

Octagon Asset Management, LLC

Part 2 of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Octagon Asset Management, LLC (“OAM”). If you have any questions about the contents of this brochure, please contact us at 212-683-8811. 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.

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

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Advisory Business

Octagon Asset Management, LLC (“OAM”) is a U.S. based investment advisor that specializes in international trade and commodity finance. OAM’s client base includes taxable and tax-exempt institutions, high-net-worth individuals, family offices and investment funds from around the world (each an “Account” and together the “Accounts”).

OAM manages the assets of each Account in accordance with pre-agreed terms and conditions outlined in the governing documents applicable to each Account.

OAM provides various levels of investment advisory services to each Account ranging from non-discretionary deal sourcing and due diligence to comprehensive, discretionary portfolio management services whereby OAM is solely responsible for all investment decisions, conducting market and company analysis, directing and managing the investment and reinvestment of each Account’s assets, and providing periodic investor reports.

OAM serves as the investment manager to (i) Octagon Global Trade, L.P., a Delaware limited partnership, which is expected to launch in May 2017, (the “US Feeder”), (ii) Octagon Global Trade Fund, Ltd, a Cayman limited company which is expected to launch in May 2017 (the “Master Fund”), and Octagon Global Trade, Ltd, a Cayman limited company which is expected to launch in May 2017 (the “Non-US Feeder”) (collectively, the “Global Trade Funds”). Octave Partners, LLC, an affiliate of OAM serves as the general partner to the US Feeder (the “General Partner”).

OAM is a limited liability company formed under the laws of the state of New York in December 1998. The primary owners of OAM as of December 31, 2016 are Caldwell Mead Welles and Octagon International Holdings, LLC.

Fees and Compensation

For providing its services, OAM receives a management fee and an incentive fee or a carried interest. Management fees are generally payable quarterly in advance and pro-rated for any period that is less than a full quarterly period.

The management fee charged by OAM to each Account ranges from 1.0% to 2.0% per annum of the aggregate amount of the capital either, allocated, invested, or contributed by such Account. However, with respect to the Global Trade Funds, no management fees will be charged by OAM to the US Feeder and the Non-US Feeder. Management fees will be solely charged to the Master Fund. Otherwise, management fees are charged directly to each Account. Each Account may enter into separate agreements, commonly referred to as “side letters,” to change the management fees applicable to certain investors (please see “Types of Clients” below).

The Accounts are also subject to an incentive fee or carried interest which depending on the Account can range from 15% to 20% of net profits after taking into account any management fees and subject to a preferred return that can range from 0% to 7% depending on the Account.

In addition, OAM and/or the General Partner, in its sole discretion, may waive, reduce or rebate all or a portion of the management fee and/or carried interest and interest thereon in respect of any Account or investor. No such waiver, reduction or rebate for the benefit of any account or investor will entitle any other Account or investor to such waiver, reduction or rebate.

Detailed information regarding the fees charged to the Account is provided in each Account’s confidential governing documents or private offering memorandum, whichever is applicable. In addition to management fees and carried interest, Accounts will bear the fees and expenses charged to the Accounts. Those fees and expenses will vary, but typically will include fees associated with making or selling portfolio investments, legal and accounting fees, taxes, commissions and brokerage fees, registration expenses, fees to government regulatory agencies, the cost of directors’ and officers’ liability insurance and other expenses, such as litigation or broken deal expenses. Investors are requested to review all fees charged by OAM, its affiliates, and others to fully understand the total amount of fees to be paid by the Accounts and, indirectly, their investors.

Investors in each respective Account are permitted to make voluntary withdrawals pursuant to the terms and conditions outlined in the governing documents or private offering memorandums of such Account. Accounts may be terminated and or investors may be subject to compulsory withdrawals at the discretion of OAM, the directors, and or the General Partner of such Account in the event that OAM, the directors, or the General Partner reasonably believes that such investors subscribed for an Account on the basis of a misrepresentation, or such investors investment would put the General Partner, the Account, OAM or other investors at a material tax, legal, regulatory or pecuniary disadvantage, or otherwise at the sole discretion of the General Partner, directors, or OAM. In such event, such investor or Account would receive the value of its interest or Account, which will be determined by the General Partner, the directors, or OAM whichever is applicable, in its sole discretion. The General Partner, directors or OAM, whichever is applicable may cause the

Account to pay such amounts in cash or in kind.

