

# **Atika Capital Management, LLC**

## **Part 2A of Form ADV**

The Brochure

March 2020

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New York, NY 10018

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This brochure provides information about the qualifications and business practices of Atika Capital Management, LLC (“Atika” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 212-480-2710. 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.

The Adviser is registered as an investment adviser with the SEC. Registration as an investment adviser with the SEC or with any state securities authority does not imply that the Adviser or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or in any other business.

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

## **Item 2. Material Changes**

This document serves as Atika's brochure as of March 2020. Current and prospective investors should carefully review the disclosure contained herein. Since the annual update in March 2019, the adviser has updated the following items:

Items 4, 5, 12, and 16 to reflect that Atika no longer provides occasional investment recommendations on a non-discretionary basis to an unaffiliated registered investment adviser/broker-dealer. We encourage all recipients of this brochure to read it carefully in its entirety.

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## **Item 4. Advisory Business**

The Adviser, a Delaware limited liability company, is an investment adviser with its principal place of business in New York, NY. Atika commenced its operations in February 2013. Bradley Farber is the principal owner of Atika.

Atika provides investment advisory services to private funds and a non-discretionary account client. With regard to its private funds, Atika provides discretionary investment advisory services to Atika Capital Partners LP, a Delaware limited partnership (the “Atika Onshore”), Atika Offshore Master Fund, Ltd., a Cayman Islands exempted company (the “Atika Offshore Master”), and Atika Offshore Fund, Ltd., a Cayman Islands exempted company (the “Atika Offshore”). Atika also serves as a sub-adviser to The Optika Master Portfolio Limited, a Cayman Islands exempted company (“Optika Master”) and its two feeder funds, The Optika Fund Limited (the “Optika Offshore”) and The Optika Fund LLC (the “Optika Onshore”), a Cayman Islands exempted company and a Delaware limited liability company respectfully (collectively with the Atika Onshore, Atika Offshore Master and Atika Offshore, the “Funds” or each a “Fund”). Within this Brochure the Funds will collectively be referred to as the “Clients.”

Atika employs a long/short strategy using a fundamentally-driven research process and believes that investing based on in-depth fundamental analysis will allow one to obtain higher conviction and afford oneself the opportunity to size a position aggressively, thus helping to generate a superior return on investment. Atika believes that there is a time arbitrage in certain segments of the equity market and those willing to hold positions longer can capitalize on opportunities created by the intense focus on short-term performance.

Individual weightings are determined by probability weighted risk/reward, liquidity, and size of related holdings. Atika diversifies investments in order to manage volatility and minimize downside risk in the portfolio, though it may hold large positions (e.g., exceeding 10%) in individual equities (measured at the time of investment). The adviser monitors positions in the portfolio dynamically and scrutinizes individual positions to avoid thesis creep.

As of December 31, 2019, Atika managed \$657,744,489 on a discretionary basis on behalf of its Funds.

## **Item 5. Fees and Expenses**

In connection with Atika’s management of Fund assets, the Adviser receives a management fee calculated as a percentage of assets under management (“Management Fee”) and a performance allocation (“Performance Fee”).

### Management Fees

The Atika Onshore and Offshore Fund pay a Management Fee to the Adviser on a quarterly basis calculated at an annual rate of (i) 2% of the net assets of the Fund (including Designated Investments) attributable to Sub-Class 1 Shares and (ii) 1.5% of the net assets of the Fund (including Designated Investments) attributable to Sub-Class 2 Shares. The Management Fee will be paid quarterly in advance, based on the value of the net assets of the Fund as of the first Business Day of each calendar quarter. The Management Fee will be adjusted for subscriptions and redemptions occurring during the quarter and without accrual of the Performance Fee, if any. Since the Adviser will receive the Management Fee at the Fund level, no management fee will be paid at the Master Fund level. (Note: Please see the description of the Designated Investments in Item 8. Methods of Analysis, Investment Strategies and Risk of Loss)

For purposes of determining the Management Fee, Designated Investments will be valued at (i) cost or (ii) market value on the date first designated as a Designated Investment, if such date is after the date such investment was acquired. The portion of the Management Fee attributable to a particular Designated Investment will be charged to the Class A Shares or Class B Shares held by Investors participating in the Designated Investment.

