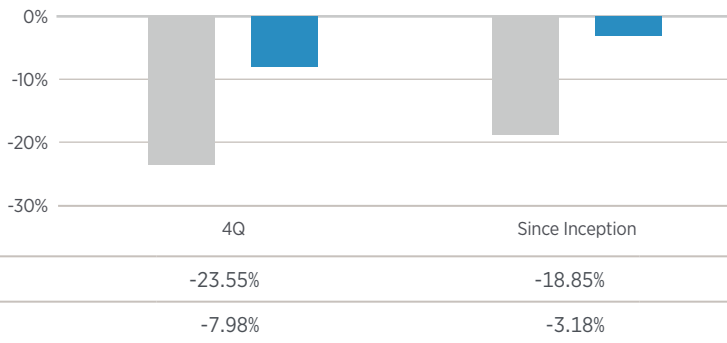


Objective and Investment Strategy

The Trust's investment objective is to seek attractive total return with an emphasis on income generation across multiple stages of the credit cycle. The Trust's investment portfolio is comprised largely of floating-rate credit instruments and other structured credit investments, which XA Investments LLC and Octagon Credit Investors, LLC, expect to perform well in a rising interest rate environment. The Trust's assets are managed opportunistically primarily within private below investment grade credit markets including:

- Senior secured floating-rate loans;
- Structured credit (CLO debt and CLO equity);
- Opportunistic credit (long/short credit investments and stressed credits).

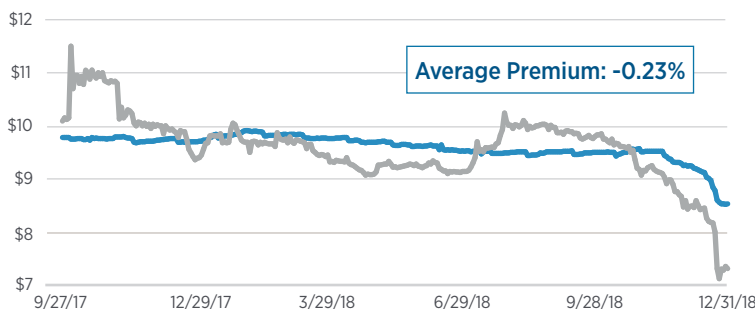
Total Returns¹



Share Price and NAV History²

Since inception (9/27/17-12/31/18)

— Share Price
— NAV



Past performance is no guarantee of future results.

Source: CEF Advisors

All data is as of 12/31/2018 unless otherwise noted

¹ Represents total return for the period. The returns are net of fees and expenses applicable to the Trust.

² "Share Price" means the closing price on the NYSE of the shares of the Trust on NYSE trading days. "NAV" means the net asset value of the Trust as of the end of each such day. "Average Premium" means the amount by which the Share Price exceeds the NAV on average over the period.

³ Regulatory Leverage consists of preferred shares or debt issued by the Trust. Both of these are part of a trust's capital structure. Regulatory Leverage is sometimes referred to as 40 Act Leverage and is subject to asset coverage limits set in the Investment Company Act of 1940. Leverage includes both Regulatory leverage and the leverage effects of certain derivative investments in the Trust's portfolio that increase the Trust's investment exposure.

⁴ Effective leverage measures the extent to which the return and risk of an investment in a trust's shares is magnified through the use of certain forms of leverage.

⁵ "Average cost of leverage" means total interest payable on leverage for the period over the total principal balance of the leverage facility during the period.

⁶ Distribution rates represent the latest declared regular distribution, annualized, relative to the market price and NAV as of quarter end.

⁷ The Trust expects that distributions paid will consist primarily of (i) investment company taxable income, which includes ordinary income and the excess, if any, of net short-term capital gain over net long-term capital loss, and (ii) net capital gain (which is the excess of net long-term capital gain over net short-term capital loss). To permit the Trust to maintain more stable monthly distributions, the Trust may distribute more or less than the amount of the net investment income earned in a particular period. There is no assurance the Trust will continue to pay regular monthly distributions or that it will do so at a particular rate. Distributions may be paid by the Trust from any permitted source and, from time to time, all or a portion of a distribution may be a return of capital. The Trust estimates that the most recent distribution declared during the period consisted of 100% investment income, 0% realized short term capital gains and 0% return of capital. This information is not for tax reporting purposes. Common shareholders in the Trust should refer to their Form 1099-DIV for the tax treatment of such distribution.



