

Item 1. Cover Page

**Brochure of
Deep Blue Capital Management, L.P.SM**

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This brochure provides information about the qualifications and business practices of Deep Blue Capital Management, L.P.SM (“Deep Blue”). If you have any questions about the contents of this brochure, please contact us at 650-854-6200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2. Material Changes

Not applicable.

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Item 4. Advisory Business

Deep Blue is a Delaware limited partnership that was organized in August 2013. It serves as the general partner of investment limited partnerships (the “Funds”) and may serve as the investment adviser to other accounts. Deep Blue’s general partner is Atherton Lane Advisers, LLC® (“Atherton Lane”), an investment adviser that provides wealth management and investment counseling services to its clients, many of whom may invest in the Funds. Deep Blue and Atherton Lane share office space and certain of Atherton Lane’s employees provide services to Deep Blue. Perry V. Olson, Janet K. Littlefield and Gary R. Patterson are the managers of Atherton Lane and are control persons of Deep Blue. Kerry S. Champion is a limited partner of Deep Blue and is its portfolio manager. Deep Blue manages assets only on a discretionary basis.

Deep Blue invests principally, but not solely, in equity and equity-related securities that are traded publicly in U.S. and non-U.S. markets on behalf of its clients, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the Funds’ partnership agreements.

The investors in the funds that Deep Blue manages have no opportunity to select or evaluate any fund investments or strategies. Deep Blue selects all fund investments and strategies.

Item 5. Fees and Compensation

Deep Blue’s compensation is negotiable and varies, but typically, it charges an annual fee of approximately 1% of assets under management, which amount is payable quarterly in advance at the beginning of each calendar quarter based on the net market value of each Fund on the date the fee accrues and becomes payable. Deep Blue also typically is allocated from each Fund limited partner a performance allocation equal to 25 percent of the amount by which net profits (including both realized and unrealized gains and losses) otherwise allocable to such limited partner exceed a hurdle rate equal to the rate of return of the S&P 500 Total Return Index, except that if the return of the S&P 500 Total Return Index for any period is negative, the hurdle rate for such period is zero. Performance allocations are assessed in arrears annually. Deep Blue charges management fees and performance allocations directly to clients’ (that is, Fund limited partners’) accounts.

Deep Blue complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance allocations may create an incentive for Deep Blue to make more risky and speculative investments than it would otherwise make.

Deep Blue’s fees for a separately managed account are negotiable, but generally would be approximately the same as those paid by the Funds.

In addition to Deep Blue’s fees, other typical fees and expenses that clients may pay to other parties not affiliated with Deep Blue include:

- custodial fees charged by the institution that holds securities in safekeeping for a client, which for the Funds currently is Charles Schwab & Co., Inc. (“Schwab”);

- management fees for mutual funds (including money market funds) and ETFs charged by their investment advisers;
- mutual fund expenses such as the costs associated with purchases, exchanges and redemptions; and
- brokerage and other transaction costs, including brokerage commissions and interest on margin borrowing, as described in Item 12 below.

Deep Blue believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

Deep Blue's relationships with each Fund are terminable on expiration of such Fund's term, dissolution of such Fund or on Deep Blue's withdrawal as general partner. Each limited partner may withdraw from a Fund, on specified prior written notice, on the last day of any calendar month.

In all cases, expenses and the performance allocation through the date of termination are charged to the appropriate Fund. A limited partner who withdraws from a Fund on a date other than the last day of a quarter does not receive a refund of the management fee previously paid.

Each Fund is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, the fees of such Fund's administrator and the fees and expenses charged for such Fund's accounting, bookkeeping and other services. Deep Blue bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms that execute clients' securities trades, as discussed in Item 12 below.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 to use the "alternative reporting option" to report Deep Blue's compensation as "eligible indirect compensation" on the Schedule C of the plan's Form 5500 Annual Return/Report of Employee Benefit Plan.

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

Deep Blue currently manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation.

Item 7. Types of Clients

Deep Blue provides investment advice to the Funds. Each Investor in a Fund is required to invest a minimum of \$50,000, but Deep Blue may waive this minimum. Deep Blue would generally require a minimum of \$10,000,000 to open an individually managed account, but may waive this minimum.