Either OAM or the Account may terminate its respective investment management agreement per the terms negotiated therein. Notice of termination must be given to the other party in writing. Upon termination, the fees charged for investment management services will be pro-rated, and a refund for any unearned fees will be issued. Each Account is responsible to pay for services rendered until the termination of its respective investment management agreement.

Performance Based Fees and Side-by-Side Management

Each Account pays an incentive fee or carried interest ranging from 15% up to 20% of the net profits after taking into consideration the effect of management fees. The incentive fee or carried interest may create an incentive for OAM to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such incentive fee or carried interest were not allocated to OAM or its affiliates.

Types of Clients

OAM provides investment management or advisory services to funds, institutional clients (taxable as well as tax exempt), high-net worth individuals and family offices through separately managed accounts and pooled investment vehicles (“Clients”).

In general, the minimum capital commitment for an investor in any Account is \$1 million; however OAM and/or the General Partner maintains discretion to accept less than the minimum investment threshold. In addition, OAM may enter into separate agreements, commonly referred to as “side letters”, with certain investors, to waive certain terms, or allow such investors to invest on different terms than those specifically described in the offering documents. Under certain circumstances, these agreements could create preferences or priorities for such investors with respect to other investors.

Clients will be required to make certain representations when investing in an Account, including but not limited to that they are either (i) an “accredited investor” (as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (the “Securities Act”); (ii) a “qualified purchaser” (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”); (iii) a “qualified eligible person” (as defined in Rule 4.7 promulgated under the Commodity Exchange Act); (iv) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and that (iii) they have the ability to bear the economic risk of an investment in the Account. Each investor will be furnished with a copy of the applicable private offering documents or governing Account documents.

Methods of Analysis, Investment Strategies and Risk of Loss

OAM's investment methodology is generally based on investing in a diverse portfolio of structured trade finance loans and opportunistically taking advantage of special situations that come up from time to time in trade-related debt instruments; portfolios of receivables; transactions backed by readily marketable goods such as commodities, textiles, building materials, charters, diversified payment rights, and other cash flows; asset-backed or collateralized debt; and relative-value, hedged, or arbitrage investments in future-flow, government, top bank, or corporate fixed-income instruments, equities, or options of companies active in international trade. The strategy will concentrate on pre-export finance transactions where a combination of inventory and receivables can be used to mitigate credit and cross-border risks. To reduce risk and increase yields, where possible, all or a portion of transactions will be distributed at tighter spreads to various counterparties. In these transactions special-purpose vehicles and other structured finance techniques may be used to create bankruptcy-remoteness and to mitigate other payment and performance default risks.

When evaluating potential investments OAM will seek to mitigate risk by considering, among other factors: (i) the presence of independent valuations or appraisals for assets upon which the issuer's credit depends, (ii) the use of conservative loan-to-value standards by the originators of the transactions in which it invests, and (iii) the nature and comprehensiveness of the security arrangements deployed, such as the security position in relation to the collateral, blocked collection accounts, trustee and paying agency arrangements, and other assurances of repayment streams.

OAM underwrites each transaction prior to making an investment. OAM's underwriting process involves a multi-factor model including, sovereign analysis, credit analysis, product analysis, market analysis, industry analysis, transportation and logistics analysis, competitive landscape analysis as well as regulatory and environmental analysis. OAM's underwriting also involves on site inspections and management meetings to assess qualifications and ongoing viability.

OAM's investment strategy involves a number of risks. An investment with OAM may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment with OAM. No guarantee or representation is made that OAM will achieve its investment objective or that investors will receive a return of their capital.

All investing involves a risk of loss and the investment strategy offered by OAM could lose money over short or even long periods. The description contained below is a brief overview of different market risks related to OAM's investment strategy.

General Business and Management Risk - Investments in portfolio companies subject the Accounts to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign geopolitical situations and factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases OAM, will monitor each portfolio company's management, the management of each portfolio company will have day-to-day responsibility of such portfolio company.

Commodity Activities and Investments - The Clients will invest primarily in corporate debt and debt-like instruments issued by companies in commodities. Accordingly, the Clients' ultimate performance will be a function of the issuers/borrowers meeting expected performance hurdles and performing under their debt obligations. In the event of default, performance will also be determined through the monetization of collateral.

