

Investment Adviser Brochure

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This Brochure provides information about the qualifications and business practices of ATL Advisor LP (“**ATL**” or the “**Adviser**”). If you have any questions about the contents of this Brochure, please contact us at 212-497-1381 or crichards@atlpayers.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

ATL is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

Item 2– Material Changes

This Brochure contains material changes to the previous Form ADV Part 2 filed by ATL Advisor, LP (the “Adviser”) on March 29, 2019 (the “Previous Brochure”). Immediately below is a discussion of such material changes. Such discussion sets forth only material changes to the Previous Brochure. All other changes to this Brochure are not material and are solely clarifying or updating changes.

This Brochure reflects the following material changes to the Previous Brochure:

- The Adviser formed ATL II Valence Co-Invest, LP in November 2019.

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Item 4 – Advisory Business

ATL Advisor LP (the “**Adviser**”) is a Delaware limited partnership with its principal place of business in New York, New York. The Adviser was initially formed as a limited liability company in September 2014, and subsequently converted to a limited partnership in January 2015.

The Adviser provides investment management services to four (4) pooled investment vehicles: Aerospace, Transportation and Logistics Fund II LP (“**Fund II**”), ATL II Rock It AIV, LP (the “**ATL II AIV**”), ATL II Rock It Co-Invest LP (“**Rock It CI**”), and ATL II Valence Co-Invest, LP (“**Valence CI**”), (each a “**Fund**” and together, the “**Funds**”).

Fund II is a private equity fund that targets investment opportunities in selected subsectors within the aerospace, transportation and logistics sectors primarily in North America and was formed by ATL II Associates LLC (the “**Fund II General Partner**” or the “**General Partner**”). ATL II AIV is an alternative investment vehicle formed by the Fund II General Partner. Each of Valence CI and Rock It CI were formed for the purpose of investing alongside Fund II.

The Adviser serves as the investment advisor to Fund II pursuant to a Sub-Advisory Agreement (the “**Sub-Advisory Agreement**”) entered into with ATL II Advisor LP (the “**Manager**” or the “**Management Company**”).

The investment strategy for Fund II is described in Fund II’s marketing materials and is subject to any limitations set forth in the Amended and Restated Agreement of Limited Partnership of the ATL Fund II (as amended, modified, waived and/or restated, the “**ATL Fund II Partnership Agreement**”). Except for any investment restrictions contained in the ATL Fund II Partnership Agreement, limited partners of Fund II (“**Limited Partners**”) generally do not have the ability to limit the Adviser’s investment authority and generally participate in Fund II’s overall investment program, although certain Limited Partners may be excused from participating in certain investments or may be entitled to withdraw from Fund II under limited circumstances, in each case as set forth in the ATL Fund II Partnership Agreement, in the Agreement of Limited Partnership of the ATL II AIV (the “**ATL II AIV Partnership Agreement**”), in the Agreement of Limited Partnership of Rock It CI (the “**Rock It CI Partnership Agreement**”), and in the Agreement of Limited Partnership of Valence CI (the “**Valence Partnership Agreement**”) and together with the ATL Fund II Partnership Agreement, the ATL II AIV Partnership Agreement, and the Rock It CI Partnership Agreement and the Valence CI Partnership Agreement, the “**Partnership Agreement**”). Pursuant to a Sub-Advisory Agreement, the Adviser is responsible for managing the affairs of Fund II in accordance with the investment guidelines set forth in the ATL Fund II Partnership Agreement. The Adviser may engage sub-advisors and may, in its discretion, retain other professionals, including but not limited to accountants, lawyers and consultants, to assist the Adviser in rendering any services to Fund II. In addition, the Adviser may provide services directly to portfolio companies. The senior principals or other personnel of the Adviser may serve on the board of directors of any such portfolio company or otherwise act to influence control over the management of Fund II’s portfolio companies.

The General Partner controls the business and affairs of Fund II and Valence CI, the ATL II AIV General Partner controls the business and affairs of ATL II AIV, and the Rock It CI General Partner controls the business and affairs of Rock It CI. In addition, the General Partner, the ATL II AIV General Partner, and the Rock It CI General Partner are affiliates of and under common control with the Adviser (as described below).

The Funds are advised by a team of dedicated investment professionals (the “**ATL Investment Professionals**”), together with certain senior executives comprising the “**ATL Board**”, collectively comprise the “**ATL Investment Team**”.

The Adviser is owned by Tai Tam LLC, a Delaware limited liability company that is controlled by Frank V. Nash (“**Mr. Nash**”) and owned by Mr. Nash and his spouse (1%). The General Partner and ATL II AIV General Partner are owned by ATL UGP LLC, a Delaware limited liability company controlled by Tai Tam LLC.

Additional partnerships or other parallel entities may be established to invest alongside Fund II to address legal, tax or regulatory requirements of certain investors. Except to the extent necessary to address the foregoing requirements, such parallel entities, if any, will co-invest in investments on substantially the same terms and conditions as, and on a contemporaneous basis with, Fund II. Similarly, the General Partner or one of its affiliates may form one or more alternative investment vehicles if the General Partner determines in its discretion, for legal, tax, regulatory or other reasons that an investment cannot be made through Fund II and its parallel entities.

ATL Investor II LP, a Delaware limited partnership (the “**Fund II Special Limited Partner**” or “**ATL II Investor**”), is a limited partner of Fund II and receives the carried interest payable by Fund II (as described below). The general partner of ATL II Investor is ATL UGP LLC, which is controlled by Tai Tam LLC.

The Adviser has engaged MidOcean US Advisor, LP (“MidOcean”) to provide certain services to the Adviser subject to the terms and conditions of a services agreement among the Adviser and MidOcean (the “**Services Agreement**”). MidOcean or any of its affiliates provide the Adviser with services including, but not limited to, regulatory compliance oversight for any employees who are supervised persons of the Adviser, as well as various office personnel, office space and equipment, systems and other services (the “**Services**”), all as further described on and subject to the terms and conditions set forth in the Services Agreement. As consideration for providing the Services, the Adviser compensates MidOcean through fees and cost reimbursements.

As of December 31, 2019, the Adviser had approximately \$798,000,000 of regulatory assets under management, all managed on a discretionary basis.

Item 5 – Fees and Compensation

General

The Adviser (including the Fund II Special Limited Partner) receives advisory fees and carried interest allocations in connection with the investment management and administrative services the Adviser provides to Fund II. Certain Limited Partners that are affiliates or employees of the Adviser or its affiliates or certain other investors so designated by the General Partner are not subject to such fees and/or carried interest allocations.

Advisory fees, carried interest allocations and/or other compensation payable to the Adviser (including the Fund II Special Limited Partner) by Fund II and their method of calculation are set forth in the marketing materials of Fund II and in the Fund II Partnership Agreement. Fee terms of Fund II may be changed during Fund II’s term pursuant to the terms of Fund II’s Partnership Agreement. The share of

compensation earned by the Adviser or its affiliates in respect of Fund II may vary between investors in Fund II pursuant to the terms of the Partnership Agreement, side letter agreements or other arrangements with specific investors in Fund II, whereby such investors receive direct or indirect reductions of advisory fees or other compensation otherwise payable with respect to their investments in Fund II.