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

The Funds invest in and trade securities consisting principally, but not solely, of equity and equity-related securities that are traded in U.S. and non-U.S. markets. In addition, the Funds may invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), other derivative instruments, bonds and other fixed income securities and money market instruments. The Funds may engage in margin trading, hedging and other investment strategies.

Investment Strategy

The primary goal of each Fund is annualized returns that exceed the benchmark S&P 500 Total Return Index over a target time horizon of three years, although a Fund may hold any position for a different period. In an effort to achieve these returns, the Funds accept volatility in the shorter term. The Funds may not achieve their goals or objectives.

The following 6 elements give perspective on Deep Blue's investment process:

1. Risk assessment.

Downside risk is Deep Blue's first consideration when screening potential investments. Its does not select holdings with the minimum downside risk, which Deep Blue believes would limit the portfolio's upside potential. Instead, Deep Blue looks for:

- Risks that are understandable
- Downside risk that is more than balanced by upside risk
- Companies that are positioned to recover from unexpected setbacks
- Companies that are likely to retain residual value, even if their strategies fail
- Individual portfolio holdings that have independent risk factors—a realized downside in one is likely offset by a realized upside in another

2. Potential for substantial outperformance.

The primary contributors to stock price growth are improving business results (such as revenue growth) and improving valuation ratios (such as price/sales ratio). Therefore, to increase the likelihood of outperformance Deep Blue tends to avoid companies that already have values that it considers high and seeks companies with values that are lower than relevant peers.

3. Applying Silicon Valley lessons learned to recognizing mispriced public equities.

Lessons learned in Silicon Valley can translate well to some sectors, such as the health care, technology, industrials and consumer discretionary industries. Some examples of Silicon Valley lessons that can apply to public equity investing are:

- Transformative Change. Companies or industries going through transformative change are regularly mispriced in public markets. Leveraging transformative change is central to successful venture investing.

- Significant Intangible Assets. Intangible assets, such as strong network effect or customer data, which can produce significant value, are often central to the value of a private start-up, but can be difficult for public markets to value correctly.
- “Bumpy Growth”. High growth often involves “build and breakout” patterns, periods of losses while investing and a general “lumpiness” to progress. “Now”-oriented public markets focused on quarterly financial outcomes over strategic progress sometimes have trouble correctly valuing lumpy growth.
- Pivot/Restart. Silicon Valley investors frequently experience structured course corrections designed to test new hypotheses about products, strategies or growth, which is applicable to interpreting the prospects for a public company experiencing a turnaround.

4. *Recognizing when to accept negative sentiment and current quarter headwinds.*

Deep Blue believes that dramatic or unusual negative indicators are acceptable if they are associated more with the financial markets’ sentiment than with the underlying economic realities of the business or if they are short-term, cyclical and recoverable.

5. *Decision making style: probabilistic vs. pundit.*

Deep Blue believes that two common cognitive styles are relevant to investing:

Evidence-based probabilistic style	Self-confident pundit style
Empirical: Rely more on observation than theory	Ideological: Expect that solutions to many day-to-day problems are manifestations of some grander theory
Cautious: Thinking in probabilistic terms at a fundamental level and more likely to qualify opinions and prepare contingencies	Confident: Rarely hedge predictions and reluctance to change them
Self-critical: Actively probing for weaknesses in self and willingness to acknowledge mistakes	Stubborn: Blaming mistakes on bad luck or on idiosyncratic circumstances—a good model had a bad day
Tolerant of complexity: Comfortable with complexity, paradox, intractable problems and integrating conflicting ideas	Order-seeking: Expecting that the world will abide by relatively simple governing relationships once the key insight is recognized
Adaptable: Finding a new approach (or sometimes pursuing multiple approaches) if original is not working	Stalwart: Sticking to the same all-in approach—new data is used to refine the original model

Evidence-based probabilistic style	Self-confident pundit style
Multidisciplinary: Open to ideas from a range of disciplines, thereby creating value through cross-pollination	Specialized: Bulk of career in one narrow field, viewing outsiders skeptically

Deep Blue believes that the typical finance industry career path encourages the pundit style because it has advantages in winning the confidence of superiors and investors, but that the evidence-based probabilistic style is more successful at making investment decisions.

