



ATLAS MERCHANT CAPITAL

Atlas Merchant Capital LLC
Part 2A of Form ADV
The Brochure

477 Madison Avenue, 22nd Floor, New York, NY 10022
(212) 883-4330
www.atlasmerchantcapital.com

March 30, 2021

This brochure (“Brochure”) provides information about the qualifications and business practices of Atlas Merchant Capital LLC (“Atlas” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Timothy J. Kacani, Atlas’s Chief Compliance Officer (the “CCO”) at 212-883-4330 or tkacani@atlasmerchantcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. References to Atlas as a “registered investment adviser” do not imply a certain level of skill or training.

Additional information about the Firm is also available on the SEC’s web site at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure serves as an update to Atlas’s brochure submitted in March 2020. This brochure contains routine annual updates to the prior brochure.

Item 3. Table of Contents

Item 2. Material Changes	2
Item 4. Advisory Business.....	3
Item 5. Fees and Compensation.....	3
Item 6. Performance-Based Fees and Side-By-Side Management.....	8
Item 7. Types of Clients	11
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9. Disciplinary Information	29
Item 10. Other Financial Industry Activities and Affiliations.....	29
Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading	30
Item 12. Brokerage Practices.....	33
Item 13. Review of Accounts	35
Item 14. Client Referrals and Other Compensation.....	35
Item 15. Custody.....	36
Item 16. Investment Discretion.....	36
Item 17. Voting Client Securities	37
Item 18. Financial Information.....	37

Item 4. Advisory Business

Atlas Merchant Capital LLC, a Delaware limited liability company formed in July 2013, is an investment adviser with its principal office located in New York, NY. Atlas Merchant Capital Holdings, Ltd. is the 99% Managing Member of Atlas Merchant Capital LLC. Atlas Merchant Capital LP holds 100% of the outstanding voting shares of Atlas Merchant Capital Holdings, Ltd., and together Robert E. Diamond Jr. and David I. Schamis (the “Principals”) own 100% of Atlas Merchant Capital LP. A class of non-voting shares of Atlas Merchant Capital Holdings, Ltd. is held by third-party investors.

Atlas Merchant Capital LLC, collectively with its affiliated investment managers (collectively, “Atlas” or the “Firm”), serve as the investment adviser to a number of pooled investment vehicles (each, individually, a “Fund” and, collectively, the “Funds”). Certain Funds are closed-ended investment funds pursuing an equity-focused private equity strategy (the “PE Funds”) while other Funds are open-ended investment funds pursuing a credit-focused strategy (the “Credit Funds”). The Firm also serves as an investment manager to certain co-investment vehicles structured to facilitate investments by third party co-investors alongside the Funds (“Co-Investment Vehicle Clients”) and may in the future advise individual investors through funds-of-one or separately managed accounts (collectively with the Funds and the Co-Investment Vehicle Clients, the “Clients” and each a “Client”).

The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(7) of the Investment Company Act. Interests in the Funds are privately offered to qualified investors. In the future, Atlas may provide discretionary and/or non-discretionary investment advice to other pooled investment vehicles and/or separately managed accounts.

Atlas provides discretionary investment management services to each Client pursuant to separate investment advisory agreements. Investment management services provided to each Client are tailored to such Client’s specific investment strategy, objectives, limitations and restrictions, as set forth in each investment advisory agreement, private placement memorandum, limited partnership agreement and/or other Client constituent document, as applicable (collectively, the “Governing Fund Documents”). Atlas’s investment objective is to generate long-term capital appreciation and is further described in the Governing Fund Documents.

As of December 31, 2020, Atlas has assets under discretionary management of approximately \$1,477,282,403.

Item 5. Fees and Compensation

The Governing Fund Documents for each Fund set forth in detail the fee structure relevant to such Fund. As compensation for its services, Atlas generally charges an annual management fee, payable quarterly (the “Management Fee”), as set forth in the Governing Fund Documents for each Fund. The Management Fee of each PE Fund is generally based on a percentage of the Fund’s capital commitments during the investment period, and thereafter based on a percentage of capital invested and is typically billed quarterly in advance. The Management Fee payable by a PE Fund may be paid out of current income and disposition proceeds of the Fund and, to the extent

necessary, from drawdowns which will reduce unfunded capital commitments. As of the date of this brochure, the maximum Management Fee rate payable by a PE Fund is 2% per year of capital commitments.

The Management Fee charged to the Credit Funds is generally based on the net asset value of the capital account(s) of each investor and is typically billed quarterly in advance. As of the date of this brochure, the maximum Management Fee rate payable by a Credit Fund is 1.75% per year of such net asset value.

Atlas may elect to reduce, waive or calculate differently the Management Fee with respect to any investor. In the unlikely event Atlas does not provide services for the full period, a portion of the Management Fee is typically required to be returned to investors. In general, the amount of fees returned is calculated based on the number of days remaining in the applicable period.

The Management Fee will typically be reduced (but not below zero) by an amount equal to 100% of the investor limited partners' proportionate share of any other fees allocated to the Fund including but not limited to, transaction fees, break-up fees, director fees, monitoring fees, advisory fees, consulting fees and similar fees or compensation (net of related expenses) ("Transaction Fees") paid to Atlas related to a Fund investment or potential Fund investment in a portfolio company (to the extent allocated to the Fund's investment or potential investment in such portfolio company). Transaction Fees do not include: any management, advisory or other fees received by a General Partner (as defined below), Atlas, the Principals or any of their respective affiliates for investments that are not related to portfolio investments of a Fund; and any fees received by a General Partner, Atlas, the Principals or any of their respective affiliates in connection with services, activities or lines of business unrelated to the Funds. The types of fees that do or do not constitute Transaction Fees may vary among the Funds. In accordance with the Fund's Governing Fund Documents, Transaction Fees paid by or attributable to any Fund's portfolio company will be allocated based on the applicable Fund's percentage ownership of such portfolio company, in proportion to the capital invested by all investors in the company. If more than one Fund is invested in any portfolio company, then the fees allocated to the Funds will be based on the respective Fund's percentage ownership of such portfolio company. Fees allocated to a Fund will generally be further allocated among all investors in such Fund pro rata, based on each investor's capital contributions.

The general partners of the Funds, which are affiliates of Atlas (the "General Partners"), are generally eligible to receive a performance-based incentive allocation or carried interest, with respect to realized or unrealized investments, which is determined as a percentage of profits derived from the Funds' investments (after taking into account expenses of the Fund, including Management Fees and, in the case of PE Funds, following a preferred return to the Fund's investors). If the performance-based carried interest of a PE Fund results in an over-distribution of the agreed upon amount of carried interest to the General Partner, the General Partner is subject to an after-tax "claw back" arrangement. As of the date of this Brochure, the maximum carried interest allocable to the General Partner of a PE Fund is 20% of the profits derived from the disposition of investments (after taking into account expenses of the Fund, including Management Fees), and the maximum incentive allocation allocable to the General Partner of a Credit Fund is 20% of the aggregate net capital appreciation attributable to a capital account for a fiscal year.

In addition to the Management Fees and performance-based fees described above, each Fund is responsible for its own start-up costs, as set forth in the Governing Fund Documents, including but not limited to, legal, accounting, filing and other out-of-pocket expenses of organizing and raising capital (“Organizational Expenses”) and all placement fees. The fees, costs and expenses that constitute Organizational Expenses will vary from Fund to Fund. Pursuant to the PE Fund Governing Fund Documents, excess Organizational Expenses of a PE Fund over a threshold amount will typically reduce the Management Fees otherwise payable by such PE Fund by an identical amount. All placement fees will reduce the Management Fees otherwise payable by a PE Fund by an identical amount. Organizational Expenses of each Credit Fund will be amortized over a period expected to be 60 months.

Certain strategic investors are entitled to a portion of the carried interest distributions received by the General Partners from certain of the PE Funds and a portion of the revenue, including Management Fees, of the Firm. Similarly, the seed investor in the Credit Funds is entitled to a portion of the incentive allocation borne by the Credit Funds and a portion of the net income (including Management Fees) of the manager to the Credit Funds. In addition, Atlas has entered into a consulting services agreement with a third party to provide certain ongoing services to the Firm related to certain of the PE Funds’ investments on an as-needed basis in consideration for which such third party may receive a fee payable by the Firm representing an amount equal to a portion of the carried interest distributions and Management Fees with respect to one or more of the PE Funds. These expenses are not borne by the investors in any Fund.

Each General Partner and each Atlas management entity pays its ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits and rent.