Advisory Fees

The Manager receives annual advisory fees of up to 2.0% per year of capital committed to, or the remaining invested capital of, Fund II depending on the commitment of the relevant investor and the point in time in the life cycle of the fund (the “**Advisory Fee**”). Fund II pays the Advisory Fee to the Manager quarterly in advance. The Advisory Fee is charged from March 5, 2018 (the “**Fund II Effective Date**”) and is based on total commitments to Fund II, regardless of the date on which a Limited Partner is actually admitted to Fund II.

The Advisory Fee will be reduced by 0.25% per annum for any Limited Partner whose commitment is made as part of the initial closing of Fund II (in addition to any other reduction applicable to such Limited Partner).

After the Investment Period, or upon other events as described in the Fund’s Partnership Agreement, the Management Fee will be reduced by 0.25% per annum on investment capital net of realizations or permanent write downs.

In addition, a portion of the Advisory Fee may be waived, but not less than zero, pursuant to the terms of the Partnership Agreement. Advisory Fees paid in advance will not be repaid to the extent that the Manager’s services terminate prior to the end of the relevant payment period. Advisory Fees payable by Fund II to the Manager may be due even if the fair value of the relevant investments is below cost or even zero.

The General Partner reserves the right in its sole discretion to accept Commitments for which the applicable Management Fee differs from those outlined above. The General Partner, the Special Limited Partner and the Manager will not be subject to the Management Fee and the General Partner may, in its sole discretion and with such Partner’s consent, designate certain other Partners as “affiliated partners” that may be exempted from all or some portion of the Management Fee. Such “affiliated partners” may include “friends and family” of the Adviser or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic relationship factors.

Offset Fees

The Fund II Advisory Fee is reduced by an amount equal to (i) 100% of closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, consulting fees, advisory fees, organization fees, directors’ fees, broken deal fees, topping fees, set-up fees, success fees, work fees, arranging fees, funding fees, guarantee fees and other similar fees (whether in the form of cash, securities or otherwise) received by the General Partner, the Management Company, the Ultimate General Partner, the Fund II Special Limited Partner and each of their respective partners, managers, members, shareholders, officers and employees (each, an “**ATL II Person**”) from any ATL Fund II portfolio company or prospective portfolio company in respect of the

ATL Fund II's investment or prospective investment therein (but with respect to non-cash consideration, only to the extent of the net cash proceeds thereof as and when received by any ATL II Person). "Monitoring fees" include all portfolio company monitoring fees (whether in the form of cash, securities or otherwise) received by any ATL II person from any ATL Fund II portfolio company in respect of the ATL Fund II's investment in such Portfolio Company (but with respect to non-cash consideration, only to the extent of the net cash proceeds thereof as and when received by any ATL II Person), in each case, less any amount necessary to reimburse the ATL II Person for all unreimbursed costs and expenses (other than ordinary overhead and administrative expenses) incurred by them in connection with any consummated or unconsummated transactions or in connection with generating any such fees.

Transaction Fees shall not include, in any event, any amount received by an ATL II Person, the ATL Executive Board or any other person from a portfolio company or other person (i) as reimbursement for expenses directly related to such portfolio company or prospective investment, (ii) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, (iii) as compensation for services provided to a portfolio company by any person as an employee of, consultant to, or in a similar capacity for such portfolio company or any of its subsidiaries, (iv) any other fees or expenses approved by the Advisory Board, (v) as compensation, including fees, incentive equity or other stock awards, for services rendered by a member of the ATL Executive Board to a portfolio company or prospective portfolio company, and (vi) as fees or other compensation from Pilot Air Freight Holdings, LLC at any time prior to the first Management Fee due date in respect of which the Management Fee equals at least \$1,750,000 (prior to giving effect to the Management Fee reductions described above). Consequently, no such amounts will result in a reduction of the Management Fee.

To the extent that any other fund or any other entity or individual co-invests alongside Fund II in any portfolio company investment, any Transaction Fees will be allocated among Fund II and the co-investors in proportion to the cost of the investment or potential investment in the portfolio company held (or committed to be held) by each. Accordingly, Fund II will, in most cases, only benefit from the Management Fee reduction described above with respect to its allocable portion of any such Transaction Fee and not the portion of any fee allocable to any other investor in a portfolio company. In certain circumstances, the Adviser expects that co-investors or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons.

As described more fully in Fund II's marketing materials, the Adviser has relationships with certain senior professionals who provide certain key value-added services to the portfolio companies of the Funds (the "**ATL Board**"). The ATL Board members are not employees of the Adviser or members of the Adviser and will be paid for consulting services rendered to the Adviser. Such ATL Board members may receive compensation from the Fund's portfolio companies, and such compensation will not be offset against the Fund II Advisory Fee.

For the avoidance of doubt, Offset Fees shall not include, in any event, any amount received by the General Partner, the ATL Board or other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by the member of the ATL Board to a portfolio company or prospective portfolio

company. Consequently, no such amounts will result in a reduction of the Fund II Advisory Fee.

Carried Interest

The Fund's Special Limited Partner receives carried interest allocations with respect to the Fund from all Limited Partners (with the exception of certain Limited Partners that are affiliates or employees of the Adviser or its affiliates or certain other investors so designated by the General Partner) equal to up to 20% of the net realized returns of each portfolio investment, in excess of a preferred return, as more fully described in the Partnership Agreement. Carried interest allocations are subject to hurdle rates and clawbacks as more fully described in the Partnership Agreement. Principals or employees of the Adviser, including Mr. Nash, as well as ATL Board members, receive a portion of the carried interest allocations received by each Fund's Special Limited Partner. The General Partner reserves the right in its sole discretion to accept Commitments for which the applicable Carry Percentage differs from that outlined above. Provided below is the waterfall associated with the Fund:

Fund II Waterfall

Net proceeds of current income from investments and proceeds from the disposition of any investment as well as distributions of securities in kind tentatively will be apportioned among the Partners (including the General Partner) in accordance with their relative capital contributions in respect of such investment. The share of each distribution apportioned to the General Partner and its affiliates will be distributed to the General Partner and such affiliates, and the share of such distribution tentatively apportioned to a Limited Partner (other than the Special Limited Partner, on one hand, and the Special Limited Partner on the other hand, and are distributed as follows:

Limited Partners first receive 100% of realized capital and expenses including any investments that have been written off permanently. The Investors then receive 100% of proceeds until they receive a priority return. The Special Limited Partner for the Fund then receives a catch up until it has received a percentage of investment proceeds that are in excess of the Limited Partners Realized Capital and Costs. Finally, all remaining proceeds are split between the Limited Partner and the Special Limited Partner.

