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Form ADV, Part 2A

This Brochure provides information about the qualifications and business practices of BLX Group LLC. If you have any questions about the contents of this Brochure, please contact us at 213-612-2200 or csixtos@blxgroup.com. 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 BLX Group LLC is also available on the SEC's website at www.adviserinfo.sec.gov. BLX Group LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Item 2 Material Changes

On an ongoing basis, this item will discuss only specific material changes that are made to this Brochure and provide BLX clients with a summary of such changes. We will further provide you with a new Brochure, as necessary, based on changes or new information, at any time, without charge.

The following material changes have been made to this Brochure since our last annual update dated March 27, 2017:

- In June 2017, BLX withdrew from SEC registration as an investment adviser and registered with the State of California as an investment adviser.
- On March 16, 2018, we changed our firm's main office location from Suite 800 to Suite 3200 as listed on the cover page of this brochure.

Our Brochure may be requested by contacting Cynthia Q. Sixtos at 213-612-2200 or via email at csixtos@blxgroup.com. Additionally, our Brochure is available on our website at www.blxgroup.com, also free of charge.

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Item 4 Advisory Business

BLX Overview

BLX Group LLC ("BLX") offers consulting and advisory services, primarily to state and local governments and other issuers of tax-exempt debt obligations. The services are managed in two business groups:

- 1) Advisory Services, including debt advisory services, swap advisory services, and investment advisory services,
- 2) Compliance Services, including arbitrage rebate reporting, secondary market disclosure, and other post issuance compliance services for purposes of complying with Federal tax and other regulatory rules, and program administration services for structured bond and loan transactions.

On March 31, 2016, BLX sold its portfolio management business to another registered investment adviser (the "Buyer"). This transaction provided portfolio management clients access to a larger group of professionals with a similar focus on the needs of municipal entity clients.

BLX was incorporated as Bond Logistix LLC in 2000 as a subsidiary of the law firm Orrick, Herrington & Sutcliffe LLP ("Orrick"). From 1989 until 2000, the business operated as the Financial Services Group within Orrick focused on providing arbitrage rebate analysis. In 2010, the corporate name was changed to BLX Group LLC. Orrick continues to be the sole owner of BLX Group LLC.

Advisory Services

BLX provides consulting and financial advisory services related to the issuance and management of debt and the utilization and management of derivatives for hedging interest rate and other risks. BLX also provides non-discretionary investment advisory and bidding agent services in connection with structured products such as guaranteed investment contracts, defeasance escrow portfolios, and similar arrangements.

Debt Advisory Services

BLX provides financial advisory services to issuers and obligated persons issuing tax-exempt debt, BLX also provides services to banks, trusts, charitable organizations, corporations or other business organizations to the extent that these entities are participants in debt transactions with state and local governments or other conduits that enable these organizations to obtain funding on a tax-exempt basis.

Swap Advisory Services

BLX provides advisory, monitoring and reporting services for issuers and obligated persons who have entered into or are interested in using interest rate swaps or similar arrangements. Swap advisory services include swap policy development, swap structuring and documentation, valuation of the pros and cons of proposed transactions and independent valuation and pricing services. Swap monitoring and reporting services include web-based swap portfolio tracking, preparation of hedge effectiveness and fair value reports under FASB and GASB, and customized periodic reporting services.

Investment Advisory Services

BLX provides advice and bidding agent services with regard to investment arrangements generally known as "Structured Products" in which investment counter-parties are selected through a competitive bid process. Such arrangements include, but are not limited to Guaranteed Investment Contracts, Flexible-Term Repurchase Agreements, and Forward Purchase and Sale Agreements. BLX also provides bidding services for open-market securities that are used to defease outstanding bond obligations.

Advisory services are tailored to clients in consideration of significant restrictions imposed by governing by-laws or state laws. Investments of bond proceeds are usually subject to both legal restrictions and constraints identified in the bond's associated documents. BLX takes these constraints into account when working with clients.

BLX provides consulting services related to securities but does not provide regular or continuous oversight of accounts. BLX no longer provides portfolio management services and does not participate in any wrap fee programs.

Compliance Services

BLX provides consulting services to municipalities and other tax-exempt debt issuers involving areas such as arbitrage rebate compliance services, continuing disclosure services and general post-issuance technical and administrative services. Fees for these services are separately negotiated with individual clients and are in addition to fees associated with BLX's investment advisory services.