Each Fund also bears its own ongoing expenses (“Operating Expenses”) which generally includes, without limitation: expenses incurred in connection with the discovery, evaluation, investigation, development, making, valuation, acquisition, holding, purchase, ownership, supervision, structuring, carrying, monitoring, realization, liquidation, transfer, sale or other disposition of potential or actual investments, including loan fees, expenses relating to short sales, custodial fees, trustee fees, hedging expenses, bank service fees, private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, brokerage commissions (including “soft dollar” arrangements), research fees, due diligence, interest expense, and commitment fees, transfer taxes and premiums, and duties payable in any jurisdiction in connection with any investment, underwriting commissions, clearing and settlement charges and discounts, and related legal, accounting, investment banking, advisory, consulting, information services and professional fees and expenses, and finance, communications (including interest access fees) and other expenses, and any third-party research and market data expenses (including quotation and market data services (e.g., Bloomberg, Reuters, S&P); travel-related expenses (including transportation, meal, entertainment and lodging expenses) related to or arising from the discovery, evaluation, acquisition, holding, monitoring or disposition of investments, including potential investments (which may include travel by way of non-commercial planes at rates not in excess of customary charter rates, where the General Partner determines such travel is necessary due to business exigencies); expenses incurred in connection with the carrying or management of investments, including, without limitation, custodial, trustee, accounting, recordkeeping and other

administration fees (including the fees and expenses of any third-party administrator), as well as portfolio accounting system licenses and fees; expenses incurred in connection with the preparation and distribution of the Fund's financial statements, tax returns, Schedule K-1s and other communications with partners and the limited partner advisory committee of the Fund, if applicable, including, without limitation, expenses incurred in connection with purchasing, licensing or leasing computer software and hardware for such uses and expenses incurred in connection with providing the Fund's investors on-line or electronic access to information and reporting relating to the Fund; attorneys' and accountants' fees and disbursements; taxes and other governmental charges levied against, or otherwise incurred or payable by, the Fund; insurance premiums or expenses (including directors' and officers' insurance and errors and omissions insurance and related brokers' fees and commissions); any and all expenses to comply with laws and regulations related to the activities of the Fund (including regulatory and compliance-related expenses of the General Partner and Atlas incurred in connection with the operation of the Fund (including, without limitation, expenses related to the preparation and filing of Form PF with the SEC and complying with the Foreign Accounting Tax Compliance Act and the Alternative Investment Fund Managers Directive)); any and all expenses incurred in connection with any litigation or government inquiry, investigation or proceeding involving the Fund or any of its investors, including the amount of any judgment, settlements or fines; fees, costs and expenses associated with maintaining the Fund and any of its subsidiary entities, including fees, costs and expenses incurred in the organization, operation and restructuring of such subsidiary entities; interest on, and fees, costs and expenses arising out of the Fund's borrowings and indebtedness (including the fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Fund); expenses incurred in connection with the winding up and dissolution of the Fund or liquidation of the Fund's assets; expenses relating to defaults by the Fund's investors in the payment of any capital contributions; out-of-pocket expenses for transactions that are not consummated; expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner of such Fund and Atlas; any and all expenses incurred in connection with distributions to the Fund's investors; any and all expenses in connection with any meetings with Fund's investors or any limited partner advisory committee of the Fund; expenses related to the Fund's indemnification obligations; expenses incurred in connection with the formation of alternative investment vehicles and any intermediate, blocker and other special purpose vehicles formed to facilitate the investment by certain limited partners in a portfolio company, to the extent permitted under the Governing Fund Documents (to be borne solely by investors therein or for whose benefit such vehicle has been established); reasonable out-of-pocket expenses incurred by the members of any limited partner advisory committee of the Fund in connection with the fulfillment of their duties pursuant to the Governing Fund Documents (including meals, entertainment, lodging and other similar expenses and which may include reasonable travel expenses incurred by a committee member travelling to and from such meetings; expenses relating to the offer and sale of interests in the Funds; expenses related to the maintenance of the Fund's registered office, if applicable; brokerage costs, if applicable; extraordinary expenses; compensation and other similar expenses of consultants (including industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to the Fund or its portfolio companies (including with respect to potential portfolio investments); expenses relating to ongoing offerings of interests in any Credit Fund, including, without limitation (i) related travel, accommodation, meal and other similar fees, costs and expenses, (ii) expenses, fees

and disbursements incurred in connection with the negotiation and preparation of, and compliance with, any side letters or similar written agreements, including, without limitation, most favored nations processes, and (iii) any “blue sky” filing fees and related costs and expenses; expenses incurred in connection with the valuation of assets of the Fund; the Management Fees relating to the Funds; administration fees payable to the Administrator, as administrator of any Credit Fund, or any other person providing administrative or similar services to a Credit Fund; with respect to certain PE Fund(s), expenses incurred in connection with entering into and negotiating side letters and similar written agreements, compliance with side letters and similar written agreements and the process of complying with the most favored nations provisions contained in any side letters and similar written agreements; and fees, costs and expenses incurred by a Credit Fund, its General Partner, Atlas or their respective affiliates or employees or any service provider for, or resulting from, any hedging transactions of such Credit Fund. The fees, costs and expenses that constitute Operating Expenses will vary from Fund to Fund. Prospective investors in a Fund are advised to review the applicable Governing Fund Documents for a more detailed description of the fees and expenses associated with an investment in such Fund.

To the extent any Operating Expenses are incurred for the benefit of more than one Client, such Operating Expenses will generally be borne by each benefiting Client on a pro rata basis or such other manner as the applicable General Partner determines to be reasonable.

Investment vehicles owned by Atlas investment professionals, employees and related persons may invest in certain Funds. Such persons, as well as certain co-investors and unrelated persons, typically will not pay Management Fees and/or be subject to performance-based fees in connection with their investment in the Funds.

If any limited partner is participating in a co-investment alongside a Fund (a “Co-Investor”), such Co-Investor will typically bear its pro rata share of fees, costs and expenses related to the sourcing, monitoring, investigation, development, acquisition or consummation, ownership, maintenance, hedging and disposition of the underlying co-investments. In the event that a Co-Investor participates in a co-investment through a Co-Investment Vehicle Client, the Co-Investor will generally bear its pro rata share of the aggregate organizational costs and expenses of such Co-Investment Vehicle Client, unless such organizational costs and expenses (and related transaction costs of the relevant investment) are borne by the portfolio company in which the applicable Fund and such Co-Investment Vehicle Client invest. To the extent agreed upon by co-investors, Atlas and/or its affiliates may earn carried interest, receive a management fee and/or retain transaction fees or portfolio monitoring fees allocated to co-investors or Co-Investment Vehicle Clients that, in each case, will not reduce the compensation paid to Atlas or any of their respective affiliates by any Fund.

The general partner of a PE Fund, in its discretion, may call capital for Management Fees and other expenses or pay such fees and expenses out of a Fund’s current income and proceeds from investments. To the extent practicable, any third-party expenses relating to consummated investments of a PE Fund will be charged to the relevant portfolio company. If such expenses are not charged to the relevant portfolio company, then they will be paid by the PE Fund to which they relate and included in the cost of the investment. Any break-up fees and third-party expenses relating to unconsummated investments will be borne by the Client to which they relate.

In addition to the full-time investment professionals of the Firm, the PE Funds and their portfolio companies may engage the services of certain advisors to work actively with Atlas on sourcing and evaluating new transactions, as well as providing strategic advice related to portfolio company matters. These advisors are not partners or employees of Atlas or any of its affiliates, but rather consultants engaged by certain PE Funds. The compensation of such individuals is generally treated as an expense of the relevant Fund(s) or the relevant portfolio company.

Expenses incurred from or relating to prospective investments that are ultimately not consummated or abandoned will be allocated 100% to the relevant Fund unless any potential co-investor has agreed to bear its share of expenses relating to an unconsummated transaction. The allocation of such broken deal expenses will then be allocated using the methodology agreed upon by the investors. Broken deal expenses include but are not limited to legal, accounting, consulting and other professional fees, travel related expenses (including, without limitation, transportation, meals, entertainment and lodging), and other out of pocket expenses incurred in connection with unconsummated investment transactions. These expenses are borne by the relevant Fund, to the extent the costs are not reimbursed by the potential portfolio companies.

Atlas has engaged an advisory board comprised of a distinguished group of Senior Advisors (the “Senior Advisors”). The Senior Advisors serve as part-time consultants to Atlas to contribute their industry insight and experience to the Firm. Atlas is responsible for an annual retainer paid to the Senior Advisors. The Senior Advisors are not employees of Atlas. In the event a Senior Advisor is engaged, retained or hired by a portfolio company directly, he or she may be paid a separate fee or salary by such portfolio company. Any such fees or income will not reduce the Management Fee.

In addition, Atlas works with Operating Partners who serve as part-time consultants to Atlas on certain operational matters related to the Funds’ portfolio companies (the “Operating Partners”). The Operating Partners are not employees of Atlas. In the event an Operating Partner is engaged by a portfolio company of any Fund directly, such Operating Partner may be paid a consultant fee by such portfolio company for his or her services, which fee will not reduce the Management Fee. These services may also include but are not limited to representation on the Board of Directors of certain portfolio companies. Any payments made to retain Operating Partners and the Senior Advisors are paid by the Firm, and the Funds do not incur such retention expenses.

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

As described in the “Fees and Compensation” section above, the General Partners of the PE Funds are entitled to receive a performance-based carried interest distribution, which is based on realized gains from investments above a performance threshold, as specified in each PE Fund’s Governing Fund Documents. Such carried interest is calculated based on a percentage of profits generated from the Fund and is subject to the satisfaction of a preferred rate of return of up to 8%, the return of capital (up to 100%), recoupment of losses, fees, expenses and other criteria set forth in the Governing Fund Documents.

The General Partner of a Credit Fund is also entitled to receive a performance-based incentive allocation, as specified in such Credit Fund’s Governing Fund Documents. Such incentive

allocations are calculated based on realized or unrealized net capital appreciation or net capital depreciation attributable to the Credit Fund's investments, and are allocated among capital accounts in proportion to their respective opening balances for any accounting period.

Performance-based fees may create an incentive for Atlas to cause the Funds to make investments that may be riskier or more speculative than those which would be made under a different fee arrangement. However, this incentive is mitigated in part by the financial commitment Atlas's personnel make to the Funds in an effort to align Atlas's and the Funds' interests. Atlas also seeks to address these conflicts through careful vetting of investment opportunities by its investment professionals and disclosure of investments to limited partners by way of capital calls distributed to the limited partners in advance of each investment and quarterly reports to the limited partners. Additionally, Atlas has implemented internal controls to address the potential conflicts associated with performance based fees, as more fully described in each Fund's Governing Fund Documents. Furthermore, the constituent documents of the PE Funds have after-tax "claw back" arrangements as described in the "Fees and Compensation" section above.