Investors in the Funds are subject to a one year soft lock up for subclass 1 and a 5 year hard lockup for subclass 2. In addition to the Management Fee, a 3% redemption fee (the "Redemption Fee") is charged to subclass 1 investors who withdraw capital within one year of subscribing to a Fund. The Redemption Fee is payable to the Fund from which the investor made the withdrawal.

The Optika Fund LLC and the Optika Fund Limited pay at the end of each month an aggregate management fee payable in arrears equal to the annual rate of 2% of the Fund's interest in the Optika Master. The Management Fee will be calculated as of the last business day of the month with respect to which the Management Fee is being paid.

The Adviser may waive or modify the Management Fee for Investors that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

The Management Fee is adjusted pro rata for any subscriptions, transfers, redemptions or withdrawals during a calendar quarter.

#### Performance Fees

At the end of each fiscal year, Atika GP LLC, an affiliate of the Adviser (the "General Partner"), as the holder of certain allocation class shares in the Offshore Master Fund, will receive at the Offshore Master Fund level an annual incentive allocation equal to 20% of the net profits attributable to each Common Share of the Fund (including unrealized gains and losses on investments other than Designated Investments and including net profits or net losses from the sale or deemed sale of Designated Investments), if any, subject to a loss carryforward.

When calculating the Incentive Allocation at the Offshore Master Fund level, net profits will be reduced by the Management Fee, and all items of income, loss and expense incurred at the Fund level will be taken into account. Since the General Partner will receive the Incentive Allocation at

the Offshore Master Fund level, no incentive fee will be paid at the Fund level. Upon the sale or deemed sale of a Designated Investment, the series of Class C Shares relating to such Designated Investment shall be exchanged for additional Class A Shares or Class B Shares and the calculation of the Incentive Allocation payable at the fiscal year end with respect to that series of Class A Shares or Class B Shares will take into account appreciation or depreciation on the Designated Investment that was sold.

The Optika Fund LLC and the Optika Fund Limited pay a Performance Fee that will be an amount equal to 20% of the increase in the value of the shares in the Optika Master, subject to a high watermark. Atika may, in its sole discretion, waive or reduce the Performance Fee as to any Investor, and may otherwise vary the terms of the Performance Fee as to an Investor by agreement with such Investor.

The Adviser may waive or modify the Performance Fee for Investors that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

If an investor withdraws or redeems from a Fund on a date other than a date on which the Performance Fee is due, the Performance fee applicable to the withdrawal or redemption will be calculated and accrued on that date.

### Expenses

The Adviser will render its services to the Fund at its own expense and will be responsible for its overhead expenses including: office rent; utilities; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes.

All other expenses may be paid by the Funds and will include the fees payable to the Adviser; Fund legal, compliance (including expenses relating to regulatory filings), administrator, audit and accounting expenses (including third-party accounting services); shareholder proxy voting services; organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance); Directors' fees and expenses; the Fund's pro rata share of the expenses of the Master Fund; and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets (including Designated Investments). Any expenses directly attributable to a particular Designated Investment (which may include interest) as determined by the Adviser generally may be charged to the Class A Shares or Class B Shares held by those Investors participating in the Designated Investment. Organizational expenses of the Fund (including expenses incurred in connection with the initial offer and sale of Common Shares) were paid by the Fund.

As noted above, the Funds pay commissions and other transaction costs. Brokerage and research expenses of the Funds may be paid through the use of "soft dollars". Please refer to Item 12 (Brokerage Practices) of this Brochure for a discussion of the Adviser's brokerage practices.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

As described in Item 5 (Fees and Compensation) above, Atika receives Performance Fees from the Funds. The potential for Atika or its related persons to obtain a performance-based fee creates a potential conflict of interest in that the Adviser and its related persons may have the incentive to make investments that are riskier or more speculative than they would make in the absence of performance-based compensation. However, Atika understands that as a fiduciary it must act in the best interest of the Funds. Performance Fees are calculated in a similar manner for each Fund. The Adviser does not face any conflicts of interest that may arise when Atika accepts performance-based compensation from only select clients.

## **Item 7. Types of Clients**

As noted above, Atika currently provides investment advice to the Funds, which are intended for sophisticated investors, and a non-discretionary separate account. Investors of the Funds are not considered clients of Atika. Such investors may include charitable foundations, endowments, fund of funds, sovereign wealth funds, private funds, investment companies, trusts, family offices, private banks, high net worth individuals and other entities and institutions. Investors in the Funds must meet certain suitability requirements as set forth in each Fund's offering documents. Any initial and additional subscription minimums are disclosed in the offering memorandum for the Funds.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

The following is a summary of the methods of analysis and investment strategies taken by Atika when providing investment advisory services to its Funds. This section also includes a description of the material risks associated with investing in these strategies. Prospective investors and existing investors are advised to review the offering materials for the full details on each strategy and the associated risks.