6. *Cultivating temperament that minimizes cognitive biases.*

Cognitive biases drive financial market inefficiencies and the mispricing of stocks. Minimizing these biases provides an investing advantage. Some examples of cognitive biases are:

- o Overestimating one's abilities, uniqueness and objectivity;
- o Herd mentality--making the same choice as others independently of one's own private information;
- o Poor ability to estimate the probability of an event occurring based on actual data;
- o Halo/devil effect--one attribute influences evaluation of opposite attributes;
- o Associating more complexity with greater correctness; and
- o Proximity bias--overweighting more accessible data.

The investment strategies summarized above represent Deep Blue's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Deep Blue may take positions on behalf of the Funds, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Deep Blue may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets and the economy generally, Deep Blue may pursue any objectives or use any techniques that it considers appropriate and in the Funds' interests.

Risk Factors

Investing in securities involves risk of loss that investors should be prepared to bear. Below are some of the risks that investors should consider before investing in a Fund. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or an investor may encounter. Potential investors in a Fund should review the Fund's offering circular carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally would apply to individually managed accounts. A potential

investor should discuss with Deep Blue's representatives any questions the investor may have before opening an account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Deep Blue does not yet have any operating history on which prospective clients and investors may evaluate its performance.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Changes in economic conditions can adversely affect investment performance. In recent years, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Deep Blue may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Deep Blue also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Deep Blue intends to concentrate the Funds' portfolios typically in 10 to 40 securities, but the number of positions that the Funds may hold at any one time may be different. The market risk and volatility to which a concentrated portfolio is exposed may be substantially greater than the market risk and volatility of a diversified portfolio.
- Deep Blue may cause clients to invest in securities of non-U.S. private and government issuers through ADRs or otherwise. The risks of these investments include:
 - o political risks;
 - o economic conditions of the country in which the issuer is located;
 - o limitations on foreign investment in any such country;
 - o currency exchange risks;
 - o withholding taxes; limited information about the issuer;
 - o limited liquidity; and
 - o limited regulatory oversight.

- The Funds may invest in real estate investment trusts (“REITs”) that carry risks not present in investments in other securities, including lower trading volumes. To qualify as a real estate investment trust, a REIT must satisfy certain requirements. For example, a REIT is required to distribute most of its net income annually and may be adversely affected if its obligation to distribute net income exceeds its available cash. REITs also must be operated by a board of trustees that includes a majority of independent trustees. At least 75% of a REIT’s gross income generally must be derived from specified types of real estate-related income.

A REIT is subject to ownership limits imposed by law or its governing instruments. For example, a REIT must have at least 100 shareholders and no more than 50 percent of its outstanding shares may be owned by 5 or fewer shareholders. For this calculation, shares owned by a Fund would be treated as owned by the Limited Partners. A REIT’s governing instrument may impose more stringent restrictions that further limit an investor’s ownership.

If a Fund invests in a REIT that fails to qualify as such, the REIT is likely to be subject to substantial income tax that could cause it to liquidate investments, borrow funds under adverse conditions or fail.

- Any REIT in which a Fund invests could suffer losses as a result of the following general risks relating to investing in real estate:
 - o Adverse changes in economic and market conditions, supply of, demand for, or development of similar or competing properties, changes in taxes or interest rates and the availability of mortgage funds, all of which may depress the prices of real estate and make sales difficult.
 - o Significant infrastructure development (such as streets, utilities and sewers) and subdivision, zoning, permitting and other entitlements. Entitlement and improvement costs could exceed expectations. If a REIT that holds unimproved land or the holder of unimproved land financed by a REIT is unable to obtain necessary entitlements or make improvements at a reasonable cost, the REIT is likely to suffer losses.
 - o Uninsurable events such as earthquakes, floods and wars.
 - o A real estate owner may be liable for environmental cleanup costs or damages caused by hazardous materials or toxic substances even if such materials or substances were on the property before the current owner acquired it or were released by owners of nearby properties. A REIT in which a Fund invests might be required to pay such cleanup costs and might not be able to sell a property that has environmental problems.
 - o Delays in construction work and unsatisfactory performance by contractors could cause real estate improvements to cost more and take longer than expected.