Although Atlas accepts performance-based carried interest from its PE Funds but not certain of its Co-Investment Vehicle Clients, Atlas does not believe that it faces conflicts of interest in this regard because such Co-Investment Vehicle Clients do not make investments other than investments alongside PE Funds that are subject to performance-based carried interest.

Allocations of Investments

The possibility exists that Atlas will, from time to time, be presented with investment opportunities that fall within the investment objectives of more than one Client. Atlas has established policies and procedures for allocating investment opportunities among its Clients. When Atlas determines that it would be appropriate for more than one Client to participate in an investment opportunity, Atlas will seek to allocate investments on an equitable basis for all of the participating Clients. There is typically no obligation for a Client to dispose of any investment at the same time as any other Client.

In determining initial allocations of investments among the Clients, Atlas and its affiliates will take into account such factors as they deem appropriate, which may include, without limitation: investment objectives; relative amounts of capital available for investments, the timing of capital inflows and outflows and anticipated capital commitments and subscriptions; liquidity needs; applicable concentration limits and other investment restrictions; mandatory minimum investment rights and other contractual obligations applicable to participating Clients and/or to their investors; portfolio diversification; relative exposure to market trends; tax efficiencies and potential adverse tax consequences; regulatory restrictions applicable to participating Clients and their investors that could limit the Client's ability to participate in a proposed investment; policies and restrictions applicable to participating Clients; the avoidance of odd-lots or a *de minimis* allocation to one or more participating Clients; the potential dilutive effect of a new position; the overall risk profile of a portfolio; the potential return available from a debt investment as compared to an equity investment; and any other considerations deemed relevant by Atlas and its affiliates. There can be no assurance that any Client's return from a transaction will be equal to and not less than another

Client participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed.

When Atlas determines that it would be appropriate for multiple Clients to participate in an investment opportunity, Atlas will seek to aggregate orders for all of the participating Clients, on an equitable basis. The Clients that participate in an aggregated order will generally participate at the average price for all of the transactions in that security with respect to each buy/sell program on a given business day, with transaction costs generally shared pro rata based on the Clients' participation in the transaction. The effect of such aggregation may operate on some occasions to a Client's disadvantage. Specifically, if Atlas has determined to invest at the same time for more than one of the Clients, Atlas may place combined orders for all such Clients simultaneously and if any order is not filled at the same price, it may average the prices paid. Similarly, if an order on behalf of more than one Client cannot be fully executed under prevailing market conditions, Atlas may allocate the securities traded among the different Clients on the basis that it considers equitable. In these circumstances, each Client would pay, in connection with the acquisition of securities by more than one Client, the average price per unit acquired, which may be higher than if it had acted alone, and it may otherwise not be able to execute an investment decision as effectively as it could have if it had acted alone. There may be corresponding potential disadvantages when more than one Client simultaneously seeks to dispose of commonly held securities and other investment positions.

Though not expected to occur frequently, one or more Clients may invest in portfolio investments or other issuers in which one or more other Clients is invested in a different part of the capital structure. These investments include investments in corporate loans and debt securities, preferred equity securities and common equity securities. For example, with respect to a PE Fund's investments in a given portfolio company, a Credit Fund may invest in different classes of debt or equity issued by the same portfolio company, including debt or equity that is senior to the PE Fund's interests or convertible into such senior interests. The interests of such Clients may not be aligned in all circumstances to the extent they hold more junior or senior debt or equity interests, as the case may be, which could create actual or potential conflicts of interest or the appearance of such conflicts. In that regard, actions may be taken by a Client that are adverse to another Client. The interests of Clients that are invested in different parts of the capital structure of a portfolio company are particularly likely to conflict in the case of financial distress of the portfolio company (or increased financial stress after the Client invests in the portfolio company). For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Client holding senior secured debt issued by such portfolio company to provide such additional financing. If a Client holding more junior debt or equity positions were to lose their respective investments as a result of such difficulties, the ability of Atlas to recommend actions that are in the best interests of such Client might be impaired. In addition, it is possible that, in a bankruptcy proceeding, a Client's interests may be subordinated or otherwise adversely affected by virtue of such other Client's involvement and actions relating to their investment. There can be no assurance that the term of or the return on a Client's investment will be equivalent to or better than the term of or the returns obtained by the other Client participating in the transaction. This may result in a loss or substantial dilution of a Client's investment, while another Client recovers all or part of amounts due to it. Similarly, the General Partner's ability to implement a Client's strategies effectively may be limited to the extent that contractual obligations

entered into in respect of the activities of the other Clients impose restrictions on a Client engaging in transactions that the General Partner may be interested in otherwise pursuing.

Except as required by the Governing Fund Documents of a particular Fund, Atlas is under no obligation to present any particular investment opportunity to any particular Fund. Atlas cannot assure that a Fund will participate in all investment opportunities that may meet its investment objectives.

Atlas has established procedures for allocating co-investment opportunities among limited partners in its Funds, which may consider any factors Atlas deems relevant, including, without limitation, the size, sophistication, tenure as an investor, commitment to making co-investment funds available, ability to consummate co-investments within a specified time frame, commitment to invest in future products, interest in pursuing co-investment opportunities or strategic expertise of the prospective co-investor. The structure and terms of any co-investment opportunity to be offered by Atlas to any limited partner of a Fund shall be determined by Atlas, subject to the restrictions, if any, set forth in the Governing Fund Documents of the relevant Fund.

When and to the extent that employees and related persons of Atlas and its affiliates make capital investments in or alongside certain Funds, Atlas and its affiliates are subject to conflicting interests in connection with these investments.

Item 7. Types of Clients

Atlas provides investment advice to the Funds and the Co-Investment Vehicle Clients, which are private investment vehicles that are exempt from registration under the Investment Company Act. Interests in the Funds and Co-Investment Vehicle Clients are typically offered only to “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act, and “accredited investors” as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended (the “Securities Act”). The Funds are marketed exclusively to institutional investors (e.g., trusts, employee benefits plans, endowments, foundations, corporations, and other types of entities, including private funds of funds) and high net worth individuals. Investment advice is provided directly to the Funds and not individually to the limited partners of a Fund.

Prospective investors should refer to the Governing Fund Documents of each respective Fund for information on minimum investment requirements. Typically, Atlas requires a minimum investment of \$10,000,000, although each General Partner, in its sole discretion, may accept lesser amounts and has accepted lower amounts.

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

Atlas’s investment objective is to generate long-term capital appreciation. Atlas pursues a flexible investment strategy and an opportunistic and thematic approach to invest within the broad and diverse financial services industry.

PE Funds

With respect to the PE Funds, the Firm targets acquisitions of financial services businesses across a range of sectors, but focuses on capital intensive businesses in developed markets, specifically the United States, Canada, Western Europe and Japan.

These sectors include but are not limited to: banks; life insurance; property and casualty insurance and reinsurance; broker-dealers; consumer finance; housing and mortgage finance; and other financial services ancillary businesses.

This flexible investment approach provides Atlas with the ability to adapt with the evolving financial services industry and to capitalize on attractive investment opportunities. The development of themes is driven by three core factors: the investment professionals have a deep understanding of the businesses; valuations in the industry are attractive; and Atlas has the relevant expertise to add value and materially improve operations.

Atlas focuses on acquiring businesses that are: capitalizing on growth opportunities resulting from evolving market dynamics; undervalued due to a number of factors, including regulatory or market factors, under management, and operational distress; and/or familiar to the Principals and Atlas's experienced group of senior professionals (collectively, the "Senior Team Members") due to their deep networks in the global financial services industry.

The Senior Team Members' active and substantial participation in the financial services industry provides Atlas with advantaged deal flow. Given the complexities of the industry, Atlas believes that successful investing requires not only specialized knowledge, but also a deep and extensive relationship network, which the Firm believes to be one of its key competitive advantages. The Senior Team Members bring significant operating and investing expertise across the global financial services industry to the PE Funds.

Atlas employs a team-based approach to investing, implementing a collaborative process through the onset of due diligence, investment decision making and disposition. Prior to commencing the due diligence process, Atlas assembles the transaction team based on the relevant expertise of each investment professional and the particular circumstances of each investment opportunity. Every transaction is overseen by one of the Principals. While all investment professionals are expected to contribute to investment discussions, final investment decisions are made by the Investment Committee, which is comprised of the Principals and Managing Directors (the "Investment Committee").

An investment in a PE Fund involves significant risk and potential conflicts of interest. There can be no assurance that a PE Fund's investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks.

The descriptions contained below are a brief overview of different risks related to the PE Funds' investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and

operations of the PE Funds. Investors should carefully consider all risk factors set forth in a Fund's Governing Fund Documents. Each prospective investor should carefully review the applicable Governing Fund Documents before deciding to make an investment in a PE Fund. Each prospective investor should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the PE Funds.

Lack of Operating History: The Firm began operations in 2014 and currently makes investments out of its initial Fund (though it has launched a successor PE Fund and expects to launch its Credit Funds imminently). Although the Principals have prior experience relating to the acquisition and financing of public and private companies and in investments similar to those to be made by the PE Funds, the PE Funds have limited operating history and therefore limited basis upon which an evaluation of their prospects can be made.

Unspecified Investments: An investor acquiring interests in the PE Funds must rely upon the ability of the General Partners and Atlas to identify, structure, and implement investments consistent with the PE Funds' investment objectives and policies. The PE Funds, however, may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. The success of the PE Funds will depend on the ability of the General Partners and Atlas to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such investments. Furthermore, the PE Funds may not be able to invest a significant portion of their capital commitments during their respective investment periods.

