

Atom Investors LP

Part 2A of Form ADV

The Brochure

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March 27, 2020

This brochure provides information about the qualifications and business practices of Atom Investors LP (“Atom,” the “Investment Manager,” or the “Firm”). If you have any questions about the contents of this brochure, please contact Atom’s Chief Compliance Officer at (737) 808-4595 or compliance@atomlp.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Atom Investors LP is also available on the SEC’s website at: www.adviserinfo.sec.gov.

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

ITEM 2 – MATERIAL CHANGES

This Brochure has been amended since the version filed on March 29, 2019 to update Atom's assets under management and certain other information contained herein. While we do not view these as material changes, we nevertheless encourage all recipients of this Brochure to read it carefully in its entirety.

All of the information in this Brochure is updated as of December 31, 2019, except as expressly stated otherwise herein.

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ITEM 4 – ADVISORY BUSINESS

Atom Investors LP (“Atom,” the “Investment Manager,” or the “Firm”), a Delaware limited partnership, was founded in February 2018 and commenced operations in June 2018. The principal owners of Atom are (i) Fusion Investors LLC (“Fusion”), a Delaware limited liability company, and (ii) Atom Strategies LLC (“Strategies”), a Delaware limited liability company. Basil Qunibi, the Chief Executive Officer and Chief Investment Officer of Atom (the “Principal”), and his related parties are the controlling members of Fusion. The Principal is the controlling member of Strategies. No other member or partner owns, directly or indirectly, over 25% of Fusion, Strategies or Atom, respectively. As of the close of business on December 31, 2019, Atom advised approximately \$3.1 billion in regulatory assets under management on a discretionary basis.

Atom is an investment management company that provides discretionary investment advice to the following private investment funds: (a) Atom Overseas Ltd. (the “Offshore Feeder Fund”), (b) Atom Partners LP (the “Domestic Feeder Fund”) and (c) Atom Master Fund L.P. (the “Master Fund” and, collectively with the Offshore Feeder Fund and the Domestic Feeder Fund, the “Funds”). The Offshore Feeder Fund is an exempted company incorporated under the laws of the Cayman Islands to facilitate investment by U.S. tax-exempt investors and non-U.S. investors. The Domestic Feeder Fund is a limited partnership formed primarily for investment by U.S. investors. The Master Fund is a Cayman Islands exempted limited partnership. The Offshore Feeder Fund and the Domestic Feeder Fund invest substantially all of their investable assets through the Master Fund in a “master-feeder” arrangement.

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

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

ITEM 5 – FEES AND COMPENSATION

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

The Offshore Feeder Fund and the Domestic Feeder Fund each pay the Investment Manager an asset-based management fee (“Management Fee”) that is calculated and payable quarterly in advance. The Management Fee is deducted directly from the assets of the Offshore Feeder Fund and the Domestic Feeder Fund. The Offshore Feeder Fund and the Domestic Feeder Fund each will amortize the Management Fee monthly over the fiscal quarter for which the Management Fee is paid.

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

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

Fund Expenses

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

- (i) the Management Fee;
- (ii) expenses, including personnel expenses, related to the research (including, without limitation, alternative market data analysis), sourcing, due diligence and monitoring of actual and prospective investments (whether or not consummated) and the

consummation of investments, including the following: fees and expenses related to obtaining research and market data (including, without limitation, any information technology software or other technology incorporated into the cost of obtaining such research and market data); research of participation in initial public offerings; internal trading strategies; brokerage, prime brokerage and futures commission merchant fees, commissions and expenses; expenses relating to short sales; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or re-financings; expenses related to onboarding and monitoring Sub-Advisers; fees and expenses of proxy research and voting services; and research-related travel, meal and accommodation expenses;

(iii) the Sub-Advisers' management fee and/or performance compensation;

(iv) organizational and reorganizational expenses;

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

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

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

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

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

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

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

Atom currently does not, but may in the future, advise other client accounts that may be subject to different fees than the Funds. Performance-based allocations or incentive fees on separately managed accounts or other funds may be negotiated on a case-by-case basis. Such performance-based fees will be described in the relevant documents for such other accounts. Atom or its affiliates may also manage funds or accounts which do not pay performance-based compensation to Atom but rather pay only an asset-based fee. In such event, Atom will have an incentive to favor funds and accounts which pay performance-based fees over funds and accounts which do not pay performance-based fees. Atom’s policies and procedures, including trade allocation policies, are designed to mitigate such conflicts.