Advisory Expenses

The General Partner and/or the Manager bear all ordinary overhead and administrative expenses incurred by the General Partner, the Ultimate General Partner and/or the Manager connection with maintaining and operating their respective offices (including salaries, rent and equipment expenses and the preparation of annual and other reports relating to the General Partner or the Manager or to the members and partners of the General Partner, or the Manager.

Organizational Expenses

Fund II bears all Organizational Expenses, as defined in the Partnership Agreement, including all out-of-pocket expenses incurred in connection with the organization, funding and start-up of Fund II, the General Partner, ATL II Advisor and Tai Tam, LLC (the general partner of the General Partner), provided that any amount paid by Fund II in excess of \$1,500,000 reduces the Management Fee dollar for dollar. ATL II Associates bears the cost of any placement fees payable to any person in connection with the placement of limited partnership interests through a reduction of the Management Fee or otherwise, provided that any expenses incurred by such placement agent shall be reimbursed by Fund II to the extent

that such expenses, if incurred by the General Partner or a related entity, would be borne by Fund II as Organizational Expenses as provided above.

Partnership Expenses

In addition to organizational expenses set forth above, the Advisory Fee payable to the Manager as it relates to Fund II, and the carried interest allocable to the Fund II Special Limited Partner, the Fund bears certain expenses (“**Partnership Expenses**”) as disclosed in the marketing materials and the Partnership Agreement of the Fund.

Partnership expenses include all other fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company or applied to reduce), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Fund’s actual and potential investments (including follow-on investments and investments for which evaluation commenced prior to the initial closing date, including, for the avoidance of doubt, any fees or expenses incurred in connection with any potential or consummated Initial Investments, except for those fees and expenses specifically attributable to Fund I, as determined in the General Partner’s sole discretion) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants (including environmental consultants and insurance consultants) and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors, including any Broken Deal Expenses (as defined below)), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the Management Company, the General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository (including a depository, representative or paying agent appointed pursuant to the Alternative Investment Fund Managers Directive (“AIFMD”) or any other similar law, rule or regulation in any relevant jurisdiction), trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund’s third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the ATL Executive Board or any of its members, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, review, distribution and filing of all U.S. federal, state, local and non-U.S. tax forms, including informational returns; (xii) the preparation,

distribution or filing of Fund-related or investment-related financial statements or other reports, Schedule K-1s, or any other administrative, compliance or regulatory diligence, filings or reports (including any filings or reports contemplated by the Foreign Account Reporting Requirements or the AIFMD or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services and cybersecurity measures and insurance) for the benefit of the Fund or the Limited Partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data, including Confidential Information; (xv) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Advisory Board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xvi) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any Partner or other person pursuant to the Fund's Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such Person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Fund's Partnership Agreement), except as otherwise set forth in the Fund's Partnership Agreement; (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith, including expert witnesses, legal fees, filings, file searches and documentation; (xviii) any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners and any other conference or meeting with any Limited Partner(s), whether telephonic, electronic or in-person, in each case to the extent incurred by the Fund, the General Partner or any affiliate of the General Partner; (xix) the Management Fee; (xx) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xxi) the termination, liquidation, winding up or dissolution of the Fund; (xxii) defaults by Partners in the payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, any parallel investment entities and their general partner(s), the General Partner, the Ultimate General Partner, the Management Company, the Fund II Special Limited Partner and any alternative investment vehicle of the Fund or a parallel investment entity, including the preparation, distribution and implementation thereof; (xxiv) (A) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of the General Partner incurred in connection with the operation of the Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Fund's Partnership Agreement; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer (it being understood that the General Partner will first endeavor to collect such amounts from the parties to such transfer or proposed transfer); (xxvi) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a Partner or such tax, fee or charge is treated as having been distributed to the Partners

pursuant to the Fund's Partnership Agreement); (xxvii) distributions to the Partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxviii) unreimbursed expenses and unpaid fees of the ATL Executive Board or its members, employees or other Persons engaged by the ATL Executive Board; (xxix) compliance or regulatory matters related to the Fund, including anti-money laundering and customary "know your client" compliance, except as otherwise set forth in the Fund's offering documents; (xxx) any travel (which may include the cost of using private aircraft or other private air travel at a cost equal to the cost of equivalent first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxi) any Excess Organizational Expenses; provided, that the amount of any Excess Organizational Expenses shall reduce the Management Fee as set forth in the Fund's Partnership Agreement; (xxxii) any Placement Fees; provided, that the amount of any Placement Fees shall reduce the Management Fee as set forth in the Fund's Partnership Agreement; and (xxxiii) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board.

If an investment using a blocker corporation or other intermediate entity is proposed to avoid causing the non-U.S. Limited Partners from incurring ECI (as defined below) and/or to avoid causing the tax-exempt Limited Partners from incurring UBTI (as defined below) from such investment, all costs and expenses related to the blocker corporation and other intermediate entities including, without limitation, those related to the structuring, formation, operation, disposition and liquidation of, and all taxes incurred in connection with, related to or imposed on, a blocker corporation or other intermediate entity ("**Blocker Expenses**") shall be borne solely by the Limited Partners investing through such intermediate entity.

If a co-investment vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Fund, although, from time to time, the Fund alongside which a co-investment vehicle is investing may bear such costs directly or indirectly. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all Broken Deal Expenses (defined below) relating to such unconsummated transaction are likely to be borne entirely by the Fund, and not by any prospective co-investors, that were to have participated in such transaction. In many cases no co-investment vehicle will have been formed at such time. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle may bear its share of such Broken Deal Expenses. "**Broken Deal Expenses**" means out-of-pocket fees, costs and expenses, if any, incurred in developing, conducting due diligence investigations into, negotiating, bidding on, structuring and arranging financing for prospective or potential investments which are not ultimately made, including (i) any legal, tax, financial, accounting, advisory, consulting or other third-party expenses in connection therewith and any travel and accommodation expenses, (ii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made and (iii) any deposits or down payments of cash or other property which are forfeited in connection with, or amounts paid as a penalty for, a proposed investment that is not ultimately made.

In certain circumstances, the Fund may pay an expense common to multiple investment vehicles (e.g., including without limitation legal expenses for a transaction in which multiple vehicles participate, or other fees or expenses in connection with services the benefit of which are received by other investment vehicles over time), and be reimbursed by the other investment vehicles by their share of such expense,

without interest. While highly unlikely, it is possible that one of the other investment vehicles could default on its obligation to reimburse the Fund.

ATL Executive Board

A group of ATL executives (the “**ATL Executive Board**”) has been retained primarily to provide acquisition, integration, rationalization and/or other operations services, acquisition or other due diligence, support or similar services to the Fund, any alternative investment vehicle or any portfolio company or prospective portfolio company of the Fund. Members of the ATL Executive Board shall not be employees of the General Partner, the Adviser, or Manager or its affiliates. Any compensation, including fees, incentive equity or other stock awards, received by ATL Executive Board members may be paid by a portfolio company or prospective portfolio company (which payments are not included as Transaction Fees) or directly by the Fund, and such amounts will not offset the Management Fee.