U.S. Dollar Denomination of Interests: Interests in the PE Funds will be denominated in U.S. dollars. Investors that will subscribe for interests in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions.

General Nature of the PE Funds' Investments: A substantial portion of the PE Funds' investments will be in equity or equity-related investments that by their nature involve business, financial, market and legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the PE Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the PE Funds' activities. As a result, the PE Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Although the PE Funds intend to make primarily control-oriented investments, the PE Funds may make minority equity investments in companies where it may have limited or no influence. Such a company may have economic or business interests or goals that are inconsistent with those of the PE Funds, and the PE Funds may not be in a position to limit or otherwise protect the value of its investment in the company. The PE Funds' control over the investment policies of these companies may also be limited.

The PE Funds may co-invest in a company with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the PE Funds or may be in a position to take (or block) action in a manner contrary to the PE Funds' investment objectives. In addition, the PE Funds may, in certain circumstances, be liable for actions of their third-party co-ventures or partners.

The PE Funds' investments may involve the incorporation of new companies (albeit with large balance sheets). Significant risks are associated with the incorporations of such companies which may require substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

The PE Funds' investments may involve investments in public companies (including strategic public investments) or taking private portfolio companies public. Investments in public companies may subject the PE Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the PE Funds to dispose of such securities at certain times (including due to the possession by the PE Funds of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include the Principals, regulatory action by the SEC and increased costs associated with each of the aforementioned risks. The PE Funds' investments may involve turnaround or underperforming companies or companies identified by Atlas as being in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged and any investment in them may involve a high degree of risk.

The PE Funds generally invest in companies that operate in regulated business lines. Examples include, without limitation, financial services, banks, insurance and broker-dealers. The operations of such companies is subject to compliance with applicable regulations, and such companies may be subject to increased regulations resulting from both new requirements and re-regulation of previously de-regulated markets. Prices may be artificially controlled, and regulatory burdens may increase costs of operations. New or increased regulations could adversely affect the performance of the companies in which the PE Funds invest.

Although it is not the primary purpose of the PE Funds to make investments in real estate assets or businesses, they may do so from time to time. Such investments, if any, are expected primarily to involve operating businesses with real estate components, including significant investments in real estate assets as a result of the restructuring of operating businesses and the restructuring or formation of real estate investment trusts. Real estate investments by their nature involve certain risks, including without limitation risks normally associated with general or local market conditions, environmental risks, risks relating to the high illiquidity of real estate investments, intense competition for purchasers and tenants and risks related to the cyclical nature of the real estate market.

Financial Services Risk Factors: The PE Funds generally invest primarily in the equity and debt of financial services companies. Financial services companies have asset and liability structures that are essentially monetary in nature and are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short- or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets.

The profitability of the financial services industry may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services companies. There can be no assurance that a particular financial services company will not experience a material adverse effect on its net interest income in a changing interest rate environment. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment, and the availability and cost of credit may significantly affect the activity levels of customers with respect to size, number and timing of transactions. A change in all or any of these factors could lead to a decline in the volume of transactions that financial services companies execute for their customers and thus lead to a decline in revenues from fees, commissions and spreads. The financial services industry is extremely competitive, and it is expected that competitive conditions in the industry will continue to intensify. Merger activity in the financial services industry has resulted in, and may continue to result in, larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. The financial services industry has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions. Technological advances and the growth of e-commerce have made it possible for non-financial institutions to offer products and services that have been traditionally offered by financial services institutions. It is expected that cross-industry competition will continue to intensify. The financial services industry is highly dependent on communications and information systems and is exposed to many types of operational risk, including the risk of fraud by employees or other parties, record keeping error, errors resulting from faulty computer or telecommunication systems, computer failures, computer hacking, data breaches and damage to computer and telecommunication systems caused by internal or external events.

Financial services companies operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension or expulsion, and termination of deposit insurance, which may have material adverse effects. In order to comply with banking laws, rules and regulations, the PE Funds may be required to invest in a manner that

may not be as advantageous as the manner of making investments that are not subject to such laws, rules and regulations.

Additionally, banks and bank holding companies are subject to various legal and regulatory limitations under federal and state law on the extent to which they can pay dividends or make redemptions, depending on their financial condition. If such limitations applied to any portfolio companies of a PE Fund, such PE Fund's return on investment could be adversely affected.

If a PE Fund becomes a bank holding company, such PE Fund and any entities, including the PE Fund's limited partners, deemed to control the PE Fund may be subject to regulation under the Bank Holding Company Act of 1956 and other Federal and state banking laws.

Investments Outside of Atlas's Focus Areas and Primary Strategy. Investments outside of a PE Fund's primary strategy will be subject to numerous and substantial risks. These risks include, without limitation: (i) the accumulation of minority positions in the outstanding voting stock, or securities convertible into the voting stock, of potential portfolio companies that may provide a PE Fund a limited ability to protect its position in such portfolio companies; (ii) investments in public companies that may be subject to greater volatility in their valuation, increased disclosure obligations, liquidity limitations at certain times, and increased likelihood of shareholder litigation; and (iii) turnaround or underperforming companies that may have weak financial conditions or highly leveraged balance sheets.

Reliance on Portfolio Company Management: The day-to-day operations of a portfolio company are the responsibility of such company's management team. Such responsibility includes, but is not limited to, managing regulatory, compliance and legal risks at the portfolio companies, including, without limitation, tax, the U.S. Employee Retirement Income Security Act of 1974 (as amended), pension, environmental, U.S. Foreign Corrupt Practices Act of 1977 (as amended) and jury verdict risks. Such risks and liabilities could result in substantial costs to a portfolio company or even cause bankruptcy. Although Atlas is responsible for monitoring the performance of portfolio companies and generally seeks to invest in companies operated by capable management and to assist existing management where possible, there can be no assurance that an existing management team, or any successor, even with the assistance of Atlas, will be able to successfully operate a portfolio company in accordance with Atlas's strategy for such company.

Investments Outside the United States, Canada, Western Europe and Japan: Although the PE Funds intend to invest primarily in companies headquartered in the United States, Canada, Western Europe and Japan, the PE Funds may from time to time invest in securities of companies headquartered elsewhere. Investing outside the United States, Canada, Western Europe and Japan may involve greater risks than investing in the United States. In particular, the value of the PE Funds' investments in foreign securities and the income and other proceeds received with respect to such investments, may be denominated in local currencies other than the U.S. dollar and therefore may be significantly affected by changes in currency exchange rates, which may be volatile. Although the General Partners may attempt to hedge against foreign currency exchange rate risks by utilizing spot and forward foreign exchange contracts, foreign currency options or other instruments, there can be no assurance that the General Partners will be able to do so

successfully or cost-effectively and the General Partners may decide not to hedge against such risks or to do so only incompletely.

Additional risks may include: (i) risks of economic dislocations in the host country; (ii) less publicly available information; (iii) less well developed regulatory institutions; and (iv) greater difficulty of enforcing legal rights in a foreign jurisdiction. Moreover, companies outside the United States, Canada, Western Europe and Japan may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to companies in the United States, Canada, Western Europe and Japan.

Additionally, in some countries outside the United States, Canada, Western Europe and Japan, there is the possibility of expropriation of value, including through confiscatory taxation, limitations on the repatriation or sale of securities, property or other assets of the PE Funds, political or social instability or diplomatic developments, each of which could have an adverse effect on the PE Funds' investments in such foreign countries. While the General Partners will take these factors into consideration in making investment decisions for the PE Funds, no assurance can be given that the General Partners will be able to evaluate these risks accurately.

Follow-On Investments: The PE Funds may be called upon to provide follow-on funding for their portfolio companies or have the opportunity to increase their investments in some portfolio companies. There can be no assurance that the PE Funds will wish to make such follow-on investments or that the PE Funds will have sufficient funds to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the PE Funds' ability to influence the portfolio company's future development.

An investment in a PE Fund requires a long-term commitment with no certainty of return. It is unlikely there will be near-term cash flow available to the investors. Many of the PE Funds' investments will be highly illiquid and there can be no assurance that the PE Funds will be able to realize such investments at attractive prices or otherwise be able to affect a successful realization or exit strategy. Consequently, partial or complete sales, transfers or other dispositions of such investments resulting in a return of capital or the realization of gains, if any, may require a lengthy time period or may result in distributions in kind to the investors. Additionally, the PE Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act. There can be no assurance that private purchasers can be found for the PE Funds' investments. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. As such, restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Such illiquidity may continue even if a PE Fund's portfolio company obtains a listing on a securities exchange and/or after the term of a PE Fund has ended or a PE Fund has commenced dissolution. In addition, there can be no assurance that the disposition of a portfolio company will occur in one transaction. If a PE Fund effects a disposition of a portfolio company by means of a multi-step disposition, there can be no assurance that the remainder can be successfully sold. A multi-step disposition

may result in a PE Fund holding a non-controlling interest in a portfolio company, which would result in the PE Fund having a limited ability to protect its position in such portfolio company.

Dispositions of investments may be subject to legal, contractual and other limitations on transfer, the absence of an established market for the investments, or other restrictions that would interfere with sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Such restrictions may apply even after the term of the PE Funds has ended or the PE Funds have otherwise been dissolved. The PE Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of its dissolution. This risk may be especially present with respect to investments made in the final years or months of the PE Funds' commitment period and follow-on investments made thereafter.

Investments in publicly traded companies (including, without limitation, portfolio companies that have made initial public offerings) may also be subject to legal or contractual restrictions on resale, including, without limitation, the possibility that Atlas or its affiliates will be in possession of material non-public information about the company. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. Such illiquidity may continue even if the underlying entities obtain listings on securities exchanges. Moreover, it is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio company at the time the PE Funds seek a realization.