### Method of Analysis and Investment Strategies

The Adviser will seek to employ a fundamentally-driven research process. The Adviser believes that investing based on in-depth fundamental analysis will allow one to obtain higher conviction and afford oneself the opportunity to size a position aggressively, thus helping to generate a superior return on investment

The Adviser believes that there is a time arbitrage in certain segments of the equity market and those willing to hold positions longer can capitalize on opportunities created by the intense focus on short-term performance. The Adviser further believes that opportunities for long investments exist in spin-offs and companies emerging from bankruptcies that are underfollowed or underappreciated by the market. Other possible long investments may include identifying truly innovative companies with a solid base business in a growing market and predictable future revenue stream as well as open-ended stories with one or more avenues of growth where the Adviser sees upside potential versus consensus expectations. High price/earnings stocks may comprise part of the Fund's portfolio if the Adviser's analysis indicates a much higher valuation due to misunderstood factors (e.g., significant ramp in earnings in short and/or medium term, as well as higher probability of future product launches or dominant market position).

The short side of the Fund's portfolio will be expressed mainly through single stock ideas, although the Adviser may avail itself of the use of index options, indexes, and futures. Short positions will typically fall into one of two categories: (i) short-term opportunities where the Adviser believes that a company is likely to encounter a negative event in the near future or (ii) long-term opportunities where the Adviser believes that a company is structurally flawed.

Individual weightings will be determined by probability weighted risk/reward, liquidity, and size of related holdings. The Adviser intends to diversify the Fund's investments in order to manage volatility and minimize downside risk in the Fund's portfolio, though the Fund may hold large positions (e.g., exceeding 10%) in individual equities (measured at the time of investment). The Adviser will monitor positions in the Fund's portfolio dynamically and intends to scrutinize individual positions to avoid thesis creep.

### Designated Investments

Up to 10% of the portion of the Fund's net assets attributable to Investors electing to participate in designated investments (measured at the time of investment or designation) may be invested in investments for which there is no ready market (such as, but not limited to, private or restricted securities) ("Designated Investments"). Notwithstanding the foregoing, investments designated as Designated Investments may constitute more than 10% of the value of a particular Shareholder's investment in the Fund. The 10% limitation shall be (i) measured at the time a particular Designated Investment is made or designated, and (ii) computed without regard to leverage attributable to Designated Investments and hedging positions related to Designated Investments.

A separate series of Class C Common Shares (the "Class C Shares") will be issued to represent the interest in each Designated Investment at the time the investment is made (or is designated by the Adviser). Only Investors who have elected to participate in Designated Investments and who are investors on the date a particular Designated Investment is made or designated shall participate in such Designated Investment. Further, a Shareholder may not redeem its Class C Shares until the particular Designated Investment underlying such Class C Shares is sold or otherwise liquidated.

### Flexibility

The Adviser intends to pursue the investment strategy described above as long as such strategy is in accordance with the Fund's investment objective. In addition, it may also formulate and implement new approaches to carry out the investment objective of the Fund.

While it is anticipated that the Fund will invest primarily in equities and equity-related securities, the Fund has broad and flexible investment authority. Accordingly, the Fund's investments may at any time include, without limitation, either directly or through its investment in the Master Fund, long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, fixed income securities, swaps, options (purchased or written), futures contracts, commodities, forward contracts and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies.

The Fund may also invest in new issues, provided that the Fund first complies with all of the rules and regulations pertaining to such investments, including the rules of the U.S. Financial Industry Regulatory Authority, Inc. Finally, the Adviser may utilize leverage.

### Risks

The Funds may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Fund and who have a limited need for liquidity in their investment. The following risks should be carefully evaluated before making an investment in the Fund:

#### Nature of Investments

The Adviser has broad discretion in making investments for the Fund. Investments will generally consist of equities and equity-related securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Fund's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Fund's investment objective will be achieved.

#### Equity-Related Instruments in General

The Adviser may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.