ITEM 7 – TYPES OF CLIENTS

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

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

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

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

Investment Strategy

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

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

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

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

Method of Analysis

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

Material Risks of Significant Strategies and Methods of Analysis

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

Risk of Loss

No guarantee or representation is made that the Funds' investment programs, including, without limitation, the investment objective of the Funds, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

Limited Operating History

Each of the Funds and the Investment Manager was formed in 2018 and does not have an extensive operating history upon which current and prospective investors can evaluate its anticipated performance. In addition, the Principal has limited experience serving as a chief investment officer (or substantially similar role) with ultimate responsibility for managing an investment portfolio. Neither the Investment Manager nor the Principal or any of their affiliates, including their employees, makes any representation or warranty that their prior experience in portfolio analysis and consulting will result in the Funds being successful in pursuing their investment objective.

Proprietary Trading Methods

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

Dependence on the Investment Manager and Sub-Advisers

The Investment Manager allocates a portion of the Funds' assets to accounts that are managed by Sub-Advisers. The success of the Funds depends upon the ability of the Investment Manager and the Sub-Advisers to develop and implement investment strategies that achieve the investment objective of the Funds. Subjective decisions made by the Investment Manager and/or the Sub-Advisers (with respect to asset allocation and hedging activity) may cause the Funds to incur losses or to miss profit opportunities on which they may otherwise have capitalized.

The success of the investment program of the Funds depends on the trading and investing skills of the Sub-Advisers and the Investment Manager. To the extent that the Investment Manager is unable to select, manage, allocate appropriate levels of capital to, and retain Sub-Advisers that, in the aggregate, are able to produce consistent positive returns for the Funds and provide the necessary liquidity and transparency, or to the extent that the Investment Manager does not adequately monitor the Sub-Advisers, the performance of the Funds may be impaired. In addition, to the extent the Investment Manager invests the Funds' assets directly, the Funds may incur losses if the Investment Manager fails to select and allocate appropriate levels of assets to market favorable strategies. Direct investments in securities by the Investment Manager will cause the Funds to be subject to many of the risks described above relating to investments by the Sub-Accounts.

There can be no assurance that the trading strategies employed by the Sub-Advisers and the Investment Manager will be successful. For example, the proprietary models used by a Sub-Adviser may not function as anticipated during unusual market conditions. Furthermore, while each Sub-Adviser may have a performance record reflecting its prior experience, this performance cannot be used to predict future profitability. Subjective decisions made by a Sub-Adviser may cause a Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized, which may adversely affect the performance of a Fund.

Discretion of the Investment Manager; New Strategies and Techniques

While the Investment Manager and the Sub-Advisers generally will seek to employ the representative investment strategies and techniques discussed herein, the Investment Manager (subject to the policies and control of the Board of Directors of each Fund) has considerable discretion in the types of securities that the Funds may trade, and it has the right to modify the investment strategies and techniques of the Funds without the consent of the investors in the Funds. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Funds. In addition, any new investment strategy or technique developed by the Funds may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds.

Diversification and Concentration

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

Quantitative Model Risk and Risk Management Danger

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

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

At times the Investment Manager may manually override or shut down the operations of a quantitative model. This would generally be done in an effort to mitigate the damage from a

deteriorating or malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

Model and Data Risk

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

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

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

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

Risk of Programming and Modeling Errors

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

For the sake of clarity and without limitation, though losses arising from programming and modeling errors could adversely affect the Funds’ performance, such losses would likely not constitute reimbursable trade errors under the Investment Manager’s policies or the Investment Management Agreements.

Crowding/Convergence

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

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

Limited Liquidity

An investment in the Funds has limited liquidity because investors generally will have only limited rights to redeem or withdraw their capital from the Funds or transfer their shares or interests in the Funds to third parties, and the Funds have the right to suspend redemptions and withdrawals. Investors in the Funds must be prepared to bear the financial risks of an investment in the Funds for an indefinite period of time.