- o Competing for tenants and maintaining rental rates and occupancy levels in a highly competitive market may cause rental income to be insufficient to meet a property's operating expenses.
- o Non-compliance with building codes may cause properties to be subject to remedial actions or other legal recourse by government agencies, fines or other monetary remedies.
- o Liability to customers, tenants and guests.
- o Inability to sell one or more properties at a favorable price or at all.
- Deep Blue may engage in hedging, which may not be effective and may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Deep Blue may not be able to hedge a position, which may lead to liquidation of that position when it is disadvantageous. Deep Blue is not obligated to hedge portfolio positions and typically does not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Deep Blue may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Counterparties such as brokers, dealers and custodians with which Deep Blue does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Deep Blue may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- The Funds may invest in fixed-income securities. All fixed-income investments are subject to credit and interest-rate risks. Credit risk is the risk that an issuer will default on its principal or interest payments. Interest-rate risk is the risk associated with market changes in the levels of interest rates. Rising interest rates depress bond prices.
- A credit rating agency is a private company such as Moody's Investors Services, Fitch Ratings or Standard & Poor's that assigns credit ratings to certain fixed-income securities. Credit ratings are intended to indicate the risk that the security will pay its principal and interest on time and are based on factors such as:
 - o the security's seniority in the capital structure of a particular issuer;

- o credit characteristics;
- o collateral composition, if any;
- o degree of diversification;
- o weighted average life of the collateral, if any; and
- o the legal structure of the issuer.

Credit ratings are subject to limitations. An issuer's credit rating is heavily weighted by historical data and does not necessarily reflect future conditions. There may be a lag between the time a credit rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. For example, for securities rated investment grade, but with speculative characteristics, sustained periods of deteriorating economic conditions or rising interest rates are more likely to weaken the issuer's capacity to pay interest and repay principal than in the case of higher-rated securities.

- Deep Blue may borrow on margin and invest in derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Deep Blue may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Deep Blue holds a large position in an issuer's securities, it could depress the market for those securities.
- Some of an account's positions may become illiquid, in which case Deep Blue may not be able to sell such positions.
- Deep Blue determines the value of securities held in client accounts, whether or not a public market exists for such instruments. If Deep Blue's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a Fund might receive an interest that is worth less or more than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, adversely affecting some or all investors.
- The Funds and not Deep Blue are responsible for any trade errors that Deep Blue makes in their accounts, even when the error hurts the Fund.
- Deep Blue and its affiliates and agents generally are not responsible to any client or investor for losses unless Deep Blue's conduct resulting in such loss constituted gross negligence, fraud or willful misconduct.
- No active market exists or will exist for interests in the Funds. It may be impossible to transfer any such interests, even in an emergency.

- A Fund may not be able to generate cash necessary to satisfy investor withdrawals. Substantial withdrawals in a short period could force Deep Blue to liquidate investments too rapidly, and may so reduce the size of a Fund that it cannot generate returns or reduce losses.
- A Fund may limit or suspend withdrawals of an investor's assets from the Fund.
- A Fund may establish a reserve for contingencies if Deep Blue considers it appropriate. Investors may not withdraw or redeem assets covered by such reserve until it is lifted.
- If the assets that Deep Blue and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Deep Blue to find attractive investments as the amount of assets that it must invest increases.
- No client or investor has been represented by separate counsel. The attorneys who represent Deep Blue, Atherton Lane or a manager of Atherton Lane do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- A Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Deep Blue or any government agency may freeze assets that any of them believes an investor holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Deep Blue, Atherton Lane or a Fund will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The Funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain allocated to investors. Therefore, an investor may have taxable income from a Fund without a cash distribution to pay the related taxes.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Deep Blue must devote to regulatory compliance, to the detriment of investment activities.
- Deep Blue is not registered with the SEC as a broker-dealer. The equity interests in the Funds are not registered under the Securities Act of 1933, and the Funds are not registered investment companies under the Investment Company Act of 1940. Deep Blue believes that none of these registrations is required, because exemptions or exceptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Deep Blue and any Fund could be subject to expensive legal action and potential termination. In addition, investors in the Funds do not have regulatory protection that they would have if these registrations were in place.