## Investing in Healthcare Companies

Investing in securities and other instruments of healthcare companies involves significant risks. Such risks include, but are not limited to, the following: change in government policies, including policies regarding reimbursement of medical expenses; certain companies in which the Fund may invest may have limited or no operating histories, or may have limited products, markets and financial resources; rapidly changing technologies may cause products to quickly become obsolete; unanticipated problems often arise in connection with the development of new products, and many such efforts are ultimately unsuccessful; scarcity of management and marketing personnel with appropriate technological or medical training may slow or impede companies' growth; the possibility of lawsuits related to technological and medical patents could cause delays and expense in product development and implementation, regulatory changes and/or government actions may prevent a company from marketing; changing investors' sentiments and preferences with regard to investments in healthcare companies may have an adverse effect on the price of underlying securities; volatility in the global stock markets affecting the prices of healthcare company securities may cause the Fund to experience substantial volatility; and certain healthcare companies may be subject to extensive government regulation. In addition, many healthcare companies may have substantial and ongoing capital needs for research and development, clinical trials and marketing and may have difficulty obtaining such funding under various market conditions or even under normal market conditions or such capital may be obtained on terms that are not favorable to existing equity holders. Also, obtaining government approval for new products from governmental agencies can be lengthy, expensive and uncertain, and withdrawal or curtailment of government support could have an adverse impact on the profitability or market price of healthcare companies. Furthermore, delays in generating products (as well as more general ongoing capital requirements) may result in the need for companies to seek additional capital, potentially diluting the interest of existing investors, such as the Fund.

## Technology, Media and Telecommunications Companies

The Adviser intends to invest Fund assets in the telecommunications industry, the media industry and the technology industry. Certain telecommunications, media and technology and related companies in which the Fund invests face significant risks, including, but not limited to, regulatory, operational, technological, and competitive risks.

Telecommunications services are subject to regulation at the federal level by the Federal Communications Commission (FCC) and at the state level by public utilities commissions. Additionally, a significant portion of the media industry is subject to regulation by the FCC under federal laws and regulations, including the Communications Act of 1934 and The Telecommunications Act of 1996. FCC rules and regulations have been subject to numerous appeals to both the courts and to Congress and it remains difficult to accurately predict the impact of any potential new legislation or court action on any company within the telecommunications, media and technology industries.

The telecommunications and media industries are experiencing significant technological change, including improvements in the capacity and quality of currently deployed technology. This causes uncertainty about future customer demand for products and services and the prices that the companies will be able to charge for these services. The rapid change in technology may lead to the development of alternative products and services that consumers prefer over existing offerings. Certain of the technology and technology-related companies in which the Fund invests may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies could experience above-average price movements associated with the perceived prospects of success of the research and development investments. In addition, companies in which the Fund invests could be adversely affected by lack of commercial acceptance of a new product or services or by technological change and obsolescence.

Further, many companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Fund invests. Conversely, other companies may make infringement claims against a company in which the Fund invests, which could have a material adverse effect on such company.

The markets in which many telecommunications, media and technology companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. Current and potential competitors in telecommunications and media include long distance companies, local telephone companies, cable companies, wireless operators, broadcast networks, cable networks, television stations, radio broadcasters, publishers, videogame developers and distributors, advertising companies, entertainment and leisure companies, Internet service providers, electric utilities and other companies that offer network services and media content and delivery. Current and potential competitors in technology include communications equipment providers, software companies, hardware providers, and semiconductor companies among others. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition and may affect the growth prospects of the telecommunications industry, the media industry and the technology industry.

The competition is likely to intensify as a result of the entrance of new competitors and the rapid development of new technologies, products, and services. There can be no assurance that companies in which the Fund may invest will be able to successfully predict which of many possible future technologies, products, or services will be important to maintain a competitive position or what expenditures will be required to develop and provide these technologies, products or services. Each company's ability to compete successfully will depend on marketing, sales and service delivery, and on the company's ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions, and discount pricing and other strategies deployed by the many industry participants. To the extent that a company in which the Fund invests

does not keep pace with technological advances or fails to timely respond to changes in competitive factors in the industry, the company could lose market share or experience a decline in revenue and net income.

Some of the companies in which the Fund may invest could have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

### Non-U.S. Securities

The Funds may invest in non-U.S. securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, non-U.S. government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

### Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

### Short Sales

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

### Use of Leverage

The Funds may utilize leverage. This results in controlling substantially more assets than a Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for the Fund. In such event, the Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being forced to unwind the Fund's positions quickly and at prices below what the Adviser deems to be fair value for such positions.