Volatility Risk

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

Hedging Transactions

The Funds may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of the investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the unrealized gains in the value of investment portfolio; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in the Funds' portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Funds' securities; (vii) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Funds will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Investment Manager and the Sub-Advisers may be

unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in any such hedging transaction. Moreover, the portfolios of the Funds will always be exposed to certain risks that cannot be hedged.

Leverage for Investment Purposes

The use of leverage will allow the Funds to make additional investments, thereby increasing their exposure to assets, such that their total assets may be greater than their capital. However, leverage will also magnify the volatility of changes in the value of the Funds' portfolios. The effect of the use of leverage by the Funds in a market that moves adversely to its investments could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged.

Borrowing for Cash Management Purposes

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

Collateral

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

Costs

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

Short Selling

The success of the Funds' short selling investment strategies depends upon the Investment Manager's and the Sub-Advisers' ability to identify and sell short securities that are overvalued. A

short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Funds may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Funds secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing a Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Fund.

Co-Investments with Third Parties

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

Valuation of Assets and Liabilities

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

GAAP Net Asset Value Divergence

Due to U.S. Generally Accepted Accounting Principles ("GAAP") requirements, the net asset value of the Funds for purposes of GAAP-compliant financial reporting may diverge from the

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

Assumption of Business, Terrorism and Catastrophe Risks

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

Exposure to Material Non-Public Information

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

Cybersecurity Risk

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

relating to the transactions of the Funds and the Sub-Advisers and personally identifiable information of the investors in the Funds to be lost or improperly accessed, used or disclosed.

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

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

Relationship with Novus

The Investment Manager is under common control with Novus Partners, Inc. ("Novus"), a company that provides portfolio analytics to clients that include, among others, hedge funds, sovereign wealth funds, endowments and charitable foundations. The Principal currently serves as Chairman of Fusion, which controls Novus and the Investment Manager. In such role, the Principal, from time to time, may have access to certain general information regarding the operations of Novus, such as its business strategy and financial performance. In addition, the Investment Manager has engaged Novus to provide services that are not generally available from other vendors. Novus provides such services to the Investment Manager on terms more favorable than are generally obtainable on an arm's-length basis from unrelated third parties. The Funds pay a portion of the fees payable to Novus.

Conflicts of interest may arise in the event that the Principal, in his capacity as Chairman of Fusion, is required to take action that may be adverse to the interests of the Investment Manager, the Fund or their respective affiliates. The Principal, the Fund, the Investment Manager, employees of the Investment Manager and their respective affiliates will take any and all reasonably practicable steps to avoid or substantially mitigate any circumstance in which there be an actual or perceived conflict arising from the relationship among the Investment Manager, Novus and Fusion.

ITEM 9 – DISCIPLINARY INFORMATION

Atom and its employees ("Employees") have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the Firm or its Employees.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

None.

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

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

Personal Trading

Employees are prohibited from engaging in any transactions in reportable securities in any personal account while they are employed by the Firm, and in certain circumstances, after terminating employment with the Firm; provided, however, that any Employee that holds any reportable securities in any personal account prior to joining the Firm may dispose of such covered securities while employed by the Firm if such Employee obtains written pre-approval from the Firm’s Chief Compliance Officer (“CCO”) to dispose of such reportable securities.

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

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

Outside Business Activities

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

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

If an Employee does receive approval to associate with an outside business, such as by serving as an officer or director, the Employee should recuse himself or herself from any decisions regarding that entity's political contributions. If the Employee believes that the outside business' political contributions could give even the appearance of being related to the Firm's advisory activities or marketing initiatives, the Employee must discuss the matter with the CCO.

Gifts and Entertainment

In order to address conflicts of interest that may arise when an Employee accepts or gives a gift, favor, entertainment, special accommodation, or other items of value, the Firm places restrictions on gifts and entertainment.

The CCO or a designee will receive and review all reports submitted pursuant to the Code. The CCO or a designee will review the reports to determine that Employee trades are consistent with requirements and restrictions set forth in the Code and do not otherwise indicate any improper trading activities. The CCO or a designee also will ensure that all books and records relating to the Code are properly maintained.

