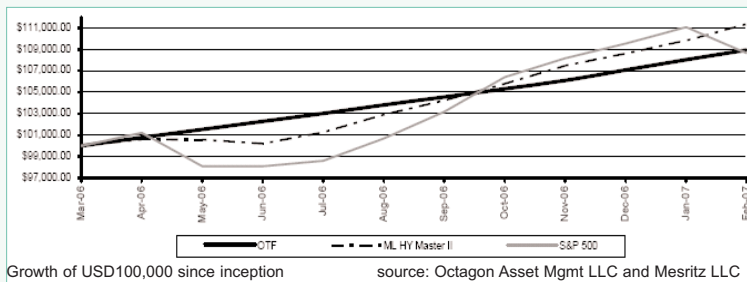


TRANSPORTATION



Octave Transportation Fund

Focus: the fund invests in asset-backed loans, future-flow financings, secured bridge loans or mezzanine debt, preferred stock, equity, equity-derivatives, equity kickers, warrants, and options of companies in the transportation sector that generate consistent and dependable cash flows derived from railcars, ocean vessels, aircraft etc.

Strengths: experience in asset securitisation and in the transportation sector (the fund is jointly managed by Octagon Asset Management, LLC and Mesritz, LLC); conservatively managed to deliver consistent, non-correlated returns

Weaknesses: the portfolio is still small and fairly concentrated;

launched in April 2006, a key challenge is matching the extensive transaction pipeline with investor liquidity

Opportunities: the proliferation of global trade and commerce provides a deep and promising pipeline of investment opportunities in a niche sector

Threats: characterised by complex financial structures as multiple parties are involved - hence requires a thorough understanding and ability to manage counterparty and transactional risks; securitisation structures in the transportation sector tend to have longer durations

Risk

☐ = low ☐ = low/moderate ☐ = moderate ☐ = moderate to high ☐ = high

What according to you is the most significant risk?

Fraud - in order to diminish this risk, the manager performs thorough due diligence on all the counterparties involved in the transaction

Ability to identify securities of companies in the global transportation sector:

☐☐☐☐☒

Ability to extract value from transportation assets:

☐☐☐☐☒

Ability to manage credit risk posed by debt securities:

☐☐☐☐☒

Expertise in evaluating creditworthiness of the debt security issuer:

☐☐☐☒☐

Ability to evaluate integrity of the underlying transportation asset:

☐☐☐☒☐

Expertise in the valuation of collateral (securities backed by transportation assets):

☐☐☐☐☒☐

Ability to recover full value of collateral in case of a default:

☐☐☒☐☐

Importance allocated to reviewing documentation:

☐☐☐☐☒

Event risk:

☐☐☒☐☐

Counterparty risk pertaining to over the counter and inter-dealer markets:

☐☐☐☐☐

Currency risk:

☐☐☐☐☐

Leverage used:

☐☐☐☐☐

Performance Parameters

☐ = insufficient ☐ = adequate ☐ = satisfactory ☐ = good ☐ = outstanding

Securities currently held in the portfolio: 2

Efficiency in putting investor capital to work: ☐☐☐☐☐

Access to "deal flow": ☐☐☐☐☐

Ability to source securities with:

Varying maturities(avg.2 years): ☐☐☐☐☐

In different transportation sectors: ☐☐☐☐☐

Ability to perform in a rising, falling and sideways trending markets: ☐☐☐☐☐

Ability to sustain performance in a falling interest rate environment: ☐☐☐☐☐

Avg. annual correlation to equities, bonds, hedge funds as an asset class: non correlated

Since inception, consistency in delivering targeted returns: ☐☐☐☐☐

Outlook

↑ upside potential ↗ upside to range bound ↔ range bound ↘ range bound to down ↓ downside

Barriers to entry: high - transaction structuring expertise, network of relationships in the global transportation sector

Outlook on investing in global transportation securities: ↑

Scope of investing in a global transportation security fund: ↑

Ability to guard niche/uniqueness: fairly high

Threat of competition: moderate

Your outlook on the fund being able to deliver the targeted returns over the next:

1 year: and over 3-5 years: fairly high

What is the maximum capacity of AuM for the fund: currently unconstrained

Fund would show a relative outperformance: when economic dislocations occur

Investment Insights

This fund is primarily targeted at: institutional investors

Funds USP: sector diversification

Suited to those looking for: steadiness of returns with low volatility and low correlation to other asset classes

To optimise returns you recommend an average holding period min. of 24 months

Geographic restrictions: fund has a master feeder structure

Fund's base currency and other currencies this fund is available in: USD

Fund complexity for an investor: low/ moderate

Transparency provided to investor: high

Registered with: Octagon Asset Management, LLC the investment advisor for the Octave Transportation Fund, is registered as an investment advisor with the SEC