Item 6 – Performance-Based Fees and Side-By-Side Management

As disclosed above, the Fund II Special Limited Partner receives performance fees in the form of carried interest allocations from the Fund. Such fees are subject to the terms established in the Fund’s Partnership Agreement and are taken only on net realized gains. The Adviser structures any performance or incentive fee arrangement to comply with Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and exemptions available thereunder, including the exemption set forth in Rule 205-3. Additionally, to the extent that Adviser personnel are assigned varying percentages of carried interest from the Fund, such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for the Fund from which they are entitled to receive a higher carried interest percentage. The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Fund in accordance with each the Fund’s investment guidelines and Partnership Agreement, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel. Performance-based fee arrangements create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

The Adviser will also provide co-investment opportunities to certain Limited Partners in Fund II on a transaction by transaction basis. Decisions for each co-investment are made by the individual limited Partner but may in certain instances be done through a vehicle controlled by the Adviser. In all cases, co-investors do not pay Advisory Fees or Carried Interest on their co-investment. In addition, they generally do not bear Broken Deal Expenses relating to any deal that is not consummated unless they have committed to such deal. Co-investment allocations will be allocated in accordance with the Adviser’s Co-Investment Allocation Policy and Procedures and pursuant to terms of the Fund’s Partnership Agreement.

Item 7 – Types of Clients

The Adviser provides investment management services to the Funds. Only “qualified purchasers” (as such term is defined in the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder) may invest in the Fund. Fund investors may include high net worth individuals, corporate pension plans, Taft-Hartley plans, charitable institutions, foundations, endowments,

municipalities, private investment funds, trust programs, sovereign funds, and other U.S. and international institutions.

The General Partner of the Fund generally requires a minimum investment in the Fund as set forth in the Fund's marketing materials. However, that minimum investment amount may be waived at the discretion of the Fund's General Partner.

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

The Fund generally seeks to make control investments including leveraged buyouts, growth capital investments, recapitalizations, going private transactions, corporate divestitures, restructurings, industry consolidations and special situations investments. Investments may take the form of common or preferred stock, warrants, certain senior or subordinated debt instruments or other securities. The Fund employs a top down, analytically driven approach to its target subsectors to help identify attractive investment targets. The ATL Investment Team rigorously evaluates each subsector against a comprehensive list of factors. This process is periodically repeated to ensure that market dynamics are reflected in the ATL Investment Team's chosen areas of focus. If needed, the Fund engages third-party professionals, as appropriate, to assist in its in-depth analysis and investigation of the management team, growth prospects, competitive dynamics, historical and projected financial performance, legal characteristics and other risk factors applicable to a particular investment.

Investors should carefully consider the following risks of investing in the Fund.

Risks of Private Equity Investments

The Fund's investment portfolio primarily consists of securities issued by companies whose securities are not publicly traded. Although private equity investments offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risk that can result in substantial losses.

Availability of Investment Opportunities

The business of identifying and structuring investments contemplated by the Fund is competitive and involves a high degree of uncertainty. In addition, the availability of investment opportunities generally is subject to market conditions as well as, in some cases, the prevailing regulatory or political climates. Accordingly, there can be no assurance that the Fund will identify and complete attractive investments.

Future and Past Performance

The performance of prior investments made by the ATL Investment Team is not necessarily indicative of the Fund's future results. In addition, certain investment professionals who were involved in prior investments described in the marketing materials of the Fund are not among the investment professionals who are managing the Fund. Furthermore, there can be no assurance that the Fund's investments will achieve results similar to those attained by previous investments of the ATL Investment Team. While the General Partner expects that the Fund will make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted internal rates of return will be achieved.

On any given investment, loss of principal is possible.

Concentration of Investments

The Fund participates in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Fund's investment portfolio could become concentrated and its aggregate return may be affected substantially by the performance of a few holdings.

Dynamic Investment Strategy

While the General Partner generally intends to seek attractive returns for the Fund primarily through making private equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the ATL Investment Team have previously made investments or have internal operational experience.

Investments in Junior Securities

The securities in which the Fund invests may be among the most junior securities in a company's capital structure and, therefore, subject to the greatest risk of loss. Generally, there is no collateral to protect an investment.

Leverage

Investments held by the Fund in companies with a leveraged capital structure are subject to increased exposure to adverse economic factors, such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of the company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the Fund's equity investment in the company could be significantly reduced or even eliminated.

Subscription Lines

The Funds may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's

interest rate is based in part on the creditworthiness of the relevant Fund's Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of a Fund and the Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the General Partner's ability to consent to the transfer of a Limited Partner's interest in the Fund. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. A Fund may also utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Long-Term Investments

The return of capital and the realization of gains, if any, occurs only upon the partial or complete disposition of an investment. It is expected that many of the Fund's investments will not be sold or distributed for a number of years after they are made. Prior to such time, there generally will be no current return on those investments.

Risks of Realization of Investments; Illiquidity

Given the nature of the investments contemplated by the Fund, there is a significant risk that the Fund will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise will be unable to complete any exit strategy. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the Fund's investments are made, changes in national or international economic or political conditions (including acts of war, terrorism or other calamity or crisis), adverse conditions in national or global financial or capital markets, or changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made.

The Fund's investments consist primarily of securities that are not publicly traded and may require a

substantial length of time to liquidate. The Fund generally is not able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. The Fund's ability to dispose of investments may be dependent, in part, on the IPO market, which fluctuates in terms of both volume of transactions as well as the types of companies that are able to access the market. In addition, in some cases the Fund may be prohibited by contract or by applicable securities laws from selling such securities for a period of time or otherwise be restricted from disposing of such securities. The proceeds of certain investments may be distributed to Limited Partners in kind.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Limited Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Limited Partners. After a distribution of securities is made to the Limited Partners, many Limited Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Limited Partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the Special Limited Partner with respect to such investment.

Reliance on the General Partner

The Fund has a limited operating history. Control over the operation of the Fund is vested entirely in the General Partner, which also has a limited operating history, and which delegates certain managerial and advisory functions to the Adviser, which also has a limited operating history. The Adviser has engaged MidOcean to provide Services under the Services Agreement. Both MidOcean and the Fund's anchor investor have a right, under certain circumstances set forth in the Services Agreement, to terminate the Services Agreement. Should that occur, the Adviser would need to provide or arrange for others to provide the Services.

The loss of service of one or more ATL Investment Professionals could have an adverse impact on the Fund's ability to realize its investment objectives. The Limited Partners do not make decisions with respect to the acquisition, management, disposition or other realization of any investment, or other decisions regarding the Fund's business and affairs. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its portfolio investments.

Reliance on Portfolio Company Management

The Adviser, on behalf of the General Partner and the Fund, monitors the performance of each investment, including through participation on the boards of directors of certain portfolio companies. However, the primary responsibility for the management and operation of the portfolio companies on a day-to-day basis rests with each portfolio company's management team. There can be no assurance that these management teams will operate their respective portfolio companies successfully.