### Special Situations

The Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies. In connection with such transactions (or otherwise), the Fund may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval or consummation of a merger, reorganization or debt restructuring. The purchase price or interest rate receivable with respect to a when-issued security can be fixed when the Fund enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

### Derivatives

To the extent that a Fund invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such

protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Fund, and hence the Fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

### Hedging Transactions

The Funds may utilize a variety of financial instruments such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for both risk management and general investment and speculation purposes. With respect to the Fund's risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Fund than if it did not engage in any such hedging transactions. Moreover, the Fund will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties). In addition, the Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

### Currency Risks

The Funds' investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Fund may attempt to hedge such risks. However, there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

### Counterparty Risk

To the extent that a Fund invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

### Lack of Liquidity of Fund Investments

While the Adviser expects the vast majority of the Funds' portfolios to be liquid, Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly-

traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

### Cybersecurity

Investment advisers, including the Adviser, must rely in part on digital and network technologies (“cyber networks”) to maintain substantial computerized data about activities for client accounts and otherwise conduct their businesses. Such cyber networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. The Adviser maintains policies and procedures on information technology security, it has certain technical and physical safeguards intended to protect the confidentiality of its internal data, and takes other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction. Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents could potentially occur, and such incidents, in some circumstances, might result in unauthorized access to sensitive information about the Adviser or its clients or their investors, and/or cause damage to client accounts or the Adviser’s activities for clients or their investors. The Adviser will seek to notify affected clients and investors of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such clients or investors to unintended parties.

## **Item 9. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or investor’s evaluation of the adviser or the integrity of the adviser’s management. Neither Atika nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events that would require disclosure in response to this Item.

## **Item 10. Other Financial Industry Activities and Affiliations**

As noted above, an Atika affiliate serves as a general partner to the Funds. This entity is entitled to receive Performance Fees from the Funds.

The entity serving as general partner is:

- Atika GP LLC, which serves as a general partner to Atika Capital Partners LP, Atika Offshore Master Fund, Ltd., and Atika Offshore Fund, Ltd.

## **Item 11. Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading**

High ethical standards are essential for the success of Atika and to maintain the confidence of the Funds and Investors. Atika is of the view that its long-term business interests are best served by adherence to the principle that Fund and Investor interests come first. Atika has a fiduciary duty to its Funds and Investors, which requires individuals associated with Atika to act solely for the benefit of the Funds and Investors. Potential conflicts of interest may arise in connection with the personal trading activities of individuals associated with advisers. In recognition of Atika's fiduciary obligations to its Funds and Investors, and Atika's desire to maintain its high ethical standards, Atika has adopted this Code of Ethics containing provisions designed to: (i) prevent improper personal trading by Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by Atika or securities holdings of the Funds; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Funds. Atika's Code of Ethics applies to all employees.

Employees are generally restricted from purchasing or selling reportable securities (as defined as defined in section 202(a)(18) of the Advisers Act). However, employees may sell out of securities acquired prior to the later of October 1, 2013 or the commencement of their employment at Atika upon receiving written approval from the Chief Compliance Officer ("CCO"). Employees may purchase or sell interests in exchange-traded funds (ETFs) and closed-end funds, as well as purchase interests in private investment funds/limited offerings, upon receiving prior written approval from the CCO.

Atika maintains a Restricted List for its funds and employees are therefore subject to that Restricted List for their personal accounts. The CCO retains absolute discretion in determining when to add issuers to, and remove issuers from, the restricted list.

All employees are required to report their personal securities transactions to the CCO.

A copy of Atika's Code of Ethics is available to current and prospective investors upon request.

## **Item 12. Brokerage Practices**

The Adviser is authorized to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, the Adviser's decision is based on the broker's ability to deliver best execution. Best execution can include multiple factors including, but not limited to, price, execution capabilities, commission rates or transaction costs, value of research reports, corporate access, and responsiveness.

Atika utilizes the brokerage and execution services of Williams Trading LLC ("Williams"), a broker/dealer providing both direct execution and outsourced trading services. Williams provides both such services to Atika in order to provide increased liquidity, the ability to access a variety of market venues, enhanced and more timely execution capability, anonymity, and access to research from sell side broker-dealers with whom Williams maintains trading relationships that otherwise would not be available to Atika. Atika believes that the use of Williams as both executing broker and outsourced execution provider is consistent with its duty of obtaining best execution for its clients. In performing the trading functions for the Funds, Williams may cause the Funds to pay higher brokerage commissions than might be paid if Atika performed this function, particularly in the case of trades that Atika directs to be executed with a broker other than Williams.

#### Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a Fund expense or as otherwise described below, the Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the U.S. Securities and Exchange Commission or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. The Adviser may consider its receipt of such research or other products or services, as well as other factors, in determining which broker-dealer to select or



recommend and therefore may have an incentive to make such selection or recommendation on factors unrelated to a client's interest in receiving most favorable execution.

The Adviser may cause the Funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for the Funds.

In some instances, the Adviser may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources.

Research and brokerage services obtained by the use of commissions arising from the Fund's portfolio transactions may be used by the Adviser in its other investment activities and thus, the Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although the Adviser will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between the Adviser and its clients.

In selecting brokers and negotiating commission rates, the Adviser will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. The Adviser may place transactions with a broker or dealer that (i) provides the Adviser (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund or other products advised by the Adviser (or an affiliate), if otherwise consistent with seeking best execution; provided the Adviser is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

When appropriate, the Adviser may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

The Fund will maintain accounts with the prime brokers, through which the Fund may execute trades, borrow securities and maintain custody of its securities. The Fund reserves the right, in its sole discretion, to change the brokerage and custodial arrangements described above without further notice to the Investors.

Neither Atika nor the Funds compensate prime brokers for organizing “capital introduction” events or for any investments ultimately made by prospective investors attending such events. While such events and other services provided by a prime broker may influence Atika in deciding whether to use such prime broker in connection with brokerage, financing and other activities of the Funds, the Adviser will not commit to allocate a particular amount of brokerage to a broker-dealer in any such situation.

#### Trade Aggregation and Allocation

As a fiduciary, Atika must allocate investment opportunities among the Funds in a fair and equitable manner. If Atika determines that it would be appropriate for more than one Fund to participate in an investment opportunity, Atika will seek to allocate the investment opportunity to all of the participating Funds on a fair and equitable basis. Generally, investment opportunities will be allocated pro rata based upon each participating Fund’s start of the day NAV using an order management system; provided, however, that Atika, in its sole discretion, may make allocations based upon other considerations. For example, Atika may perform rebalancing trades that will, by their nature, not be executed for all Funds. Additionally, from time to time Atika may participate in initial public offerings (“IPOs”). Atika will only allocate new issue income from IPOs to those investors who are eligible to participate and therefore may not allocate new issue income from IPOs pro rata based on the Funds’ start of the day NAV. The reasons why an allocation was made other than on a pro rata basis will be documented. In certain circumstances, Atika may not be able to allocate an investment opportunity (or portion thereof) to a Fund because of minimum investment restrictions or excessive costs. In these situations, Atika will determine which Funds will participate. Funds without sufficient investment capital will not participate.

Atika’s Head of Operations reviews the trade allocations to the accounts before the trade is finalized and electronically submitted to the administrator and prime broker. When an account receives subscriptions or redemptions, trades to rebalance the portfolio may be done on the first day the subscriptions or redemptions take place if the subscriptions or redemptions create a material imbalance in the portfolio and a rebalance is deemed necessary.

### **Item 13. Review of Accounts**

All investments and Fund accounts are continuously reviewed by Atika’s investment personnel. The investment team considers, among other things, asset allocation, cash management, and market outlook. Fund accounts are also evaluated to ensure it is being managed true to its investment objectives and those investments are suitable for the portfolio.

Investors in the Funds receive monthly and quarterly reports documenting the performance of the Funds in which they invest. In addition, the Adviser provides each Investor with a copy of the audited financial statements of the Funds within 120 days of each Fund’s fiscal year end.

## **Item 14. Fund Referrals and Other Compensation**

Atika engages unaffiliated third parties to introduce prospective investors to the Adviser for investment in an Atika Fund. Such third parties will receive a portion of management fees and performance fees received by the Adviser in connection with the investor's investment. No fees paid by the Adviser to a third party marketer are passed on to investors.

## **Item 15. Custody**

Rule 206(4)-2 under the Advisers Act (the "Custody Rule") imposes certain requirements on registered investment advisers that have custody of client funds or securities. The rule defines custody as holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. An investment adviser with custody of client funds or securities must implement certain procedures to safeguard those assets. The requirements imposed by the Custody Rule generally apply only to those assets over which Atika has custody, rather than all of the assets under the adviser's management.