- Deep Blue's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Tax-exempt investors in the Funds may be subject to unrelated business taxable income.
- Deep Blue's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- If a Fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- Deep Blue, Atherton Lane and their affiliates may spend time on activities that compete with a Fund without accountability to investors, including investing for other clients and their own accounts.
- Deep Blue may provide some investors more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors.

Item 9. Disciplinary Information

This Item is not applicable, because Deep Blue has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

As discussed above, Deep Blue's general partner is Atherton Lane, and many of Atherton Lane's clients may invest in the Funds. The managers of Atherton Lane, Perry V. Olson, Janet K. Littlefield and Gary R. Patterson, are also control persons of Deep Blue. Atherton Lane and Deep Blue share office space, and certain of Atherton Lane's employees also provide services to Deep Blue. As the general partner of Deep Blue, Atherton Lane also receives a share of the compensation that the Funds pay Deep Blue. The conflicts of interest raised by this arrangement are discussed in Item 11.

Deep Blue may participate in investments with Atherton Lane. Each of Deep Blue and Atherton Lane has discretion to determine whether and how to allocate such investments among the Funds, the accounts managed by Atherton Lane, themselves and their affiliates. Deep Blue and Atherton Lane may receive better compensation and other benefits from some investments if the Funds do not participate, which could influence Deep Blue not to make investments for the Funds even though participation might benefit the Funds.

Securities transactions for Deep Blue's clients will be made through Atherton Lane's trading desk by Atherton Lane's employees. The conflicts of interest raised by this arrangement are discussed in Item 12.

The Atherton Lane employees who provide services to Deep Blue will have conflicts of interest over the amount of time they spend on Atherton Lane's activities and the activities of Deep Blue and the Funds. If it is more profitable for Deep Blue or Atherton Lane to spend time on other activities compared to managing the Funds, Deep Blue and Atherton Lane have an incentive to

allocate more time to those other activities. Deep Blue and Atherton Lane have addressed these conflicts of interest by implementing policies and procedures governing such allocation and regularly reviewing securities held in client accounts to determine that they are appropriate and comply with each account's investment policies and restrictions, and regularly reviewing all such policies and procedures.

Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading

Deep Blue has adopted a Code of Ethics (the "Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Deep Blue's supervised persons. The Code includes:

- general requirements that Deep Blue's supervised persons comply with their fiduciary obligations to clients and applicable securities laws; and
- specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information.

The Code generally requires employees of Deep Blue and employees of Atherton Lane that provide services to Deep Blue:

- to obtain prior approval of their personal securities transactions from Deep Blue's Compliance Officer;
- to report their personal securities transactions and holdings quarterly to the Compliance Officer; and
- to report any violations of the Code promptly to the Compliance Officer.

Each employee receives a copy of the Code and any amendments to it. Annually, each employee must certify that he or she complied with the Code during the prior year. Clients and prospective clients may obtain a copy of the Code by contacting Deep Blue's Compliance Officer, William E. McDonnell, Jr., Esq.

Under the Code, Deep Blue's employees, without the consent of the Compliance Officer, are prohibited from investing in any security on the Atherton Lane or the Deep Blue buy list, that is, securities that Atherton Lane and Deep Blue are in the process of trading for clients or considering trading for clients, until two days after that security is removed from the buy list. If the Compliance Officer permits an employee to trade any security on the same day as a client account, the client account must receive the best price in relation to the employee.

Deep Blue's employees may invest in private funds that Atherton Lane recommends and purchases for Atherton Lane's clients, but employees and such clients who purchase interests in the same fund must pay the same price for the interests. In addition, Atherton Lane allows Deep Blue and Atherton Lane employees to purchase interests in any private fund only after clients have been offered the opportunity to invest in the fund and interests in the fund remain available.

Deep Blue solicits investors who may be Atherton Lane's clients to invest in the Funds. As the general partner of Deep Blue, Atherton Lane receives part of the compensation that the Funds pay Deep Blue. Atherton Lane may have an incentive to cause its clients to invest in a Fund instead of an individually managed account at Atherton Lane because of the reduced expenses and administrative burdens of having Deep Blue manage a Fund compared to Atherton Lane managing an individually managed account. Atherton Lane's share of Deep Blue's performance compensation from a Fund receives more favorable tax treatment than the fees from an individually managed account. Limited partners also have less transparency and liquidity than individual account clients. Deep Blue and Atherton Lane address these conflicts of interest by disclosing them to clients and investors.