Arbitrage Rebate Compliance Services

BLX provides ongoing comprehensive arbitrage rebate compliance reporting and consulting services to approximately 1,000 municipalities. These services assist state and local governments with their efforts to comply with the federal arbitrage restrictions, thereby protecting the tax-exempt status of its debt instruments. Federal tax law prohibits issuers of tax-exempt debt instruments from retaining any investment or "arbitrage" profit from investments purchased with monies derived from such instruments. Therefore, under complex regulations provided by the U.S. Treasury and enforced by the Internal Revenue Service, issuers of tax-exempt debt instruments (i.e., municipalities) must rebate any arbitrage profit as a condition of maintaining the tax-exempt status of such instruments.

SEC Continuing Disclosure Service

SEC Rule 15c2-12 requires that underwriters cannot underwrite municipal debt unless the issuer of such debt contractually agrees to meet certain public disclosure requirements. BLX assists issuers with the monitoring, reporting, and dissemination services required to meet their disclosure obligations. In addition, BLX assists underwriters in reviewing an issuer's evidence of compliance under their continuing disclosure agreements over the past five years.

Post Issuance Technical/Administrative Services

BLX provides a variety of technical and administrative post issuance services to municipal issuers, investment bankers, law firms, corporate trustees, and financial advisers. These services include complex debt restructuring, cash flow and investment analyses, and miscellaneous reporting services.

Municipal Advisor Registration

Certain BLX business activities described above constitute "municipal advisory" activities, as that term is defined by the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010. Therefore, in 2010, BLX registered with the Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB") as a municipal advisor.

Assets Under Management

BLX Group has no regulatory assets under management. BLX provides bidding agent services including acquiring portfolios of escrow defeasance securities and structured product investments associated with tax-exempt bond financings. In addition, BLX provides swap and derivatives advisory services.

Item 5 Fees and Compensation

The specific manner in which fees for Investment Advisory Services are charged by BLX is established in a client's written agreement with BLX. Investment Advisory Services fees are negotiated with the client as a fixed fee or on an hourly basis. Under fixed fee arrangements, BLX's proposes fees that are based on the estimated amount of work, complexity of the transaction, the value proposition of any innovative ideas or opportunities presented by BLX, and any other factors that may be applicable on a case by case basis. Fees may also be based on a percentage of the principal amount or market value of the transaction or assets subject to advisement. Fee arrangements may be success based, and payable to BLX only upon closing of the transaction. In such cases, at the client's request, the fee may be paid, on behalf of the client, by the investment provider thereby affecting the yield or return to the client. All fees paid to BLX in connection with a transaction are disclosed to the client. Lower fees for comparable services may be available from other sources.

The relationship between BLX and its investment advisory clients may be terminated by either party upon no more than 30 days written notice. Fees for Investment Advisory Services are payable in arrears or upon closing of an associated transaction and therefore, are not refundable.

BLX's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by other parties involved in a transaction and incurred by the client. Costs and expenses may include charges imposed by custodians, brokers, and other third parties, including, but not limited to, fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such costs, fees and commissions are exclusive of and in addition to BLX's fee, and BLX shall not receive any portion of these commissions, fees, and costs.

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

BLX does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client portfolio).

Item 7 Types of Clients

BLX investment advisory clients include municipal governments, other municipal entities and non-profit corporations or foundations, including hospitals, schools, colleges, museums and cultural institutions that have raised funds through the issuance of tax exempt debt obligations. The firm does not maintain any strict minimums on transaction size to provide investment advisory services, but evaluates each engagement on a case-by-case basis.

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

BLX's approach in providing investment recommendations and analyses typically may include:

- A review and analysis of the client's existing investment policies, indenture structures, procedures, guidelines and specific circumstances.
- Review the mechanics of the subject bond issue(s), then determine available investment alternatives based on legal parameters set forth in relevant policies, statutes, or bond documents.
- Consideration of relevant information such as sources and expected use of proceeds, arbitrage yield, and existing arbitrage rebate liability (if any).
- Preparation of prospective earnings and arbitrage rebate cashflow models (when appropriate).
- Preparation of an investment recommendation that identifies the pros and cons of the available investment strategies.
- Execution and proper documentation of the chosen strategy within so-called "safe harbor" requirements of the Treasury Regulations to the extent possible.

For escrow portfolios, BLX works to structure and procure open market portfolios in an efficient and cost effective manner, with a focus on transparency, documentation, and compliance with applicable Treasury regulations. If applicable, the earnings benefit of the open market securities portfolio as compared to the cost of a portfolio of State and Local Government Series securities ("SLGS") is presented to the client.