In view of these limitations on liquidity, which are illustrative only and not exhaustive, the PE Funds will generally not be able to realize an investment in a privately held entity for a substantial number of years. There can be no assurance that the PE Funds will be able to dispose of its investments at the price and at the time it wishes to do so.

There can be no assurances that the returns generated by the PE Funds' investments will compensate the limited partners adequately for the business and financial risks assumed. There can be no assurances that the PE Funds will be able to dispose of investments at prices equal to or greater than the price at which the PE Funds purchased such investments.

Operating and Financial Risks of Portfolio Companies: The performance of any portfolio company could deteriorate as a result of, among other factors, an adverse development in its business, a change in its competitive environment or an economic downturn. As a result, businesses that may have been expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of a PE Fund's investment strategy and approach will depend, in part, on the ability of Atlas and such portfolio company's management teams to effect improvements in the operations of such portfolio company. The activity of identifying and implementing operating improvements and capturing synergies entails a high degree of uncertainty. There can be no assurance that Atlas or such portfolio company's management team will be able to successfully identify and implement such operating improvements and capture synergies.

In addition, a PE Fund may cause portfolio companies to bear certain fees, costs and expenses that such portfolio company would not otherwise bear, including the fees, costs and expenses incurred in developing, investigating, negotiating, structuring or consummating such PE Fund's investments in such portfolio company. The payment of such fees, costs and expenses by such portfolio company will generally reduce the amount of cash that such portfolio company has on hand.

Leverage. The capital structures of certain financial services companies may include leverage and in some cases substantial leverage. If Atlas seeks to use leverage for a portfolio company, it will do so in a manner it believes is appropriate under the circumstances for such portfolio company. A leveraged capital structure of a portfolio company will increase the exposure of the portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry which may impair such portfolio company's ability to finance their future operations and capital needs and result in restrictive financial and operating covenants. As a result, such portfolio company's flexibility to respond to changing business and economic conditions may be limited. If, for any of these reasons, a portfolio company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations, the value of the PE Fund's investment in such portfolio company could be significantly reduced or even eliminated. The ability of a portfolio company to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing. There can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of a given PE Fund or when due for refinancing such that such PE Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized. If a portfolio company is unable to refinance its debt or maintain the desired amount of financial leverage, such PE Fund may realize lower than expected returns from the portfolio company and may hold a larger than expected equity investment in such portfolio company.

In addition, portfolio investments may be consummated through the use of leverage at the PE Fund level. Utilization of leverage will result in fees, expenses and interest costs to the PE Fund making the investment. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss.

Control Position Risk: The PE Funds intend to primarily make investments that allow the PE Funds to acquire control or exercise influence over management and the strategic direction of a portfolio investment as described in the Governing Fund Documents. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of the PE Funds to claims by the portfolio companies underlying such investments, its security holders and its creditors. While Atlas intends to manage the PE Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Credit Fund

With respect to the Credit Funds, the Firm seeks to invest in opportunities that offer attractive absolute and risk-adjusted returns, primarily in (i) stressed, distressed and bankrupt companies in which company-specific factors and/or broader market dislocation have created a mispricing of assets; (ii) performing instruments, issued by sub-investment grade entities, that the Firm believes to be undervalued; and (iii) other special situations that might arise, such as from a refinancing, capital raise, merger, acquisition, spin-off or conversion.

The Firm believes that the Credit Funds are well positioned to identify investment opportunities and achieve attractive returns throughout the credit cycle, due to the Credit Funds' strategy and competitive advantages, as well as to the experience of the Credit Fund's investment professionals across multiple credit cycles. The Firm's strategy includes investing opportunistically across geographies, industries and security types, multi-channel sourcing, intensive due diligence, collaborating with leading partners, ongoing monitoring and risk management and utilizing proprietary analytics.

An investment in the Credit Funds involves significant risk and potential conflicts of interest. There can be no assurance that a Credit Fund's investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks.

The descriptions contained below are a brief overview of different risks related to the Credit Funds' investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Credit Funds. Investors should carefully consider all risk factors set forth in the relevant Credit Fund's Governing Fund Documents. Each prospective investor should carefully review the applicable Governing Fund Documents before deciding to make an investment in a Credit Fund. Each prospective investor should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in a Credit Fund.

Lack of Operating History. Each Credit Fund is a newly organized entity and has not, as of the date hereof, made any investments. Although the investment personnel of Atlas have prior experience in investments similar to those to be made by the Credit Funds, the Credit Funds have no operating history and therefore no basis upon which an evaluation of its prospects can be made.

No Assurance of Returns; Relation to Other Investment Results: There is no assurance that the Credit Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions described herein. There can be no assurance that the Credit Funds' investment objectives will be achieved or that there will be any return of capital. Therefore, an investor should only invest in the Credit Funds if the investor can withstand a total loss of its investment. The past investment performance of the entities with which officers and employees of Atlas have been associated cannot be taken to

guarantee future results of any investment in the Credit Funds. Nothing contained herein should be deemed to be a prediction or projection of the future performance of the Credit Funds.

Dependence on Key Personnel: The success of the Credit Funds will be highly dependent on the expertise and performance of the Principals and the Credit Funds' Portfolio Manager. There can be no assurance that the Principals or the Portfolio Manager will continue to be associated with Atlas or any of their affiliates throughout the life of the Credit Funds, as they are under no contractual obligation to remain with Atlas or any of their affiliates for all or any portion of the term of the Credit Funds. The loss of the services of one or more of these individuals could have an adverse effect on the performance of the Credit Funds. In addition, in the event that the Principals and the Portfolio Manager cannot agree on decisions affecting the Credit Funds, the Credit Funds may be adversely affected.

General Nature of the Credit Funds' Investments: A substantial portion of the Credit Funds' investments will be in debt-related investments that by their nature involve business, financial, market and legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the Credit Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Credit Funds' activities. As a result, the Credit Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

The Credit Funds may co-invest in a company with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Credit Funds or may be in a position to take (or block) action in a manner contrary to the Credit Funds' investment objectives. In addition, the Credit Funds may, in certain circumstances, be liable for actions of its third-party co-venturers or partners.

The Credit Funds' investments may involve investments in public companies. Investments in public companies may subject the Credit Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Credit Funds to dispose of such securities at certain times (including due to the possession by the Credit Funds of material non-public information), increased likelihood of shareholder litigation against such companies' board members, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

Each prospective investor is strongly urged to consult its own legal advisors with respect to the consequences under applicable regulatory regimes regarding banks and other financial institutions and investors therein of the purchase and ownership of interests in the Credit Funds.

Investments in Distressed Securities and Restructurings: The Credit Funds' investments may take the form of debt and equity and will be focused on distressed private debt, distressed public debt, performing credit in distressed capital structures, liquidation stubs, litigation claims and trade claims, and asset backed debt. The Credit Funds intends to invest in short positions (both speculative shorts as well as hedging). The Credit Funds may seek to influence or control a situation as a means of driving returns, both through scale of holdings and the ability to infuse new capital. Such investments may be considered speculative and subject to a high degree of risk, and the ability of the relevant companies to pay their debts on schedule could be adversely affected by interest rate movements, changes in the general economic climate or the economic factors affecting a particular industry, or specific developments within such companies. Investments in issuers operating in workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks. There is no assurance that the General Partner or Atlas will correctly evaluate the value of the assets collateralizing the Credit Funds' investments or the prospects for a successful reorganization or similar action.

Bank Loans: The Credit Funds may, directly or through affiliated entities, opportunistically invest in loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Credit Funds to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, the General Partner compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Credit Funds.

Non-Controlling Investments: In general, the Credit Funds will hold non-controlling interests in its issuers and, therefore, will have a limited ability to influence management of its issuers to protect the Credit Funds' position therein. Although the Credit Funds will endeavor to negotiate negative covenants and other contractual restrictions for each issuer, it will primarily be the responsibility of management to operate each issuer on a day-to-day basis.

Convertible Securities: Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock, in each case, until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is

influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Credit Fund is called for redemption, the Credit Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Credit Fund's ability to achieve its investment objective.

Investments in Unsecured Debt: The Credit Funds expect to invest in fixed-income securities that are expected to be unsecured, whereas all or a significant portion of the issuer's senior indebtedness may be secured. In such situations, the ability of the Credit Funds to influence an issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior or secured creditors. Even where the Credit Funds invest in secured debt, such investments may be subject to the risk that the Credit Funds' security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing debt investments will often be subject to casualty or devaluation risks. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

High Yield Debt Instruments: The Credit Funds may purchase "high yield" bonds, preferred securities and other debt products, including bank loans which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Debt instruments in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuers' capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may contribute to a decrease in the value and liquidity of such lower-rated securities.

Short Selling: The Credit Funds' investment program is expected to include short selling. Short selling involves selling securities which may or may not be owned by the seller and borrowing the

same securities for delivery to the purchaser, with an obligation to return the borrowed securities to the lender at a later date. Short selling allows the seller to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities and may be an important aspect of certain of the investment strategies of the Credit Funds. The extent to which a Credit Fund engages in short sales will depend upon its perception of market direction. 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 a Credit Fund of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase at the time a Credit Fund desires to close out such short position. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, limitations on the short selling of securities could interfere with the ability of a Credit Fund to execute certain aspects of its investment strategies, including its ability to hedge certain exposures and execute transactions to implement its risk management guidelines, and any such limitations may adversely affect the performance of such Credit Fund.