Because Deep Blue manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Deep Blue selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading.

Deep Blue may buy or sell a security for one type of client but not for another, or may buy or sell a security for one type of client while simultaneously selling or buying the same security for another type of client. Deep Blue may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client.

Deep Blue is not obligated to acquire for any account any security that Deep Blue or its partners, officers or employees may acquire for its or their own accounts or for any other client, if in Deep Blue's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Deep Blue has addressed the conflicts of interest involved in allocating investments among client accounts and between client accounts and employees by implementing policies and procedures governing such allocation and regularly reviewing securities held in client accounts to determine that they are appropriate and comply with each account's investment policies and restrictions, and implementing employee trading policies and procedures, and regularly reviewing all such policies and procedures.

Item 12. Brokerage Practices

Execution and Soft Dollars. Deep Blue has complete discretion in selecting the broker that it uses for client transactions and the commission rates that clients pay such brokers. Deep Blue will direct the Funds' securities transactions through Atherton Lane's trading desk by Atherton Lane's trading staff. In selecting a broker for any transaction or series of transactions, Deep Blue and Atherton Lane may consider a number of factors, including, for example:

- special execution capabilities;
- willingness to execute related or unrelated difficult transactions in the future; willingness to commit capital; knowledge of market participants;
- block trading and block positioning capabilities;

- efficiency of execution and error resolution;
- order of call;
- offering to Deep Blue on-line access to computerized data regarding clients' accounts;
- computer trading systems;
- clearance, settlement and reputation;
- financial strength and stability; and
- quotation services.

Deep Blue or Atherton Lane may also purchase from a broker or allow a broker to pay for the following (each a “soft-dollar” relationship):

- research reports, services and conferences, including third-party research fees;
- economic and market information; portfolio strategy advice; industry and company comments;
- technical data;
- periodical subscription fees;
- performance measurement data;
- on-line pricing;
- outsourced trading services;
- news wire and data processing charges;
- custody, recordkeeping and similar services;
- proxy voting services;
- expenses incurred in visiting companies and attending research conferences (such as travel, lodging and meals)
- administrative services and assistance (including middle and back office services, such as order management and trade reconciliation);
- offering and selling interests in the Funds and communicating with existing and potential limited partners (including travel, lodging and meals and accounting, bookkeeping services of the Funds' administrator or other third-party service providers and governmental and self regulatory agency compliance);
- accounting fees; and
- legal fees.

The Funds may be deemed to be paying for research and other services with soft-dollar credits based on principal, as well as agency, securities transactions with brokers. Deep Blue or Atherton Lane may direct a broker that executes transactions to share some of its commissions with a broker that provides soft-dollar benefits to Deep Blue or Atherton Lane.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If Deep Blue or Atherton Lane uses commission dollars to pay for products or services that provide

administrative or other non-research assistance to itself or its affiliates, such payments may not be within the section 28(e) safe harbor.

Deep Blue or Atherton Lane may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft-dollar relationships that such broker provides.

Deep Blue and Atherton Lane generally consider the amount and nature of research, execution and other services provided by brokers as well as the extent to which the Funds and accounts managed by Atherton Lane rely on such services, and attempt to allocate a portion of the brokerage transactions of the Fund and such accounts based on that consideration. Deep Blue and Atherton Lane may, however, use the investment information and other services received from brokers in servicing all of their accounts (including the Funds and accounts managed by Atherton Lane), but may not use all such information and services for the Funds. Specifically, soft dollars generated by trades for the Funds may pay for services to the Funds and accounts managed by Atherton Lane. Deep Blue believes, however, that allocating brokerage transactions in this manner helps the Funds to obtain research and execution capabilities and provides other benefits to the Funds.

The relationships with brokerage firms that provide soft-dollar services to Deep Blue, Atherton Lane and their affiliates influence Deep Blue's and Atherton Lane's judgment in allocating brokerage transactions and create a conflict of interest in using the services of those brokers to execute the Funds' brokerage transactions. The brokerage fees that the Funds pay benefit Deep Blue and Atherton Lane at the expense of the Funds to the extent that soft dollars are used to pay the expenses of Deep Blue and Atherton Lane that are not otherwise reimbursable by the Funds. Deep Blue believes that these relationships benefit the Funds, but the Funds' trades executed through these firms or any other brokerage firm may or may not be at the best price otherwise available.

