

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
XAI OCTAGON FLOATING RATE & ALTERNATIVE INCOME TRUST		82-2305867	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
PARALEL TECHNOLOGIES LLC	877-561-8664		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
1700 BROADWAY, SUITE 1850		DENVER, CO 80290	
8 Date of action		9 Classification and description	
09/30/2024		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
98400T106		XFLT	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHED STATEMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE AMOUNT SHOWN AS RETURN OF CAPITAL IN THE ATTACHED STATEMENT REPRESENTS A REDUCTION OF THE SHAREHOLDER'S TAX BASIS IN THE SHARES HELD

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ EARNINGS AND PROFITS WERE CALCULATED AS OF SEPTEMBER 30, 2024. A PORTION OF THE CASH DISTRIBUTIONS PAID DURING THE FISCAL YEAR WERE DETERMINED TO BE IN EXCESS OF THE TAXABLE INCOME AND THEREFORE A RETURN OF CAPITAL.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
 PURSUANT TO IRC SECTION 301(C)(1), THE PORTION OF A DISTRIBUTION WHICH IS A DIVIDEND (AS DEFINED UNDER IRS SECTION 316)
 IS INCLUDABLE IN GROSS INCOME. PURSUANT TO IRC SECTION 301(C)(2), THE PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND
 SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED BASIS OF THE STOCK

18 Can any resulting loss be recognized? ► NOT APPLICABLE TO THIS TRANSACTION AS NO LOSS WOULD BE RECOGNIZED ON THE
 RETURN OF CAPITAL DISTRIBUTION. THE SHAREHOLDER'S COST BASIS SHOULD BE ADJUSTED TO REFLECT THE RETURN OF CAPITAL
 WHICH MAY AFFECT THE GAIN OR LOSS REALIZED UPON THE DISPOSITION OF THE SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
 PURSUANT TO IRC SECTION 6045, AS AMENDED BY THE EMERGENCY ECONOMIC STABILIZATION ACT OF 2008, BROKERS ARE REQUIRED TO
 REFLECT THESE ADJUSTMENTS IN THE COST BASIS REPORTING FOR COVERED SECURITIES. IF A BROKER IS NOT REQUIRED TO PROVIDE COST
 BASIS TO A PARTICULAR SHAREHOLDER, THE COST BASIS OF THE SHAREHOLDER'S SHARES SHOULD BE ADJUSTED AS OF THE DIVIDEND
 DATE TO REFLECT THE RETURN OF CAPITAL DESCRIBED ABOVE.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► **A SIGNED COPY OF THIS FORM IS MAINTAINED AT THE OFFICES OF THE TAXPAYER**

Print your name ► **DEREK MULLINS** Title ► **PRINCIPAL FINANCIAL OFFICER**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ►	Firm's EIN ►			
	Firm's address ►	Phone no.			

PART II, QUESTION 14:

THE CORPORATION DECLARED THE FOLLOWING DISTRIBUTIONS TO SHAREHOLDERS DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2024 THAT RETURN OF CAPITAL WAS APPLICABLE.

DETAIL OF EACH DISTRIBUTION MADE IS DESCRIBED BELOW:

CLASS	CUSIP NUMBER	TICKER SYMBOL	RECORD DATE	EX-DATE	PAYABLE DATE	AMOUNT	TAXABLE DIVIDEND AMOUNT	RETURN OF CAPITAL AMOUNT
Institutional	98400T106	XFLT	1/16/2024	1/12/2024	2/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	2/15/2024	2/14/2024	3/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	3/15/2024	3/14/2024	4/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	4/15/2024	4/12/2024	5/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	5/16/2024	5/15/2024	6/3/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	6/17/2024	6/17/2024	7/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	7/15/2024	7/15/2024	8/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	8/15/2024	8/15/2024	9/3/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Institutional	98400T106	XFLT	9/17/2024	9/17/2024	10/1/2024	\$ 0.085000	\$ 0.058369	\$ 0.026631
Totals						\$ 0.765000	\$ 0.525321	\$ 0.239679