Atika is deemed to have custody of the Private Funds' assets because of the authority that Atika has and its affiliated entities have over those assets. The Chief Financial Officer ("CFO") is responsible for overseeing the audits of the Funds as well as the distribution of the audited financial statements to all Investors within 120 days of the funds' fiscal year ends.

Atika holds assets at Carta Fund Services as well as via an ISDA at Morgan Stanley.

As a matter of good internal controls, the CFO reconciles the aggregate account balances reported to Investors in each Fund, obtained directly from the administrator, against the cash and securities holdings reported by prime broker(s) on at least a monthly basis. For purposes of this reconciliation, security valuations are obtained from Bloomberg and the administrator. The CFO will work with unaffiliated service providers and custodians to resolve any discrepancies.

## **Item 16. Investment Discretion**

Atika has discretionary authority over the investment activities of all of the Funds. Atika invests the assets of the Funds in accordance with the investment policies and objectives, and the restrictions described in the relevant Fund offering documents.

## **Item 17. Voting Fund Securities**

Proxy voting is an important right of investors, and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Atika has discretion to vote the proxies of its Funds. Atika will vote those proxies in the best interest of its Funds and in accordance with its proxy voting policies and procedures.

Atika maintains a record of each proxy received on behalf of the Funds. Atika will generally vote proxies based upon the recommendations of company management. However, Atika will assess each proxy and vote against management if Atika does not believe voting with management is in the best interest of the Funds. In these circumstances, Atika will maintain documentation used to demonstrate why it chose to vote against management. Prior to any vote being submitted, the CCO will determine if there are any conflicts of interest related to the proxy in question. The CCO will make a determination, which may be in consultation with outside legal counsel, as to whether the conflict is material. If a conflict is deemed material by the CCO, Atika will determine whether voting in accordance with the proxy voting guidelines is in the best interest of affected Funds. It will also determine whether it is appropriate to disclose the conflict to affected Funds and Investors and seek their consent to vote the proxies in question, use an independent third party proxy service, or employ an alternative method of addressing the identified conflict.

In the absence of specific voting guidelines mandated by a particular Fund, Atika will endeavor to vote proxies, or in certain circumstances abstain from voting, in the best interests of each Fund. Atika will take into account relevant factors, including, but not limited to: (i) the impact on the value of the securities; (ii) the anticipated costs and benefits associated with the proposal; (iii) the effect on liquidity; (iv) and customary industry and business practices.

Atika utilizes Morgan Stanley's platform to assist with coordinating and voting Fund proxies. The CCO will monitor the third party to assure that all proxies are properly voted and appropriate records are retained.

A copy of Atika's written proxy voting policies and procedures will be maintained and available for review by Investors upon request, as well as a record of how Atika has voted in the past, which is recorded online.

Further, Atika has retained an independent vendor to monitor and file class action settlements on behalf of the Funds. Any compensation received as a result of participation in a class action settlement shall be paid to the Funds pro-rata based on the percentage of the relevant holding in each portfolio. For its services, the vendor will be paid based on a percentage of the proceeds recovered from a class action filing. It should be noted that the Funds bear the cost (i.e. receive a reduced amount of the class action proceeds) of any third party used for class action recovery services. Adviser credits any class action settlements received for a Fund to current investors in that particular Fund. Moreover, Atika oversees the activities of the independent vendor on an ongoing basis to help ensure that the vendor is monitoring and filing class action settlements on behalf of the Funds in such a manner that represents the Funds' best interests.

Additionally, Atika has retained an independent vendor to reclaim excess foreign tax withholding on behalf of the Funds. Any compensation received as a result shall be paid to the Funds pro-rata based on the percentage of the relevant holding in each portfolio. For its services, the vendor will be paid based on a percentage of the proceeds recovered. It should be noted that the Funds bear the cost (i.e. receive a reduced amount of the excess foreign tax proceeds) of any third party used

for excess foreign tax recovery services. Adviser credits any excess foreign tax reclaimed for a Fund to current investors in that particular Fund. Moreover, Atika oversees the activities of the independent vendor on an ongoing basis to help ensure that the vendor is monitoring for any excess foreign tax on behalf of the Funds in such a manner that represents the Funds' best interests.

## **Item 18. Financial Information**

Atika is not required to provide a balance sheet as it (i) does not solicit fees more than six months in advance, and (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.