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities

The United States, pursuant to the “Foreign Account Tax Compliance Act” or “FATCA”, has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the Organization for Economic Co-operation and Development (the “OECD”) has published a global Common Reporting Standard for multilateral exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Fund and/or alternative investment vehicles, and may require the General Partner to collect and share with applicable taxing authorities information concerning Limited Partners (including identifying information and amounts of certain income allocable or distributable to them). A Limited Partner’s failure to provide the required information may result in expulsion from the Fund and/or alternative investment vehicles. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity’s share of most payments attributable to investments in the United States, including dividends, interest, and, beginning on January 1, 2019, gross proceeds of a disposition of stock, unless an exception applies. The Fund may be required to withhold such taxes from certain non-U.S. Limited Partners, unless an exception applies.

Director Liability

The Fund often receives the right to appoint a representative or representatives to serve on the board of directors of a portfolio company. The designation of directors could expose the assets of the Fund to claims by a portfolio company, its security holders and/or its creditors. While the General Partner intends to manage the Fund to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Distressed Investments

The Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

Non-Controlling Investments

Some of the Fund’s investments may be minority positions in companies and in companies for which the Fund has no right to appoint a director or otherwise exert significant influence or protect its position. In such cases, the Fund relies significantly on the management teams and boards of directors of such companies, which may include representation by other investors whose interests may conflict with the

interests of the Fund.

Limitations on Transfer; No Market for Limited Partnership Interests

Limited Partners are not permitted to transfer or pledge their limited partnership interests in the Fund without the consent of the General Partner. Furthermore, the transferability of limited partnership interests in the Fund is subject to certain restrictions contained in the Partnership Agreement and is affected by restrictions imposed under applicable securities laws. In general, withdrawals by Limited Partners from the Fund are not permitted. There is currently no efficient market for limited partnership interests in the Fund, and it is not expected that one will develop.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes

There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

Alternative Investment Fund Managers Directive

The European Union ("EU") Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA").

The Fund and/or the General Partner or an affiliate thereof may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and the General Partner or an affiliate thereof may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; (iii) the General Partner or an affiliate thereof may be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA portfolio companies, including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of the Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of Commitments.

In the future, it may be possible for non-EEA alternative investment fund managers ("AIFMs") to market an alternative investment fund ("AIF") within the EEA pursuant to a pan-European marketing "passport", instead of under national private placement regimes. Access to this passport may be subject to the non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: additional conduct of business and organizational requirements; rules relating to the remuneration of certain personnel; minimum regulatory capital requirements; restrictions on the use of leverage; additional disclosure and reporting requirements to both investors and EEA home state regulators; independent valuation of an AIF's assets; and the appointment of an independent depositary.

Certain EEA Member States have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the General Partner and its affiliates may not seek to market interests in the Fund in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Fund. Alternatively, if the General Partner or an affiliate thereof sought to comply with the requirements to use the passport, this could have adverse effects including, amongst other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the General Partner's and its affiliates' ability to recruit and retain these personnel.

United Kingdom (“UK”) Exit from the European Union (the “EU”)

On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (“Brexit”). After a number of iterations, the European Commission and the UK's negotiators reached agreement on the terms of the UK's withdrawal from the EU, and these terms have been approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 after which the UK entered the transition period specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing EU rules will continue to apply in the UK.

The terms of UK's exit from the EU are still uncertain, including UK's access to the EU single market permitting the exchange of goods and services between the UK and the EU. The UK expects to agree a deal on a future relationship with the EU by the end of the transitional period but whether this is possible is subject to disagreement by leaders of certain EU member states.

The future application of EU-based legislation to the private fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses, including the Adviser and Fund portfolio companies. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

International Agreements to Improve Tax Compliance

The United States Foreign Account Tax Compliance Act (“FATCA”) aims to combat tax evasion by United States tax residents using foreign accounts. It includes certain provisions on withholding taxes and requires financial institutions outside the United States to collect and share information about their U.S. customers either directly with the IRS or, where an applicable intergovernmental agreement (an “IGA”) is in place between such non-U.S. financial institution's jurisdiction and the United States, via its own taxing authority).

FATCA imposes various documentation, registration, due diligence and reporting requirements on “foreign financial institutions” (“FFIs”). An FFI is generally any non-U.S. entity that (a) accepts deposits in the ordinary course of a banking or similar business, (b) holds financial assets for the benefit of one or more persons as a substantial portion of its business, or (c) is an investment entity, which includes (among other things) an entity engaged primarily in the business of investing or trading in securities or partnership interests or an entity that functions or holds itself out as a collective investment vehicle, a private equity fund, a hedge fund, a venture capital fund, a leveraged buyout fund, or any similar entity. However, whether a non-U.S. entity is an FFI may be modified by an IGA.

Different or reduced requirements apply to FFIs which (i) qualify as “exempt beneficial owners” (including certain governmental investors and certain tax-exempt organizations and pension funds), (ii) reside in a “Model 1 IGA” partner country, or (iii) enter into and comply with an agreement with the IRS (an “FFI Agreement”). IGAs, IGA-related guidance and FFI Agreements generally impose obligations on applicable FFIs to collect information concerning their account holders, report certain information about some or all account holders to the IRS or the applicable IGA country authority (which shares that information with the IRS), and, in certain cases, withhold upon payments to “recalcitrant account holders” and/or close their accounts. In addition, most FFIs are required to register with the IRS and obtain a global intermediary identification number, or “GIIN.” The foregoing FATCA requirements apply in addition to the documentation and withholding requirements described above under “Non-United States Investors.”

Failure to comply with the applicable requirements described above generally results in an FFI becoming subject to a 30% withholding tax on all of the withholdable payments made to it. “Withholdable payments” generally include any payment (or allocation from a partnership, if no corresponding payment is made) of (i) U.S.-source interest, dividends, and royalties (an “FDAP Payment”) and (ii) the gross proceeds of a disposition of any stock, debt instrument, or other property that can produce U.S.-source dividends or interest (a “Proceeds Payment”). The withholding requirements with respect to FDAP Payments generally took effect on July 1, 2014, and withholding requirements with respect to Proceeds Payments are expected to take effect on January 1, 2019. The 30% withholding tax under FATCA also applies to withholdable payments made to a non-U.S. entity that is not an FFI unless such entity provides the withholding agent with a certification identifying each substantial U.S. owner of the entity, which generally includes any U.S. person who directly or indirectly owns more than 10% of the entity, or an exception applies. Certain Limited Partners may be able to credit the amount of any FATCA withholding tax against their actual U.S. tax liability (if any) and claim a refund of any amount of such withholding tax in excess of its actual U.S. tax liability. However, such credits or refunds are subject to various limitations and conditions.