Commodity Price Volatility – Commodities prices have been and are likely to continue to be, volatile and subject to wide fluctuations in response to factors including: (i) changes in the supply and demand for the relevant commodity (fundamentals); (ii) market uncertainty; (iii) political conditions in producing regions; (iv) the extent of domestic production and importation/exportation of the commodity in the relevant market; (v) the level of consumer demand; (vi) competitive position of new supplies; (vii) the effect of US and foreign regulations on the production, transportation and sale of the relevant commodity.

OAM will manage commodity price risk volatility through a combination of various collateral management techniques including, (i) developing loan to value advance rates taking into account price volatility, holding periods, quality specifications, location/basis elements and past experience (ii) marking to market commodity collateral on a frequent basis; (iii) utilizing 3rd party storage companies to control and/or monitor collateral; (iv) inspection firms carrying out audits of physical inventories and crops; (v) utilizing futures contracts to hedge underlying loans/debt. OAM will employ these and other active management precautions to largely mitigate loss given a default event.

Counterparty Risk – The loan counterparties with which the Accounts may effect transactions typically are not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with loan syndication transactions. This exposes the Clients to the risk that counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Clients to suffer a loss.

Lack of Liquidity of Investments – OAM's strategy involves investing in illiquid debt instruments, primarily loans. The investments are likely to be unrated and the equity interests of investment companies privately-held. Consequently, the liquidity for the underlying investments may be limited. This may limit the ability of the Accounts to sell investments.

Leverage – Accounts may be entitled to borrow monies to leverage the return on the equity portion of their investments. Leverage is expected to be provided by bank loans, repurchase agreements, total return swaps or similar agreements, secured against the portfolio of investments of such Accounts, but generally with no recourse to the investors or beyond the value of the portfolio of investments and unused capital commitments.

Seasoning of Loan Origination Investments – Upon establishment, due to certain legal and regulatory restrictions, the Non-US Feeder and Master Fund may not always be able to directly invest in a loan opportunity at the time of its origination; rather, the Non-US Feeder will typically need to wait until a certain period of time has passed (the “seasoning period”), while the US Feeder can originate loan opportunities. Upon expiration of the seasoning period, the US Feeder may sell a

portion of that loan investment opportunity to the Master Fund. For the additional risk taken by the US Feeder during the seasoning period, the Master Fund will pay interest or a premium when purchasing the respective loan opportunity from the US Feeder. However, should the respective loan default during the seasoning period, all downside risk rests with the US Feeder as the Master Fund will not participate in seasoned deals that are in default.

For a more detailed discussion of the risks associated with an investment in any Account, please see the Accounts' respective confidential offering documents.

Disciplinary Information

Since its inception in 1998, OAM and its current employees have not been involved in any disciplinary events. To the best of its knowledge, OAM is unaware of any potential Disciplinary actions.

Other Financial Industry Activities and Affiliations

The Accounts may invest in transactions arranged for the borrowers by affiliates of OAM, including Octagon Financial Services International, LLC ("OFSI") and CommodityFinance.com, LLC ("CF.com"). As with any other financial advisor, OFSI and CF.com may receive transaction fees from the borrower for their services; provided that such fees will be established on an arms-length basis and fully disclosed to all Accounts and Clients. When a financing is arranged by OFSI, or CF.com, the investors in the resulting transactions may, but will not necessarily include third parties in addition to the Accounts.

No persons of OAM are registered representatives of any broker-dealer.

Registered Investment Advisers: Not applicable

Other Investment Advisers: Not applicable

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

OAM has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, which is predicated on the principle that OAM owes a fiduciary duty to its investors. Accordingly, employees of OAM must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of Clients; reaffirmed annually. OAM endeavors to maintain current and accurate records of all employee personal securities and securities transactions, in the respective accounts of its employees in an effort to monitor all such activity. Among other things, the Code requires OAM and its employees to act in Clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. OAM's Code of Ethics is available for review and will be provided to any client or prospective client upon request.