Trading Broker. Deep Blue or Atherton Lane may select a broker to act as a "trading broker" for a client. In such cases, Deep Blue, Atherton Lane or the trading broker may select the executing broker, and the trading broker would then place or manage the order. The trading broker is compensated (through commissions or otherwise) for this trading service in addition to the commissions paid to the executing brokers. As with all soft-dollar arrangements, using a trading broker in this manner causes the client to pay brokerage commissions, mark-ups and other transactions fees that are higher than might otherwise be paid if brokers were selected based solely on lowest execution cost. In addition, using a trading broker (rather than an employee of Deep Blue or Atherton Lane) to provide those services may reduce Deep Blue's or Atherton Lane's personnel expenses.

Prime Broker. Deep Blue has engaged Schwab as the Funds' prime broker and custodian. Deep Blue may replace Schwab or appoint one or more additional brokers or custodians at any time. The services that Schwab currently provides as prime broker and custodian may include custody, margin financing, clearing, settlement and stock borrowing in accordance with the agreements between Schwab and each Fund. Schwab has custody of most of the Funds' assets and provides Deep Blue with other services, which may include technology services (such as internet access, IT support, Bloomberg connections, wireless networking, email archiving and

disaster recovery systems), portfolio reporting and access to electronic communications networks. Schwab also may, at its discretion, provide capital introduction services. Such arrangements may be deemed to be a soft-dollar arrangements. Deep Blue expects to use a substantial portion of these services for research and trading on behalf of the Funds and the Other Accounts, but some may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, were Deep Blue not to receive these services from the Funds' prime broker and custodian, Deep Blue would be required to pay for all or some portion of them. Deep Blue is not required to direct a particular number or amount of trades to Schwab or to continue to use Schwab as the Funds' prime broker and custodian, but it has an incentive to do so based on its prior and continued services.

The Funds' obligations to Schwab and any other custodian are secured by a first priority perfected security interest over Fund assets held in custody by each custodian. A custodian may transfer Fund assets to itself or to an affiliate as collateral and may deal with, lend, dispose of, pledge or otherwise use such collateral for its own purposes. If any such transfer occurs, the Funds will rank as such custodian's (or its affiliate's) unsecured creditor. In addition, the Funds' cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business, and the Funds will therefore rank as unsecured creditors in relation thereto. If any of the Funds' investments are registered in the name of a custodian or its affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments, and if such custodian or its affiliate becomes insolvent, the Funds may not be able to recover their investments in full.

Atherton Lane's Relationship with Schwab. Deep Blue's general partner, Atherton Lane, receives client referrals from Schwab through Atherton Lane's participation in the Schwab Advisor Network®. Atherton Lane pays Schwab fees on all accounts referred to it by Schwab that are held in custody at Schwab ("Participation Fees") and a non-Schwab custody fee on all accounts referred to it by Schwab that are held at, or transferred to, another custodian ("Non-Schwab Custody Fees"). Participation Fees with respect to a client are a percentage of the value of the assets in the client's account (and accounts of referred clients' family members living in the same household) held at Schwab and managed by Atherton Lane. Participation fees for each such account are paid for so long as such account remains in custody at Schwab and is managed by Atherton Lane. Participation Fees are paid by Atherton Lane and not by the client. Atherton Lane does not charge clients referred through Schwab fees or costs greater than those that it charges clients with similar portfolios who were not referred through Schwab.

The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the client's assets placed with a custodian other than Schwab and is higher than the Participation Fees that Atherton Lane generally would pay with respect to that client in a single year.

The Participation and Non-Schwab Custody Fees are based on the amount of assets in accounts of Atherton Lane's clients who are referred by Schwab. Thus, Atherton Lane has an incentive to recommend that client accounts referred to it by Schwab and their household members maintain custody of their accounts at Schwab.

Atherton Lane's clients whose accounts are held in custody at Schwab also pay Schwab a fee for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's commissions and fees. Thus, Atherton Lane may have an incentive to cause those clients' trades to be executed through Schwab rather than another broker-dealer.