If a Limited Partner fails to comply with applicable FATCA requirements, the Fund may be required to withhold 30% of withholdable payments received by the Fund that are distributable to such Limited Partner, and may implement additional remedial measures. Additionally, if an investment in the United States is made through an alternative investment vehicle organized outside the United States, persons that make a withholdable payment to such alternative investment vehicle may be required to withhold the 30% FATCA tax unless the alternative investment vehicle complies with the FATCA requirements applicable to it. In addition to the information collection and sharing requirements imposed by FATCA, the Organization for Economic Co-operation and Development (the “OECD”) has published a global Common Reporting Standard (the “CRS”) for automatic exchange of financial account information in tax matters pursuant to which many countries have signed and implemented multilateral agreements requiring

the collection and sharing of similar information. The Fund and any alternative investment vehicles may be required to comply with some or all of the aforementioned information exchange requirements. Limited Partners will be required to provide information to the General Partner and/or Management Company pursuant to such requirements and failure to do so may result in expulsion from the Fund or alternative investment vehicles, or other remedial measures.

Regulatory Clearances and Approvals Affect Certain Investments

Some of the companies in which the Fund invests may be subject to government regulation in the United States, Europe and/or elsewhere. The products or services of such companies are dependent upon obtaining regulatory clearances and approvals in various jurisdictions. The process of obtaining these approvals can be lengthy, expensive and uncertain, and there is no assurance that these approvals will be obtained. Failure to obtain these approvals could have a significant adverse effect on a portfolio company's performance or the ability of the Fund to dispose of its investments in the portfolio company at an attractive time or price.

Limitation of Recourse and Indemnification

The Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to Limited Partners.

Litigation

In the ordinary course of its business, the Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Need for Follow-On Investments

Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-United States Investments

The Fund may invest in companies that are based and operate outside of the United States. Investments in non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange

between the U.S. dollar and the various other currencies in which the Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative liquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (c) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation and (d) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities.

Hedging Arrangements; Related Regulations

The General Partner may (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirement.

Significant Adverse Consequences for Default

The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to 10 years, without interest.

Public Company Holdings

Subject to the limitations set forth in the Partnership Agreement, the Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at

certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Dilution

Limited Partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

Carried Interest

The fact that carried interest payable to an affiliate of the General Partner is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

Transfer by General Partner

To the extent the General Partner, its partners, the Principals, other members of the ATL Team and/or their respective affiliates commit to make a direct or indirect investment in or along-side the Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

Advisory Board

The General Partner will appoint one or more Limited Partner representatives to the Advisory Board. The Partnership Agreement provides that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the Fund or any other Partner (except as specifically set forth therein). In addition, representatives of the Advisory Board may have various business and other relationships with Management Company and its partners, employees and affiliates, including the Principals and other members of the ATL Team. These relationships may influence their decisions as members of the Advisory Board.

Delayed Tax Information

The Fund may not be able to provide final tax filing information to Limited Partners for any given fiscal year until after the initial tax filing deadlines for Limited Partner tax returns. Limited Partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

Consequences of Failure to Make Payment in Full

If a Limited Partner fails to fund any installment of its capital commitment or to make any other payment to the Fund when due, the defaulting Limited Partner may be required, among other things, to forfeit a substantial portion of its capital account and rights to future profits (but not losses) that otherwise would

have been allocable to the Limited Partner. The General Partner may designate a person or entity to assume the entire unpaid balance of the defaulting Limited Partner's capital commitment and succeed to all of the rights of the defaulting Limited Partner's interest. In addition, the General Partner may take other actions provided in the Partnership Agreement and pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by the defaulting Limited Partner.

Imposition of Tax Regardless of Cash Distributions

Limited Partners are required to recognize for U.S. federal income tax purposes their pro rata shares of the taxable net income of the Fund, whether or not the Limited Partners received distributions from the Fund to cover such tax liabilities. The Fund may generate taxable income for a Limited Partner even though the value of the Limited Partner's interest in the Fund has declined.

Indemnification

The General Partner, the Adviser and certain of their related persons are entitled to indemnification from the Fund, except under certain limited circumstances. Any money paid to the General Partner, the Adviser or certain of their related persons to cover indemnification expenses reduces amounts that would otherwise be payable to the Limited Partners.

Absence of Statutory Regulation

The Fund is not registered under the U.S. Investment Company Act of 1940, as amended, and therefore will not benefit from the statutory protections of such law.

Uncertain Economic and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

Public Health Emergencies; COVID-19

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

COVID-19

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization formally declared in March 2020 to constitute a global “pandemic.” This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic issues, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds and its portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund’s ability to fulfill its investment objectives. They may also impair the ability of portfolio companies’ or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio companies, the General Partner and the Manager may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder

such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Market Conditions

The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective.

Cyber Security Breaches and Identity Theft

The Fund and its portfolio companies will be reliant upon their respective financial, accounting and technology systems and networks to process, transmit and store information, including sensitive client and proprietary information, and to conduct many business activities and transactions with clients, advisors, vendors and other third parties. The Fund will rely on third parties for certain aspects of the Fund's business, including financial intermediaries and technology infrastructure and service providers, and these parties are also susceptible to cyber security risks.

Although the Adviser will take protective measures and endeavor to modify them as circumstances warrant, the Fund's and its portfolio companies' information and computer systems, software, networks and mobile devices, and those of third parties on whom the foregoing entities will rely, may be vulnerable to cyber-attacks, breaches, unauthorized access, theft, misuse, computer viruses or other malicious code, network failures, computer and telecommunication failures, usage errors by their respective professionals, power outages, fires, tornadoes, floods, hurricanes, earthquakes and other events that could have a security impact. If any such events occur, it could jeopardize each affected entity's, as well as their clients', employees' or counterparties' confidential, proprietary and other sensitive information processed and stored in, and transmitted through, the Fund's or third-party computer systems, networks and mobile

devices, or otherwise cause interruptions or malfunctions in operations of the affected entities. Despite the Adviser's efforts to ensure the integrity of the Fund's systems and networks, it is possible that the Adviser may not be able to anticipate or to implement effective preventive measures against all threats, especially because the techniques used change frequently and can originate from a wide variety of sources. As a result, affected entities could experience disruption of their business, significant losses, increased costs, reputational harm, regulatory actions or legal liability, any of which could have a material adverse effect on the Fund's financial performance. Affected entities may be required to spend significant additional resources to modify their protective measures or to investigate and remediate vulnerabilities or other exposures, and they may be subject to litigation and financial losses that are either not insured against fully or not fully covered through any insurance that such entities maintain.

Privacy and Data Protection Law Compliance Risk

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the General Partner, the Fund and/or its portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, the General Partners, the Fund and/or its portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Adviser, the General Partner, the Fund and/or its portfolio companies.

Material Non-Public Information; Other Regulatory Restrictions

As a result of the operations of ATL II Advisor, ATL II Associates, ATL Fund II and its affiliates and personnel, the ATL Investment Professionals frequently come into possession of confidential or material, non-public information. Therefore, the ATL Investment Professionals and its affiliates may have access

to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or ATL II Advisor's internal policies. Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Adviser or the Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust remedies relating to one Fund's acquisition of a portfolio company may require the Fund to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, the Fund may be adversely affected because of the Adviser's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent the Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the Adviser or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that the Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Pay-to-Play Laws, Regulations and Policies

A number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted a rule that, among other things, prohibits an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees makes a contribution to certain elected officials or candidates. If the Management Company, the General Partner, any of their employees or affiliates or any service provider acting on their behalf fails to comply with such laws, regulations or policies, such non-compliance could have an adverse effect on the Fund. Limited Partners may also seek to pursue individual remedies, including withdrawal rights, which may be included in side letters or otherwise imposed by statute.