BLX utilizes specialized optimization software to evaluate the potential earnings benefit of incorporating open-market securities into the escrow portfolio. In addition to evaluating the cost and cashflow efficiency differences between permitted open-market securities and SLGS, the system generates reports which BLX can link to real-time pricing sources for purposes of monitoring expected portfolio costs. In addition, BLX team members consult with financing team members regarding the timing of economic data releases, Treasury financing activities, and Federal Reserve open market operations that may affect market conditions, dealer availability, and the open-market security bidding process. To conduct the competitive procurement process, BLX utilizes BLXBID® a proprietary web-based bidding platform. Each bid submitted via BLXBid is electronically "sealed" and known only to the bidder until the auction is closed. During the auction period, clients and financing team members are able to view the number of bids received in real time. Upon completion, the bid contents are automatically tabulated and presented to BLX and the client for review. Moreover, BLXBid provides clients with ongoing on-line access to their transaction records to ensure more efficient record-keeping and compliance.

BLX also undertakes a competitive bid process on behalf of our clients to acquire structured product investments, including but not limited to, collateralized and uncollateralized investment agreements, forward delivery agreements, and repurchase agreements. The process for acquiring structured products will generally mirror the process used for procuring securities portfolios.

Along with identifying appropriate safety, liquidity, and yield characteristics of a candidate structured product, the firm has the tax regulatory expertise to build prospective arbitrage rebate models that rigorously compare alternative investments, accounting for the additional costs and benefits of options that can be incorporated into the structure of the investment.

Risk of Loss

All investment programs have certain risks that are borne by the investor. While BLX's investment approach seeks to control risks as with all investments, clients face investment risks which depending on individual circumstances may include the following: Loss of Principal Risk, Interest-rate Risk, Credit Risk, Market Risk, Inflation Risk, Reinvestment Risk, Business Risk, Liquidity Risk, Currency Risk, and Financial Risk. Clients should be aware that investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BLX or the integrity of BLX's management. BLX Group LLC has no information applicable to this Item. Neither BLX nor any of its employees have been subject to regulatory disciplinary action.

Item 10 Other Financial Industry Activities and Affiliations

Corporate Affiliations

Orrick, Herrington & Sutcliffe, LLP - the firm of Orrick is the sole owner of BLX. BLX and Orrick maintain an arrangement wherein complementary services may be referred by one to the other. Any services provided by the other will be fully disclosed and consented to in writing by the client. Orrick provides office space and certain administrative, financial and legal services to BLX pursuant to service agreements between the two firms. While these related entities and/or their representatives may refer their customers to each other for related services, neither will be compensated above their usual respective fees. BLX's management reports to a management committee consisting of three Orrick partners. These partners are responsible for monitoring and advising BLX on its risk management and operating procedures to ensure that the highest ethical standards are maintained in all of BLX's business activities.

Neither BLX or any of its management persons are currently registered as a broker-dealer or a registered representative of a broker-dealer.

Neither BLX or any of its management persons are currently registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Municipal Advisor Activity

BLX is registered as a municipal advisor with the Municipal Securities Rulemaking Board (MSRB). BLX engagements that are typically subject to the municipal advisor rules include all Debt Advisory service types and all Structured Products (SP) engagements except for "Investment Advisory Services" and "Escrow Bidding Services-GIC" and "Swap Monitoring" engagements. The Structured Products engagements that are not considered to be Municipal Advisor engagements are conducted pursuant to BLX's investment adviser registration.

Investment Advisory Referrals

BLX may solicit potential investment advisory clients on behalf of the investment advisory firm that purchased BLX's portfolio management business and will receive a portion of the management fees paid by referred clients. This creates a conflict of interest because BLX may have an incentive to refer clients because of the fees to be received. However, when referring clients pursuant to this agreement, the client's best interest will be the main determining factor. This relationship is further described in Item 14, Client Referrals and Other Compensation.

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

BLX maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the Securities and Exchange Commission. BLX has adopted a Code of Business Conduct and Ethics ("Code of Ethics") for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. This Code of Ethics applies to each employee of the Company. It is designed to ensure compliance with legal requirements and the Company's standards of business conduct. The Code of Ethics includes provisions relating to expected standards of conduct, ethical business practices, protection of proprietary and confidential information, managing real or potential conflicts of interest, and prohibition against insider trading. All supervised persons at BLX must sign an acknowledgement, acceptance, and understanding of the terms of the Code of Ethics, annually.

BLX's Code of Ethics and Written Supervisory Procedures are designed to reasonably ensure that securities transactions by BLX employees are consistent with BLX's fiduciary duty to its clients and to ensure compliance with legal requirements and BLX's standards of business conduct. The Code of Ethics and our Written Supervisory Procedures prohibit employees from trading for employee-related accounts based on information learned from customers and require transaction confirmation and quarterly reporting of all personal securities transactions.