Atherton Lane addresses these conflicts of interest by annually evaluating the trade execution services that it receives from the brokers it uses to execute trades for clients. Such evaluation is similar to Deep Blue's evaluation of its trade execution services described above.

Trade Aggregation. Deep Blue or Atherton Lane may aggregate securities sale and purchase orders for the Funds with similar orders being made contemporaneously for other accounts that Atherton Lane manages or with accounts of affiliates of Deep Blue or Atherton Lane. In such event, Deep Blue or Atherton Lane may charge or credit the Funds the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the Funds than it would be if Deep Blue or Atherton Lane were not executing similar transactions concurrently for other accounts. Deep Blue may also cause a Fund to buy or sell securities directly from or to another Fund, if Deep Blue determines that such a cross-transaction is in the interests of both Funds.

Deep Blue or Atherton Lane may in some instances implement transactions for the Funds in securities that are not listed on a national securities exchange but are traded in the over-the-counter market. Where transactions are executed in the over-the-counter market, Deep Blue or Atherton Lane may deal with the primary market-makers, but if Deep Blue or Atherton Lane deems it appropriate, it may use the services of others.

Client Referrals. Deep Blue or Atherton Lane may direct brokerage to a broker in return for the broker's referral of prospective clients or investors. Directing brokerage in exchange for client or investor referrals creates a conflict of interest in that Deep Blue and Atherton Lane have an incentive to refer their clients' brokerage business to brokers to which they might not otherwise direct transactions.

Conflicts of Interest. Deep Blue and Atherton Lane address the conflicts of interest created by their brokerage practices by disclosing them to clients and investors and by annually evaluating the trade execution services that they receive from the brokers they use to execute trades for the Funds and Atherton Lane's clients. Such evaluation includes comparing those services to the services available from other brokers. Deep Blue and Atherton Lane consider, among other things:

- alternative market makers and market centers;
- the quality of execution services;
- the value of continuing with various soft-dollar services and adding brokers to, or removing them from, the list of approved brokers that Deep Blue and Atherton Lane use;
- increasing or decreasing targets for each broker; and

- the appropriate level of commission rates.

Item 13. Review of Accounts

Deep Blue's portfolio manager, Kerry S. Champion, generally reviews the Funds' portfolios daily. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each Fund investor receives a quarterly letter stating performance for the quarter and an annual letter discussing annual performance and investment outlook.

The Funds' portfolios are also reviewed by a Managing Director of Atherton Lane at least monthly. Those reviews verify that such portfolios are invested consistent with the Funds investment strategies and hold appropriate securities.

Item 14. Client Referrals and Other Compensation

Deep Blue may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Deep Blue complies with the other requirements if applicable.

Item 15. Custody

Not applicable.

Item 16. Investment Discretion

Deep Blue has discretionary authority to manage investment accounts on behalf of the Funds pursuant to a grant of authority in each Fund's limited partnership agreement.

Item 17. Voting Client Securities

Deep Blue votes all proxies on behalf of each Fund based on Deep Blue's determination of the Fund's best interests. In making that determination with respect to any proxy proposal, Deep Blue considers a number of factors, including:

- the economic effect the proposal would have on shareholder value;
- the threat that the proposal would pose to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect the proposal would have on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Deep Blue abstains from voting proxies when it believes that it is appropriate.

If a material conflict of interest over proxy voting arises between Deep Blue and a Fund, Deep Blue will vote all proxies in accordance with the policy described above.

An investor can obtain a copy of Deep Blue's proxy voting policy and a record of votes cast by Deep Blue on behalf of a Fund by contacting Deep Blue's Compliance Officer, William E. McDonnell, at 650-854-6200.

Item 18. Financial Information

This Item is not applicable, because Deep Blue is not required to report financial information.

Privacy Policy

Deep Blue and the Funds:

- collect non-public personal information about their clients and investors from the following sources:
 - information received from clients or investors on applications or other forms, and
 - information about clients' or investors' transactions with Deep Blue, its affiliates or others;
- do not disclose any non-public personal information about their current or former clients or investors to anyone, except as permitted by law;
- restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.

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