Anti-Corruption Law Considerations

The ATL Team and the Fund are committed to complying with the aspects of the U.S. Foreign Corrupt Practices Act ("FCPA"), the Bribery Act ("UKBA") and other anti-corruption and anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Fund may be adversely affected or miss out on opportunities because of its or the Management Company's unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws

and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities and for portfolio companies to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In particular, U.S. regulators recently have been focused on private equity firms and their compliance with the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. The UK government passed into law the UKBA in 2010. The UKBA criminalizes both the bribery of foreign public officials and commercial bribery. The UKBA also makes provision for a strict liability corporate offense of failing to prevent bribery committed by employees or third parties associated with a company. The corporate offense applies to any organization which carries on business or part of a business in the UK. The corporate offense is subject to an affirmative defense which is engaged if a company can show that it had in place adequate procedures to prevent bribery committed on its behalf.

While the Management Company has developed and implemented policies and procedures designed to ensure strict compliance by the Management Company and its personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of the Management Company's policies and procedures, affiliates of portfolio companies, particularly in cases where the Fund or another fund or vehicle sponsored by the Management Company or its affiliates does not control such portfolio company, may engage in activities that could result in FCPA and/or UKBA violations. Any determination that the Management Company has violated the FCPA, the UKBA or other applicable anti-corruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could adversely affect the Management Company's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

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 your evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

As discussed above in Item 5 – Fees and Compensation – Offset Fees, the Adviser and its affiliates may provide various management and financial services to Fund portfolio companies and may receive additional compensation from these companies in connection with such services. Any such compensation may be offset against future Advisory Fees as required by the Partnership Agreement.

As discussed above in Item 4 – Advisory Business, MidOcean provides certain Services to the Adviser pursuant to a Services Agreement. The Adviser compensates MidOcean for such services through fees and cost reimbursements.

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

Code of Ethics

The Adviser has adopted a Code of Ethics for all supervised persons describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Adviser must acknowledge the terms of the Code of Ethics annually, or as amended.

The Adviser is built upon the principles of fair dealing and ethical conduct of its employees. Its reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of the Adviser will be dependent upon its clients' trust, and the Adviser is dedicated to preserving that trust. Employees owe a duty to the Adviser, to its clients and to its investors to act in a way that will merit the continued confidence of the public.

The Adviser complies with all applicable laws and regulations and expects its employees and partners to conduct business in accordance with the letter, spirit and intent of all relevant laws and to refrain from any illegal, dishonest or unethical conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with an immediate supervisor or the Chief Compliance Officer for advice and consultation.

The Adviser will provide its Code of Ethics to any client or prospective client who requests it. Requests should be sent to Candice Richards at crichards@atlpartners.com.

Participation or Interest in Client Transactions and Personal Trading

Members of the ATL Board, principals and employees of the Adviser and its affiliates may directly or indirectly own an interest in the Fund. To the extent that employee co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Fund.

Through the Code of Ethics, the Adviser seeks to ensure that the personal securities transactions, activities and interests of its employees will not interfere with (i) making decisions in the interest of advisory clients or (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code of Ethics requires pre-clearance of all transactions including any limited offerings or IPOs. Employee trading is monitored in order to reasonably detect and prevent violations.

Allocation of Investment Opportunities

Principals or employees of the Adviser may be contractually obligated to notify MidOcean of certain investment opportunities of which they are actually aware that might be suitable as add-on acquisitions for any of the existing portfolio companies of MidOcean Partners III, LP. Such investment opportunities may also be appropriate investment opportunities for the Fund. The Adviser and MidOcean have agreed to engage in good faith discussions to determine whether any such investments should be made by MidOcean Partners III, LP or by the Fund. No such investment shall be made until such determination has been made. Some of the factors that the Adviser and MidOcean will take into account include their respective clients' investment restrictions and objectives (including those set forth in the relevant client's

governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level and applicable regulatory restrictions.

As noted above, co-investment allocations will be allocated in accordance with the Adviser's Co-Investment Allocation Policy and Procedures and pursuant to terms of the Fund's Partnership Agreement. Although a prospective co-investor's willingness to invest in future Funds may be considered by the Adviser, it will not be the sole determining factor considered by the Adviser in identifying co-investors. The application of this methodology may result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments may receive none.

Other Conflicts of Interest

An investment in the Fund may involve complex tax, structural and other considerations that may differ for individual investors. Furthermore, it is possible that individual Limited Partners may have conflicting interests with regard to the nature of investments made by the Fund and the structuring and realization of such investments. In selecting and structuring investments and divestments of the Fund, consideration will be given to the interests of the Fund rather than the interests of any individual Limited Partner.

A portfolio company typically will reimburse the Management Company or service providers retained at the Management Company's discretion for expenses (including without limitation travel expenses) incurred by the Management Company or such service providers in connection with its performance of services for such portfolio company. This subjects the Management Company and its affiliates to conflicts of interest because Fund II generally does not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial. The Management Company determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in Fund II, their effect is reflected in Fund II's audited financial statements, and any fee paid or expense reimbursed to the Management Company or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

The Adviser has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as the Adviser has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option.

Portfolio companies typically pay certain fees to members of the ATL Executive Board and third party consultants (including consultants introduced or arranged by the Management Company and/or its affiliates that may regularly provide services to one or more portfolio companies), and such fees do not offset the Advisory Fee as described herein. Although the involvement of an ATL Executive Board member or the use of a consultant and the allocation of compensation paid to them by the Management Company, its affiliates and/or the portfolio companies may subject the Management Company and/or its affiliates to potential conflicts of interest. The Management Company believes that such potential conflicts may be reduced by the anticipated value added and cost savings to portfolio companies (which is expected to be to the benefit of Fund II that will result if the cost of such expertise or the consultant is lower than market rates for the services provided and/or if the quality of the services make a greater contribution to the success of the portfolio company). The Management Company also seeks to reduce

potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Management Company believes will align such persons' interests with those of the Fund II's limited partners.

The Management Company may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to Fund II. The Management Company, in its sole discretion, will allocate fees and expenses in accordance with the Fund's Partnership Agreement and in a manner that it believes in good faith is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or to the Adviser.

Fund II generally seeks to make controlling investments in portfolio companies. As a result of these controlling interests, the Management Company may have the right to appoint portfolio company board members (including ATL Executive Board members, current or former personnel of the Management Company or its affiliates or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the Management Company in connection with services provided by the Management Company and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Partnership Agreement's offset provision, are in addition to the Advisory Fee or carried interest discussed herein. The Management Company's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Management Company subjects the Management Company and any such portfolio company board appointees to potential conflicts of interest.

