest for Atlas to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, Atlas, in consultation with the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Atlas, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, Atlas takes steps to ensure that its voting decision is based on the best interests of the applicable Atlas Funds and is not a product of the conflict. Atlas may, at its discretion, (A) seek the advice of the applicable advisory committee in voting such security (if any); (B) disclose the conflict of interest to the limited partners of the Atlas Fund and defer to the Atlas Fund's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (D) take such other action in good faith (in consultation with Atlas's outside counsel) which would serve the best interest of the Atlas Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Atlas will deliver to each limited partner of an Atlas Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Atlas Fund.

Item 18 - Financial Information

Atlas has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.