Hedging Transactions: The markets in which the Credit Funds will invest are subject to fluctuations, and the market value of any particular investment may be subject to substantial variation. The entire market, or particular securities traded on a market, may decline even if earnings or other factors improve, since the prices of debt securities and equity securities are subject to numerous economic, political, procedural and other factors that have little or no correlation to the performance of a particular company. The Credit Funds may use a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for risk management purposes. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Credit Funds from achieving the intended hedging effect or expose the Credit Funds to risk of loss. While the Credit Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Credit Funds than if they had not engaged in any such hedging transaction. Atlas may determine not to hedge a position and may not identify appropriate risks to hedge. Moreover, it should be noted that the Credit Funds' portfolios will always be exposed to certain risks that cannot be hedged.

In connection with a hedging transaction, the Credit Funds may be required to allocate funds or provide a credit line to be used as collateral for the margin capital of the hedge. Such a requirement would tie up a portion of the Credit Funds' capital that could otherwise have been available for investment. This could cause the Credit Funds to be less invested in their core investment strategy than they would have been absent such hedging transaction and could possibly result in an adverse effect on the overall returns of the Credit Funds.

Lender Liability and Equitable Subordination: A number of judicial decisions in the United States have upheld the right of borrowers to pursue lending institutions and others on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that a lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower that creates a fiduciary duty owed to the borrower or its other creditors or shareholders.

Because of the nature of certain of the Credit Funds' investments, the Credit Funds could be subject to allegations of lender liability.

In addition, under common law principles in the United States that in some cases form the basis for lender-liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Credit Funds do not intend to engage in conduct that would form the basis for a successful cause of action for lender liability, including the equitable subordination doctrine; however, because of the nature of the debt obligations, the Credit Funds may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the Credit Funds should be equitably subordinated or that the Credit Funds should otherwise be liable for claims of lender liability.

The preceding discussion regarding lender liability is based upon principles of U.S. federal and state laws. With respect to a Credit Funds' investments in a non-U.S. issuer, laws of certain non-U.S. jurisdictions may also impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

Non-U.S. Investments: The Credit Funds will invest in non-U.S. securities, and such investments in non-U.S. securities may involve certain special risks not typically associated with investing in U.S. securities, including the following: (i) political or economic instability; (ii) the unpredictability of international trade patterns; (iii) the possibility of non-U.S. governmental actions such as expropriation, nationalization or confiscatory taxation; (iv) the imposition or modification of exchange controls; (v) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (vi) the imposition of withholding taxes on dividends, interest and gains; (vii) fluctuations in currency exchange rates and costs associated with the conversion of investment principal and income from one currency into another; (viii) different bankruptcy laws and customs; and (ix) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors. As compared to U.S. entities, non-U.S. entities generally disclose less financial and other information publicly, and they are subject to less stringent and less uniform accounting, auditing and financial reporting standards. Also, it may be more difficult to obtain and enforce legal judgments against non-U.S. entities than against U.S. entities. The Credit Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Credit Funds may implement.

Ability to Acquire Assets at Favorable Spreads; Competition and Supply: The Credit Funds' potential for current income and capital appreciation for its Limited Partners will depend, in large part, on the ability of Atlas to acquire investments for the Credit Funds on advantageous terms. The Credit Funds intend to purchase fixed-income securities from investment banking firms,

traders and portfolio managers, and other firms. In acquiring fixed-income securities, the Credit Funds will compete with a broad spectrum of institutional investors, many of which have greater financial resources than the Credit Funds. Increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments.

Risks Applicable to all Funds

Systems Risk and Cybersecurity: The Funds depend on Atlas and its affiliates to develop and implement appropriate systems for its activities. Atlas and its affiliates rely heavily on computer programs and systems (and may rely on new systems and technology in the future) and service providers for various purposes in connection with its activities on behalf of its investors, including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital and to generate risk management and other reports that are critical to oversight of such investors' activities. Certain of Atlas's and the Funds' activities will be dependent upon systems operated by third parties, including, without limitation, prime brokers, market counterparties, the administrator, and Atlas may not be in a position to verify the risks or reliability of such third-party systems. The Funds' service providers may also depend on information technology systems and, notwithstanding the diligence that Atlas may perform on its service providers, Atlas may not be in a position to verify the risks or reliability of such information technology systems. The failure, corruption or breach of one or more systems (including as a result of the occurrence of a disaster such as a cyberattack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in Atlas's disaster recovery systems, or a support failure from external providers) operated by a service provider, or the inability of such systems to satisfy the Funds' needs, including, without limitation, the execution of orders, could have a material adverse effect on Atlas's ability to conduct business and thus, the Funds and their performance, particularly if those events affect Atlas's computer-based data processing, transmission, storage and retrieval systems or destroy Atlas's data. If a significant number of Atlas's personnel were to be unavailable in the event of a disaster, Atlas's ability to effectively conduct the Funds' business could be severely compromised.

Atlas, the Funds, their portfolio companies and their respective service providers depend heavily upon computer systems to perform necessary business functions. Atlas's and the Funds' computer systems could be subject to cyber attacks and unauthorized access, such as physical and electronic break-ins, unauthorized tampering or unauthorized access to sensitive information, including, without limitation, information regarding the limited partners and the Funds' investment activities, or to render data or systems unusable, which could result in significant losses. Like other companies, Atlas and the Funds may experience threats to its data and systems, including through malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, Atlas's and the Funds' computer systems and networks, which could lead to or cause (i) losses of sensitive information or capabilities essential to Atlas's, the Funds' and/or the portfolio company's operations, (ii) the disclosure of limited partners' personal information, and/or (iii) interruptions or malfunctions in their operations, which could all result in damage to their reputation, financial losses, potential

liability, litigation, remedial actions, loss of business, increased costs, regulatory penalties and/or customer dissatisfaction or loss and could have a material effect on the Funds.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Atlas's or a portfolio company's controls and procedures, business continuity systems and data security systems could prove to be inadequate. These problems may arise in both Atlas's or a portfolio company's internally developed systems and the systems of third-party service providers. The use of personal information by the Funds and their portfolio companies is regulated by foreign, federal and state laws, as well as by certain third-party agreements. As privacy and information security laws and regulations change or as new laws are enacted, the Funds and their portfolio companies may incur additional costs to ensure that they remain in compliance with those laws and regulations.

The occurrence of an extreme event may result in (and, in the case of COVID-19, has already resulted in) the closure of offices, the implementation of global or regional work-from-home policies, and/or travel disruptions or restrictions. Any such actions may increase Atlas's, the General Partners', their portfolio companies' and their respective affiliates' and service providers' dependency on technology systems such as those described above; result in the rapid deployment of new and potentially less familiar technology or operations systems; or lead to the utilization of existing systems in a significantly increased scope or unanticipated manner. If a significant number of Atlas's personnel were to be unavailable in the event of a disaster or other event, Atlas's ability to effectively conduct the Funds' business could be severely compromised. All of the above could increase the risk of cybersecurity or business continuity related losses, all of which could have a material effect on the Funds.

Political Uncertainty: The rise of populist political parties and economic nationalist sentiments have led to increasing political uncertainty and unpredictability throughout the world that may adversely affect the price, validity and/or liquidity of the Funds' investments.

Terrorist Action, Natural Disasters and Epidemics: Companies or assets may be affected by *force majeure* events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fires, floods, earthquakes, outbreaks of infectious disease, pandemics or any other serious public health concerns, wars, terrorism and labor strikes). Natural disasters, epidemics and other acts of God, which are beyond the control of Atlas and the General Partner, may negatively affect the economy, infrastructure and livelihood of people throughout the world. For example, southeast Asia and many countries in Asia, including China, Japan, Indonesia and Australia have been affected by earthquakes, floods, typhoons, drought, heat waves or forest fires. Disease outbreaks have occurred in Asia in the past (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and COVID-19 and other pandemics), and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters, in any country related to Atlas's investments may have a negative effect on the Funds. In addition, there are increased risks relating to Atlas's (and its portfolio companies' and service providers') reliance on its computer programs and systems if Atlas's personnel are required to work remotely for extended periods of time as a result of events such as the outbreak of

infectious disease or other adverse public health developments or natural disasters, including an increased risk of cyber-attacks and unauthorized access to Atlas's computer systems. Additionally, there is a risk of terrorist attacks on the United States and elsewhere, which could cause a significant loss of life and property damage and disruptions in global markets. For example, as a result of any terrorist attack, economic and diplomatic sanctions may be in place or imposed on certain countries and military action may be commenced. Some force majeure events may negatively affect the ability of a party (including a Fund or a counterparty to a Fund) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader negative impact on the world economy and international business activity generally, or otherwise negatively impact any country related to the Funds' investments. Any of the foregoing may therefore negatively affect the performance of the Funds. Losses resulting from any of the foregoing may either be uninsurable or only insurable at such high rates as to make such coverage impracticable. If any such a major uninsured loss were to occur with respect to any Fund's investments, such Fund could incur substantial losses.

General Economic Conditions and Recent Events: Various sectors of the global financial markets have been experiencing an extended period of adverse conditions, including recent volatility as a result of the coronavirus pandemic. Market conditions in the United States and Europe remain uncertain, and adverse market conditions have expanded to other markets. These conditions have resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These volatile and often difficult global credit market conditions have episodically adversely affected the market values of equity, fixed-income and other financial instruments and these circumstances may continue or potentially deteriorate even further. The Fund's investments are expected to be sensitive to the performance of the overall global economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of the Funds and these or similar events may affect the ability of the Funds to execute their investment strategies.