The Management Company may also, from time to time, employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by Fund II or other funds or investment vehicles advised by the Management Company; conversely, former personnel or executives of the Management Company and its affiliates may serve in significant management roles at portfolio companies or service providers recommended by the Management Company. Similarly, the Management Company and/or its personnel, and other members of the ATL Team, maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Management Company, Fund II and/or other funds or other investment vehicles managed or advised by the Management Company or its affiliates. The Management Company may have a conflict of interest with Fund II in recommending the retention or continuation of a third-party service provider to Fund II or a portfolio company owned by Fund II if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more funds managed or advised by the Management Company or its affiliates, will provide the Management Company information about markets and industries in which the Management Company or its affiliates operate (or are contemplating in operating) or will provide other services that may be beneficial to the Management Company or its affiliates. The Management Company may have a conflict of interest in making such recommendations, in that the Management Company has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for Fund II and other funds and investment vehicles

managed or advised by the Management Company or its affiliates, while the products or services recommended may not necessarily be the best available to the portfolio companies held by Fund II.

Over the life of the Fund, the Management Company generally expects to exercise its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) members of the ATL Team, including principals of the Management Company and the General Partner (or their affiliates, which may include other portfolio companies of the Fund or other investment funds sponsored by the Management Company or its affiliates) and at rates determined or substantively influenced by the Management Company; (ii) an entity with which the Management Company or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. This subjects the Management Company to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the Management Company may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the Management Company, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to ATL II Advisor, the Fund or other investment funds sponsored by the Management Company or its affiliates), may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the Management Company has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The General Partner reserves the right to enter into side letter arrangements with certain investors in the Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, co-investment rights, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the General Partner or any of its affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. The Fund II Special Limited Partners (whose partners include principals and employees of the Adviser) receive a carried interest allocation from the Fund II. Because the carried interest is payable only on profits, partners of the Special Limited Partners may have an interest in increasing profits on assets at the expense of a more conservative investment strategy that focuses on the return of invested capital. For example, if the Fund, on advice from the Adviser, holds a portfolio company on the expectation that its price will continue to rise, it may forego opportunities to liquidate the portfolio company at a time it can be assured of returning capital to the Limited Partners.

In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred

return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the Limited Partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a Limited Partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to Limited Partners will be commensurate with such costs.

Any of these situations subjects the General Partner, the Management Company and/or their affiliates to potential conflicts of interest. The General Partner attempts to resolve such conflicts of interest in light of its obligations to investors in the Fund and the obligations owed by the General Partner's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Fund, other funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the General Partner will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the General Partner consults and receives consent to conflicts from an advisory committee consisting of Limited Partners of the Fund and limited partners of such other investment vehicles.

Item 12 – Brokerage Practices

Investors in the Fund authorize the General Partner to act on behalf of the Fund. The Adviser as the investment manager to the Fund, and the General Partner as the general partner of the Fund, make all decisions related to the investment and divestment of the Fund's assets, including the selection of investments, the size of investments, the broker or other advisor in such transactions or, in the case of securities that are traded, the broker or dealer to be used and the commissions to be paid, if any. Although trading in public securities is not a daily occurrence for the Fund, at times the Fund may hold public stocks that are unrestricted or will trade on foreign exchanges or in foreign currency as necessary. On all of its trades, the Adviser seeks to get best execution for the Fund's trades and will seek to pay market commissions, as applicable. The Adviser does not receive research or other services associated with the execution of its trades, nor does it use any form of soft dollars.

Item 13 – Review of Accounts

As is standard for private equity funds, the Adviser will provide its clients with quarterly financial statements, quarterly capital account statements and annual audited financial statements. These reports provide information about the holdings of the Funds, the valuation of the holdings, amounts that have been called for investments, advisory fees or expenses and any obligations that are deemed to be

significant. The Adviser and its administrator review the accounts, cash and status of the Funds' account periodically to confirm that they accurately reflect the Fund's activities.

As part of its ongoing management oversight, the Adviser oversees the performance of the Fund's investments and interacts with each portfolio company on a regular basis to evaluate the company's performance against projections and budgets. In addition to reviewing board materials, the Adviser reviews periodic financials and sales reports as appropriate to monitor the portfolio company's performance against expectations and to determine if strategic initiatives, including integrations, scheduled cost saves, new product launches, *etc.* are proceeding in accordance with expectations and projections.

In addition, prior to an investment being made, the Adviser confirms that any investment will be in compliance with the investment limitations set forth in the Fund's Partnership Agreement.

Item 14 – Client Referrals and Other Compensation

The Adviser has one employee who is responsible for marketing and investor relations and client service. The Adviser will determine overall compensation for this professional based upon success in identifying potential investors, helping to prepare marketing materials, or responding to client requests.

The Adviser has entered into a placement agent agreement with UBS Securities LLC. This placement agent was vetted and the arrangements require full disclosure to any potential limited partners in the US that the individual or firm approached.

Item 15 – Custody

All of the Adviser's custody accounts are maintained by Bank of America. Limited Partners will receive quarterly unaudited statements from the respective custodian that holds and maintains the Fund's investment assets.

The Adviser provides Limited Partners with Fund audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of the Fund's fiscal year end and as such, will be deemed to comply with Rule 206(4)-2.

Item 16 – Investment Discretion

As discussed, the Adviser has discretionary authority to manage investments on behalf of the Fund. The Adviser assumes this discretionary authority pursuant to the Sub-Advisory Agreement, as it relates to Fund II.

In general, Limited Partners cannot place limits on the Adviser's authority, although the Adviser is subject to any limitations on investments set forth in the Partnership Agreement. In addition, the Partnership Agreement allows the General Partner to enter into "side letter" arrangements with certain

Limited Partners whereby such Limited Partners may have the right to opt out of certain investments for legal, tax, regulatory or similar reasons.

Item 17 – Voting Client Securities

As required by Rule 206(4)-6 under the Advisers Act, the Adviser has adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) that is reasonably designed to ensure that the Adviser votes proxies in the best interests of clients and that address how the Adviser resolves material conflicts of interest that may arise between the Adviser’s interests and the interests of the Funds. The Chief Compliance Officer is responsible for overseeing the Adviser’s compliance with the Proxy Policy.

The Adviser generally believes its interests are aligned with those of its clients through the principals’ beneficial ownership interests in the Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence, if applicable, of the Fund’s Limited Partner advisory board, if any, on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Fund’s Limited Partner advisory board, if any, may approve the Adviser’s vote in a particular solicitation. The Adviser does not consider service on portfolio company boards by Adviser personnel or the Adviser’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of a client.

If you would like a copy of the Adviser’s Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio companies, please contact Candice Richards at 212.497.1381, and the Proxy Policy and/or information will be provided to you free of charge.

Item 18 – Financial Information

The Adviser does not require the prepayment of fees more than six months in advance. In addition, the Adviser 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.