ITEM 12 – BROKERAGE PRACTICES

The Investment Manager has discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid, except with regard to assets allocated to a Sub-Adviser, which are invested pursuant to investment guidelines and restrictions determined by the Investment Manager.

Portfolio transactions for the Funds will be allocated to brokers and dealers based on numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or the Funds, certain managed accounts, proprietary accounts and other investment vehicles that are managed by the Investment Manager (collectively, the “Accounts” and each, an “Account”), but not beneficial to all Accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Investment Manager may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction,

marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

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

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

Soft Dollars

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

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

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

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

ITEM 13 – REVIEW OF ACCOUNTS

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

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

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

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

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

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The Investment Manager does not intend to compensate anyone for investor referrals.

ITEM 15 – CUSTODY

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

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

ITEM 16 – INVESTMENT DISCRETION

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

ITEM 17 – VOTING CLIENT SECURITIES

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests.

In order to facilitate the proxy voting process, the Firm has engaged an independent proxy voting service (the "Proxy Service") to vote proxies for the Funds on the Firm's behalf in accordance with the Proxy Service's proxy voting guidelines. The Proxy Service provides the Firm with proxy analysis and voting recommendations, vote execution, and quarterly reports reflecting the Funds' voting history. The Firm has authorized the Proxy Service to vote all proxies in accordance with those recommendations provided by Proxy Policies and Insights. In the event that Proxy Policies and Insights has not provided recommendations in respect of a particular vote, the Firm will vote proxies in support of management recommendations. The Firm has the authority to override any such recommendations if the Firm reasonably believes that such an action is in the best interest of the Funds. If the Firm determines to override any such recommendation, the CCO or a designee will utilize the Proxy Service's Web-based platform to cast such overriding vote and document the reason for overriding the recommendation. In no event will investors in the Funds be permitted to direct the Firm to vote proxies in a particular way. Notwithstanding the foregoing, as a matter of policy, the Firm refrains from voting proxies of portfolio securities of issuers in share blocking jurisdictions, *i.e.*, in jurisdictions that bar the trading of a security pending a proxy vote in which the holder of such security has cast a vote.

The Firm believes that it generally will not be faced with any direct or indirect conflicts of interest with respect to the voting of any proxy because it has engaged the Proxy Service to handle proxy votes. However, to the extent that the Firm overrides the vote of the Proxy Service, the Firm will always vote such proxies in a manner we believe to be in the best interests of the Funds.

On an at least annual basis, the CCO will conduct a review of the Proxy Service's procedures for identifying, mitigating and disclosing its potential conflicts of interest. This review will include assessments of (i) the Proxy Service's business and the nature of the conflicts of interest that such business presents, (ii) the adequacy of the Proxy Service's conflict of interest procedures in light of the particular conflicts that the Proxy Service faces in making voting recommendations, and whether the Proxy Service's conflict of interest procedures negate such conflicts, and (iii) whether the Proxy Service has fully implemented its conflict of interest procedures. To the extent the CCO or a designee identifies a potential conflict of interest involving the Proxy Service and an issuer for which the Funds have a pending proxy vote, the CCO or a designee will flag the potential conflict of interest to the relevant analyst who will generally review the proxy voting material of such issuer and determine how to vote the Funds' proxy votes independent of the Proxy Service's recommendations.

The Proxy Service will retain the following information in connection with each proxy vote: (a) issuer's name; (b) issuer's ticket symbol, ISIN or CUSIP; (c) shareholder meeting date; (d) number of shares the Firm voted; (e) brief description of each matter voted on; (f) whether the matter was proposed by the issuer or a security-holder; (g) the Proxy Service's recommended vote; (h) whether the Firm cast a vote and, if so, the nature of the vote cast; and (i) whether the Firm cast its vote with or against management.

Upon request, an investor in the Funds will receive a report setting forth certain information regarding each proxy voted, including the identity of the relevant issuers and how each ballot measure was voted. Any request for information about proxy voting should be promptly forwarded to the CCO.

ITEM 18 – FINANCIAL INFORMATION

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