Difficulty of Locating Suitable Investments; Highly Competitive Market for Investment Opportunities: There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of its Capital Contributions in opportunities that satisfy the Funds' investment objectives, or that such investment opportunities will lead to completed investments by the Funds. The process of identifying attractive investment opportunities is difficult and involves a high degree of uncertainty. The Funds will compete for investment opportunities with many other investors, some of which will have greater resources than the Funds. Some of these competitors may have more relevant experience, greater financial, technical, marketing, and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital, a greater ability to achieve synergistic cost savings than the Funds, a need to invest expiring capital commitments, a longer investment horizon than the Funds and access to funding sources unavailable to Atlas. Such competitors may include other private investment funds as well as, business development companies, special purpose acquisition corporations, firms that have historically been limited partners in private equity firms, venture capital firms, individuals, financial institutions, strategic or scaled acquisition

firms, family offices and other institutional investors. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

In addition, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made.

Item 9. Disciplinary Information

There have been no legal or disciplinary events involving either Atlas or any of its management persons that are material to Atlas's advisory business or the integrity of Atlas's management.

Item 10. Other Financial Industry Activities and Affiliations

Atlas organizes and sponsors the Funds, which are pooled investment vehicles managed by Atlas and controlled by the affiliated General Partners. Atlas or the General Partners are responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds' investment activities. While the General Partners are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the rules thereunder. In addition, employees and persons acting on behalf of the General Partners are subject to the supervision and control of Atlas. Thus, the General Partners, all of their employees and the persons acting on their behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partners.

A special purpose acquisition company that is incorporated as a Delaware corporation and formed for the purpose of effecting a merger, share exchange, asset acquisition, share repurchase, reorganization or similar business combination with one or more businesses (the "SPAC") is affiliated with Atlas. The SPAC's sponsor and management include certain of Atlas's employees who stand to benefit from their direct and/or indirect ownership in the SPAC and, accordingly, may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate a business combination. In accordance with any fiduciary and contractual duties to which Atlas and its employees are subject, presently and in the future, any conflicts of interest that arise between the SPAC and a Fund or Funds, in connection with a business combination proposed to be effectuated by the SPAC, will be resolved in favor of the Fund or Funds.

The Principals and Atlas employees may serve as directors and officers of, and provide advice to, publicly traded companies and private companies. Investors should be aware that receipt of material non-public information by such persons regarding these companies could preclude Atlas from effecting transactions in the securities of such companies. Compensation for directorships with portfolio companies of the Funds are Transaction Fees, as discussed under "Fees and Compensation" above. Any compensation received by the Principals or any Atlas employees for serving as directors or officers of the SPAC are not Transaction Fees.

Certain of the related persons of Atlas may have personal investments in companies. The Funds

are generally not be prohibited from acquiring or otherwise engaging in transactions with companies in which affiliates of Atlas have a pre-existing financial interest. It is also possible that Atlas may occasionally utilize the services of entities that have, directly or indirectly, or whose affiliates have, investments in the Funds. Such services will only be used on an arm's length basis and when they are in the best interest of the Funds. To the extent that conflicts arise, they will be resolved pursuant to Atlas's policies and procedures and the Governing Fund Documents.

Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

Atlas has adopted a Code of Ethics (the "Code"), which describes the Firm's fiduciary duties and responsibilities to its Clients, requires that Atlas's employees act in the best interests of Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Atlas's employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Atlas or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Atlas's employees. The Code prohibits personal securities transactions of issuers who have been placed on the Firm's restricted list, and requires written pre-approval for all initial-public offerings, private placements, and transactions in "Reportable Securities". The Code requires employees to report all securities transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Atlas will provide a complete copy of the Code to any investor or prospective investor upon request sent to the CCO.

Atlas and certain of its affiliated parties and employees will make commitments to the Funds. As such, Atlas and certain of its affiliated parties and employees will have a direct financial interest in the transactions of each of the Funds. While investments by such related parties are intended to align the interests of Atlas and the related parties with those of the Funds, such investments may create conflicts of interest. To address such conflicts, the investment arrangements are described and agreed upon in the Governing Fund Documents of each Fund. Generally, investments and dispositions are made on the same terms for all Fund investors, including Atlas and its related parties, and each investment is made pro rata among the investors of each Fund, including Atlas's related parties who are investors, so that Atlas and its related parties may not receive more favorable terms or greater exposure to select investments.

Allocation of Investment Opportunities: Atlas expects that the universe of potential investments and other activities of Atlas's business could overlap with the investments and activities of the Funds and, as a result, may create conflicts of interest. Atlas will allocate investment opportunities among its Clients pursuant to its allocation policy and the Governing Fund Documents.

Restrictions on Transactions Due to Other Atlas Businesses: From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Atlas and its personnel. Atlas will endeavor to resolve conflicts of interest with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. Atlas may invest, on its own behalf, in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of a Client. Atlas may give advice or take action for its own account that may differ from, conflict with, or be adverse to, advice given or action taken for Clients. Potential conflicts of interest also may arise due to the fact that certain of Atlas's executives may have investments in some Clients but not in others, or may have different levels of investment in the various Clients, and that the Clients may bear different levels of fees and incentive compensation in favor of Atlas.

Atlas, together with its Clients, engages in a broad range of business activities and invests in portfolio companies whose operations may be substantially similar to and/or competitive with the portfolio companies in which the Clients have invested. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of a Client's portfolio companies, and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Atlas will seek to resolve conflicts in a manner that Atlas determines to be fair and equitable and in accordance with its written allocation policy.

Atlas may also have ongoing relationships with issuers whose securities have been acquired by, or are being considered for investment by, its Clients.

No Client will be prohibited from acquiring, or otherwise engaging in transactions with respect to, securities of an entity in which another Client has a financial interest (whether in the same or a different class of securities) or selling, divesting, making further acquisitions or otherwise engaging in transactions with respect to securities of such entity, including following a co-investment. The conflicts in any such transaction will be addressed pursuant to the Code and the applicable Governing Fund Documents.

Allocation of Expenses: The General Partners, Atlas, the Principals and/or one or more of their respective affiliates may from time to time incur expenses on behalf of the Funds, other affiliated entities and one or more existing or subsequent entities established by the Principals. Although attempts will be made to allocate such expenses on an equitable basis, there can be no assurance that such expenses will in all cases be allocated appropriately.

Material Non-Public Information; Information Barriers: Atlas generally operates without ethical screens or information barriers that other investment management firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In the event that employees of Atlas obtain such material non-public information, Atlas may be restricted in acquiring or disposing of investments on behalf of the Clients, which could impact the returns generated for the Clients.

In addition, Atlas's investment professionals or other employees may acquire, in their capacities as investment professionals or otherwise of one or more Clients (including the Fund), non-public

information regarding investment opportunities, business methodologies, strategies and other proprietary information. In such instances, Atlas endeavors to maintain ethical screens and/or information barriers in order to limit use of such information for other portfolio companies or other Clients.. Although Atlas will endeavor to ensure that such information sharing and use does not prejudice one or more such other Clients, there can be no assurance that such endeavors will be sufficient or successful.

Management Team: Atlas and its personnel may have conflicts of interest in allocating their time and services among Clients. Although the Principals intend to be actively involved in the management of each Client, Atlas's personnel (including the Principals) will work on other projects, including other Clients and Atlas's other existing and potential business activities. For example, in addition to providing advisory services to the Funds, Atlas provides non-advisory services to other entities in which certain Atlas Principals have invested. In addition, Atlas's personnel will concurrently participate in the management of the investment activities of Atlas and the other Clients.

Conflicts of interest may arise because Atlas employees will serve as directors of certain of the portfolio companies. In those instances where a Client is not the sole shareholder of the applicable portfolio company, in addition to any fiduciary duties the Atlas employees owe to the Client, as directors of portfolio companies, such employees owe fiduciary duties to the shareholders of the portfolio companies.

Management Fee / Carried Interest Related Conflicts: The Management Fee payable by each Fund to Atlas and the carried interest that Atlas or its affiliates will receive, each as set forth under the Governing Fund Documents, have not been established on the basis of an arm's-length negotiation and may affect the determinations of Atlas and its affiliates in various ways. The Management Fee may incentivize Atlas to cause a Fund to continue to hold an investment longer than it may have in the absence of the Management Fee. The existence of the performance-based carried interest with respect to the Funds may create an incentive for Atlas to (i) make riskier or more speculative investments on behalf of the Funds than it might otherwise make in the absence of such performance-based compensation and (ii) dispose of a Fund's investments at a time and in a sequence that would generate the most carried interest.. In addition, the terms of the carried interest distribution in favor of the General Partners could incentivize Atlas, as an affiliate of the General Partners, to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors.

The right to receive carried interest distributions also creates a potential conflict of interest in the valuation of investments. Atlas has prepared accounting guidelines regarding the recognition of asset impairment and has also adopted written valuation policies and procedures intended to address conflicts of interests that arise in respect of the valuation of the Funds' assets.

Other Fees Paid to Atlas: The General Partners, Atlas, certain of their partners and employees and their affiliates are permitted to receive Transaction Fees in connection with actual or contemplated investments in portfolio companies. Fund investors will receive the benefit of the portion of such fees allocated to their Fund only, as described above under "Fees and Compensation." Although a percentage of any Transaction Fees may be applied to reduce the Management Fee payable by the

investors in the Funds, the investors may not receive the benefit of all of such fees, and conflicts of interest may arise in connection with the payment of such fees.

Item 12. Brokerage Practices

Atlas has full discretionary authority to manage the investments of the Clients, including authority to make decisions with respect to 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. Atlas's authority is limited by its own internal policies and procedures and each Client's investment guidelines. Atlas does not permit directed brokerage arrangements. Atlas's PE Funds focus on making investments in private securities. Accordingly, the PE Funds do not typically trade in public securities. The following discussion applies to the PE Funds in the circumstances where Atlas purchases or sells public securities as part of a transaction or has such securities as a result of a portfolio company going public, and to the Credit Funds.