TRUST BASICS

CUSIP 98400T106

Price ticker symbol XFLT

NAV ticker symbol XFLT.X

Inception date September 27, 2017

CAPITAL STRUCTURE

Total managed assets

Approximately \$105 million

Common shares outstanding

8,349,459 shares

Average daily volume

34,274 shares

Total regulatory leverage percent³

32.04%

Effective leverage percent⁴ 32.04%

Average cost of leverage⁵ 3.40%

KEY INFORMATION REGARDING DISTRIBUTIONS^{6,7}

Current Distribution (Monthly) \$0.0690

Distribution Rate on NAV 9.71%

Distribution Rate on Market Price 11.33%

TOTAL DISTRIBUTIONS PAID PER SHARE

YTD \$0.828

Inception to Date \$0.966

Portfolio Management

Octagon Credit Investors, LLC, is a leading below-investment grade credit investor with \$21.4 billion of assets under management (as of 12/31/18). Octagon is the investment sub-advisor to the Trust and has a 20+ year track record managing institutional client credit portfolios. The investment team is a cohesive, experienced and deep bench of 29 professionals, highlighted by a 6-member senior investment committee that has worked together for over 15 years across multiple credit cycles. Over the past two decades, senior team members have been active participants in the CLO market and have built a substantial network enabling efficient industry navigation and an ability to properly evaluate and invest in CLOs. In this time Octagon has also developed a repeatable and scalable credit selection and investment process driven by an investment philosophy centered around relative value. It is this philosophy that informs the team's active management style and is the basis for Octagon's rigorous fundamental credit analysis, a strict awareness of target risk profiles and ongoing portfolio optimization.

All data is as of 12/31/2018 unless otherwise noted.

Risk Considerations Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Trust's investment objective will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. Senior Loans may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. Lower credit debt securities may be more likely to fail to make timely interest or principal payments. Leverage increases return volatility and magnifies the Trust's potential return and its risks; there is no guarantee a trust's leverage strategy will be successful. The Trust's shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. **Past performance is no guarantee of future results.** An investment in this Trust presents a number of risks and is not suitable for all investors. Investors should carefully review and consider potential risks before investing. These and other risk considerations are described in more detail on the Trust's web page at www.xainvestments.com.



Asset Allocation

First Lien Loans	39.46%
CLO Equity	32.76%
CLO Debt	13.74%
Second Lien Loans	7.52%
High Yield	2.29%
Net Other Assets	4.23%

Total may not add up to 100% due to rounding. Holdings may vary and are subject to change without notice.

Trust Characteristics

Number of Holdings	146
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Top 5 Holdings

Holding	Percent of Portfolio
Ares, Ltd. 2017-46A	3.44%
RR 1, LLC 2017-1A	3.22%
Madison Park Funding, Ltd. 2015-18 A	3.17%
Apidos 2017-28A	2.68%
OZLM, Ltd. 2017-19A	2.50%

Holdings may vary and are subject to change without notice. The holdings above are all CLO Equities.

Annual Expense Ratio

Annual Expenses	As a percentage of net assets attributable to common shares ¹	As a percentage of managed assets
Management fees	2.52%	1.70%
Interest on borrowed funds	1.85%	1.25%
Other expenses		
Investor support and secondary market support services fee	0.30%	0.20%
Other	1.21%	0.82%
Total annual expense	5.88%	3.98%
Fee waiver ²	-0.77%	-0.52%
Total annual expense after fee waiver	5.12%	3.46%

Expenses shown in the table are based on actual expenses of the Trust for the three months ended December 31, 2018, and the Trust's average managed assets and average net assets for the three months ended December 31, 2018. Common shareholders bear the expenses of the Trust, including the management fee, which is calculated on the basis of the Trust's Managed Assets, including proceeds from leverage, and the cost of leverage, as shown in the column "As a Percentage of Net Assets Attributable to Common Shares" above. As of December 31, 2018, the Trust had outstanding leverage equal to 32.04% of the Trust's Managed Assets. See the Trust's Annual Report for full information on expenses.

¹ Common shareholders will pay the expenses set forth in this column.

² Contractual waiver is in effect through September 27, 2019.