BLX does not trade or invest in securities for its own account or for the accounts of employees, managers or related persons of the firm and does not recommend to clients, or buy or sell for client accounts, securities in which BLX or a related person has a material financial interest.

A written copy of BLX's Code of Ethics is available upon request by contacting Cynthia Sixtos at 213-612-2200 or csixtos@blxgroup.com.

Item 12 Brokerage Practices

It is BLX's duty to seek the best overall execution of transactions for client transactions consistent with the firm's judgment as to the financial soundness of the various broker-dealers (i.e., based on credit ratings) and business qualifications to effectively and efficiently execute, report, clear and settle the order, and accurately communicate with BLX and the client. BLX's approach to seeking best execution for securities bids focuses on conducting bidding processes that provide an equal opportunity for at least three bidders to participate on each transaction. Although BLX always strives to obtain three or more bids, under certain market conditions or for certain investment products this may not be possible.

BLX is not a party to any soft dollar arrangements whereby an executing broker-dealer provides or purchase on BLX's behalf investment research materials or brokerage-related services known as "soft dollar" products or services (such as economic and market information, portfolio strategy advice,

research conferences, periodical subscription fees, performance measurement data, online pricing, news wire charges, quotation services, computer hardware and software) in exchange for BLX directing trade executions to that broker-dealer. BLX's only consideration in the selection of broker-dealers is achieving the most favorable execution for our clients.

BLX does not use client brokerage to compensate or otherwise reward brokers for client referrals.

BLX does not routinely recommend, request, or require that clients direct it to execute transactions through a specified broker-dealer.

BLX advisory engagements are usually one-time transactions where each client has unique investment constraints and timing requirements. Therefore, it is not appropriate for BLX to aggregate orders.

Item 13 Review of Accounts

BLX does not regularly review client accounts since it does not provide continuous management of client accounts.

Item 14 Client Referrals and Other Compensation

Client Referrals

BLX entered into a solicitation agreement whereby BLX may solicit potential investment advisory clients on behalf of the investment advisory firm that purchased BLX's portfolio management business. At the time of any solicitation activities, BLX shall provide each client with copies of Part 2A of the advisory firm's Form ADV, and a copy of the Solicitor Disclosure Statement that describes the solicitation relationship and compensation that BLX may receive. BLX will, on a periodic basis, take reasonable steps to ensure this investment advisory firm is properly licensed and registered as an investment adviser.

BLX will receive a portion of the management fees recognized during the first two years of the relationship. This situation creates a conflict of interest because BLX may have an incentive to refer clients because of the fees to be received by us. However, when referring clients pursuant to this agreement, the client's best interest will be the main determining factor.

BLX does not currently engage any solicitors. However, BLX may pay a referral fee to a solicitor for introducing a client to BLX. BLX will pay such referral fees in accordance with the rules set forth in California CCR 260.236(c)(2). The solicitor must be registered as an investment adviser representative by filing Form U-4 and the applicable reporting fee with CRD. Any such referral fee shall be paid solely from BLX's investment advisory fee, and shall not result in any additional charge to the client. If the client is introduced to BLX by a solicitor, the solicitor shall provide the client with a copy of BLX's Form ADV Part 2A and a copy of the disclosure statement between BLX and the solicitor containing the terms and conditions of the solicitation arrangement, including compensation.

Economic Benefit

BLX does not receive any economic benefit, such as sales awards or other prizes, for providing investment advice or other advisory services.

Item 15 Custody

BLX does not have custody of client funds or securities.

Item 16 Investment Discretion

BLX does not accept discretionary authority to manage security accounts on behalf of clients. In addition, BLX does not accept trading authorization to trade on behalf of clients.

Item 17 Voting Client Securities

Since BLX is not providing ongoing investment management services, BLX will not take any action or render any advice in reference to the voting of proxies for those securities held in any client accounts. BLX does not receive proxy materials or other solicitations on behalf of clients. Any proxies or other solicitation materials relating to securities held by clients will be received by the client's custodian or a transfer agent. Clients should contact the provider of any proxy or solicitation or other advisors regarding any questions related to voting client securities.

Item 18 Financial Information

BLX does not have any financial commitments that impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

BLX does not require or solicit advisory clients for prepayment of more than \$500 in fees per client, six months or more in advance.

Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice that is not already disclosed above.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings, or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

State of California Required Disclosures

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.