Factors Considered in Selecting Broker-Dealers

Portfolio transactions for the Funds will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Atlas and/or certain Funds, but not beneficial to all Funds. 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, Atlas 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 Funds 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. Atlas need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Atlas nor the Funds separately compensate any broker or dealer for any of these other services.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, Atlas seeks to obtain best execution, taking into consideration the price of a security offered by the broker-dealer, as well as a broker-dealer's full range and quality of services including, among other things, its facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to Atlas, brokerage and research services provided to Atlas (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services. If Atlas decides, based on the factors set forth above, to execute transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will

also consider the following factors when choosing to use one ECN over another: the ease of use, the flexibility of the ECN compared to other ECNs, and the level of care and attention that will be given to smaller orders. Atlas maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Research and Other Soft Dollar Benefits

From time to time, Atlas receives advice and research reports from broker-dealers who may execute portfolio transactions. This research may be used to service one or more of Atlas's Clients. Research or brokerage services may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities or other instruments, online quotations, news and research services, access to an electronic communication network for order entry and account information, participation in broker-dealer sponsored research conferences and other services providing lawful and appropriate assistance to Atlas in the performance of its investment decision-making responsibilities on behalf of its Clients. If a particular broker-dealer's research contributed to the investment research process, transactions may be directed to such broker-dealer, assuming such broker-dealer meets the aforementioned criteria. Atlas does not formally commit to provide any particular level of commissions (or markups or markdowns) to broker-dealers who provide research services. Atlas understands that the benefits received through its relationship with broker-dealers generally do not depend upon the amount of transactions directed to, or the amount of assets custodied by, such broker-dealers. Receipt of such research or other products or services may create an incentive for Atlas to select or direct more business to particular broker-dealers. However, Atlas will execute trades in accordance with the best execution principles outlined above. Atlas may also pay certain broker-dealers for research services provided, including in connection with compliance with the Markets in Financial Instruments Directive II in Europe.

Aggregation of Orders

Please see Item 6 for a discussion of Atlas's practice concerning the aggregation of Client orders.

Trade Errors

On occasion, trade errors may occur with respect to trades executed, directly or indirectly, on behalf of one or more Clients. The General Partner, Atlas and their respective affiliates and directors, partners, members, shareholders, officers, employees, agents and any other person who serves at the request of the General Partner on behalf of a Client as a director, partner, member, officer, employee, agent or agent of any other entity (in each case, an "Indemnitee"), will typically not be liable to such Client or to its investors for (i) any act taken or omitted to be taken in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Client, any issuer, any subsidiary of an issuer, any alternative investment vehicle or any special purpose investment vehicle, including any negligent act performed or omission made by it, in the absence of the Indemnitee's fraud, gross negligence (as interpreted pursuant to the laws of the State of New York) or willful misconduct, or (ii) losses due to the negligence of brokers or other agents of the Client. Subject to the Governing Fund Documents of a Client, this standard of care will result in a Client bearing the costs of any trade errors committed by an Indemnitee, so long as

the errors do not evidence fraud, gross negligence or willful misconduct. From time to time, Atlas or its affiliates may voluntarily reimburse a Client for losses suffered as a result of a trade error. However, notwithstanding the previous sentence, investors should not carry the expectation that a reimbursement will ever take place, and in evaluating the Funds, no decisions should be made in reliance on Atlas making any reimbursements to the Funds for losses suffered as a result of such trade errors. Any decision to reimburse is not precedential and should not create the expectation of any reimbursement in the future. Examples of trade errors that may be committed by investment advisers include executing a purchase instead of a sale (or *vice versa*), marking a short sale as a long sale, purchasing or selling a security or other instrument in the incorrect amount, or purchasing or selling the wrong security or other instrument.

Item 13. Review of Accounts

With respect to the PE Funds, investments are continuously monitored and reviewed by members of the Firm's Investment Committee as well as all the Firm's investments professionals. Atlas's Investment Committee is primarily responsible for portfolio and risk management. The Investment Committee is comprised of senior professionals of the Firm and has the primary responsibility for reviewing all investments and making decisions on whether to acquire investments for the PE Funds. Each Investment Committee member holds a title of Founding Partner or Managing Director. Atlas maintains a strong focus on the ongoing monitoring of industry dynamics and companies across all sectors of the financial services industry, and will develop customized operating metrics for each of its private equity investments.

With respect to the Credit Funds, investments are reviewed by the Portfolio Manager, who is responsible for the investment strategy applicable to the Credit Funds, and other appropriate investment, operations, legal and compliance and accounting personnel on a regular basis, and a dedicated team of credit investment professionals. The Portfolio Manager and the investment team are overseen by the Firm's Investment Committee. Matters reviewed include the specific investments held by each Credit Fund, the percentage of assets in various types of asset classes, the financial and regulatory reporting relating to investments, the relative and absolute performance of each the Credit Fund and liquidity, leverage and counterparty exposure of each the Credit Fund. The Investment Committee will meet regularly to review the Credit Funds' investment activities.

Atlas sends all Fund investors: (i) audited financial statements within 120 days of the end of each fiscal year of the Funds; (ii) where applicable, unaudited financial statements and other information on a quarterly basis; and (iii) tax information related to the Funds necessary for the completion of any applicable federal tax returns.

Item 14. Client Referrals and Other Compensation

Atlas has engaged unaffiliated third-party financial institutions and other placement agents and solicitors for referrals of Fund investors. See "Fees and Compensation" above for details about compensation for third party placement agents under the PE Funds' Governing Fund Documents.

Any placement fees paid by a Fund to third parties are then generally offset against the Management Fee with respect to such Fund.

As noted earlier, Atlas or its affiliates may charge portfolio companies Transaction Fees. The Management Fee will be reduced (but not below zero) by an amount equal to 100% of the investor limited partners' proportionate share of any Transaction Fees paid to Atlas related to a Fund investment or potential Fund investment in a portfolio company (to the extent allocated to the Fund's investment or potential investment in such portfolio company).

Item 15. Custody

Atlas is deemed to have custody of the assets of each Client because it or an affiliate serves as the Client's General Partner. Such General Partner can withdraw a Client's cash and/or securities held with a custodian upon the General Partner's instruction to the custodian. Therefore, Atlas is subject to Rule 206(4)-2 promulgated under the Advisers Act (the "Custody Rule").

In accordance with the Custody Rule, the Firm adheres to the applicable requirements of the Custody Rule with respect to the Funds' public assets. The CCO ensures that all privately offered securities, not held at a custodian, do not violate the "Private Security Exemption" provided in the Custody Rule. Atlas's CFO is responsible for arranging for annual audits of the Funds by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board within 120 days of the Funds' fiscal year end and for obtaining audited financial statements prepared in accordance with GAAP. Atlas will arrange for the delivery of such audited financial statements to investors of the Clients within 120 days of the Funds' fiscal year end.

Item 16. Investment Discretion

Atlas generally has discretionary authority to manage assets and securities on behalf of its Clients. In such instances, Atlas is given such authority pursuant to the investment management agreements with such Clients, subject to the guidelines and/or limitations as described in each Client's offering memorandum, limited partnership agreement and/or other constituent documents (including any side letters that are executed with investors).

Atlas and the General Partners of, and investors in, the Funds are authorized, without the approval of any investor, to enter into side letters or similar written agreements with investors that have the effect of establishing rights under, or altering or supplementing the terms of, the Governing Fund Documents of the applicable Fund with respect to such investor, without entitling any other investor of such Fund to such waiver, modification or new rights. Rights that may be established and terms that may be altered or supplemented include, without limitation, rights and terms relating to greater portfolio transparency, fee waivers or reductions, minimum investment amounts, reports and other information, confidentiality, timing of funding, expenses, distributions, legal or regulatory requirements (e.g., tax and ERISA), advisory committee membership, as applicable, and other more favorable investment terms such as withdrawal rights. To the extent that compliance with any of the provisions of any side letters or similar written agreements would cause Atlas and/or its affiliates to violate their respective fiduciary duties or obligations or to violate any applicable laws, any non-compliance with any such provision will not be deemed to be a breach of such written agreements. Similarly, strategic investors of Atlas, may receive certain preferential information and rights not available to other investors in the Funds.

Item 17. Voting Client Securities

The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisers that exercise voting authority over Client securities to implement proxy-voting policies. In compliance with such rule, Atlas has adopted written proxy voting policies and procedures (the “Proxy Voting Policy”).

When agreed upon with a Client, Atlas will be responsible for voting Client proxies relating to equity securities. The Proxy Voting Policy generally provides that Atlas or the applicable General Partner will vote proxy proposals, amendments, consents or resolutions relating to securities, including interests in pooled investment vehicles, if any (collectively, “proxies”), in a manner that serves the best interests of the Clients, as determined by Atlas in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the views of management; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In addition, Atlas may not vote proxies in certain situations where the associated costs outweigh the anticipated benefits to Clients.

If a material conflict of interest exists between the interests of Atlas and those of the relevant Client with respect to any issue to be voted on, Atlas will base its voting decision exclusively on Atlas’s judgment of what will best serve the financial interests of the Client that beneficially owns the securities that are the subject of the vote.

Investors may obtain a copy of the proxy voting record for a given Client, or a copy of the Proxy Voting Policy, by contacting the Firm’s CCO.

Item 18. Financial Information

Atlas has not included a balance sheet in this submission because it does not require or solicit prepayment of fees from Clients for periods of six months or more in advance.

Atlas has not been the subject of a bankruptcy petition and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.