OAM, its employees and affiliated entities will participate in various Accounts investment program by agreeing to commit a certain percentage of the Account's total capital commitments or a certain amount as defined in the Account's governing documents. Therefore, OAM its employees or a related entity may participate in transactions effected for the Accounts. OAM, its employees and affiliated entities may be required to participate in a similar manner in other Clients' investment programs from time to time.

OAM may enter into transactions and invest in financial instruments on behalf of the Clients in which affiliated companies, acting as principal or as agent for its customers, serve as the counterparty. OAM may also enter into cross transactions where affiliated companies act as agent on behalf of the Client and the other party to the transaction.

Brokerage Practices

OAM focuses on investing in and acquiring, originating, structuring and distribution of corporate trade-related debt, loans and other financial instruments related to companies in the international trade sector, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not payable in connection with such investments. To the limited extent OAM transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution for the Account. OAM is generally authorized to make the following determinations, subject to the Account's investment objectives and restrictions, without obtaining prior consent from the relevant Account or any of their discretionary investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for its Accounts, OAM will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although OAM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Review of Accounts

All investments held by the Accounts are carefully reviewed on a continuous basis by the investment management professionals of OAM. The progress of all investments is carefully monitored on a regular basis and is subject to the constant supervision and review by OAM investment professionals.

OAM provides quarterly and annual reports to each Client. The reports include a summary of

market conditions, portfolio performance, return attribution, noteworthy events regarding any transactions and an itemization of any distributions made to Clients. Audited financial statements prepared in accordance with general accepted accounting principles are provided annually to Clients for their respective Accounts. Clients also receive annual tax information necessary for their tax returns.

Client Referrals and Other Compensation

OAM does not compensate for client referrals; OAM does reserve the right under limited circumstances to compensate a third party/Selling Agent on a discretionary, pre-determined basis. The Selling Agent would receive compensation from a portion of the management fee and incentive fee OAM receives from the relevant Account. The use of Selling Agents has no impact on the fees paid by the Accounts or their investors. Any additional fees charged to investors by the Selling Agents will be disclosed and agreed to by the investors.

OAM or its affiliates may receive fees ("Ancillary Fees") for providing advisory or administration services. Generally, such fees earned will be the property of OAM or its affiliates, however, under certain circumstances, OAM or such affiliates may be entitled to receive market rate fees, including management and performance fees as well as residual interests for such services not related to its role as investment manager of the Accounts.

Custody

Except for certain privately offered securities, Client assets are held in custody by qualified custodians. OAM anticipates that any private offered securities not held at a qualified custodian will meet the private security exemption under Rule 206(4)-2.

The Accounts are subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Partnership's fiscal year end.

Investment Discretion

OAM generally has discretionary authority to determine, without obtaining specific consent from the Accounts or their investors, the securities and amount to be bought or sold. Any limitations on authority are included in the respective Account's confidential private offering documents and other governing documents. OAM may generally exercise its investment discretion and authority conditionally or unconditionally, arbitrarily, or inconsistently in varying or similar circumstances. For example, OAM may provide certain investors or third parties representing investors more frequent or more detailed reports of an Account's portfolio holdings or performance, special fee and allocation arrangements and special withdrawal rights that it does not provide to other investors.

OAM, in its sole and absolute discretion, may offer third parties, some or all of the Account's Clients (in their individual capacities) and/or affiliates of OAM the option to participate in co-

investment opportunities that arise in connection with the Account's investments (as determined by OAM).

Clients and or certain Accounts may have placed (or may in the future) different limits on OAM's discretionary authority to invest pursuant to their respective investment management agreements with OAM.

Voting Client Securities

Most of the investments held by Accounts typically do not issue proxies. However, in the event proxies have to be voted, OAM has adopted proxy voting policies and procedures, and shall be responsible for voting proxies on behalf of Accounts where OAM has full discretion. OAM shall vote Accounts proxies as a fiduciary and in a way that it believes will maximize investor value and preserve principal. In exercising its voting discretion, OAM and its employees will avoid any direct or indirect conflict of interest raised by such voting decision.

A record of all proxy votes cast on behalf of Accounts will be maintained and available for review.

A complete copy of OAM's proxy voting policies and procedures may be requested along with OAM's proxy voting record, if any, by contacting OAM at (212) 683-8811.

Financial Information

OAM has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to affect its ability to manage Accounts or impair its ability to meet contractual commitments to Clients.