

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name XAI Octagon Floating Rate & Alternative Income Trust		2 Issuer's employer identification number (EIN) 82-2305867	
3 Name of contact for additional information XA Investments LLC	4 Telephone No. of contact 888-903-3358	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 321 North Clark Street, Suite 2430		7 City, town, or post office, state, and ZIP code of contact Chicago, IL 60654	
8 Date of action 03/20/2026		9 Classification and description 1-for-5 reverse stock split of common shares of beneficial interest	
10 CUSIP number 98400T304	11 Serial number(s)	12 Ticker symbol XFLT	13 Account number(s)

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 ▶ **On March 20, 2026, XAI Octagon Floating Rate & Alternative Income Trust (the "Trust") effected a 1-for-5 reverse stock split of its common shares of beneficial interest (the "Common Shares"). As a result of the reverse stock split, every five (5) issued and outstanding Common Shares were combined into one (1) Common Share. No fractional shares were issued in connection with the reverse stock split. A shareholder who would otherwise have been entitled to receive a fractional share received cash in lieu of such fractional share. and was deemed for federal income tax purposes to have received and then immediately sold such fractional share for cash. In addition, the CUSIP number changed from 98400T106 to 98400T304.**

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 reverse stock split did not change a shareholder's aggregate tax basis in their Common Shares. A shareholder's aggregate tax basis in the Common Shares held immediately prior to the reverse stock split is allocated to the Common Shares received in the reverse stock split (including fractional shares deemed received and sold). As a result, the tax basis of each post-split Common Share generally equals five (5) times the tax basis of each pre-split Common Share (assuming a uniform basis per share prior to the reverse stock split).**

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 ▶ **Shareholders that have acquired different blocks of common stock at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among, and the holding period of, that common stock.**

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
Applicable Internal Revenue Code sections are 354(a), 358(a), 368(a), 1001 and 1012.

18 Can any resulting loss be recognized? ▶ The reverse stock split is intended to be recapitalization for U.S. federal income tax purposes. No gain or loss is recognized by a shareholder as a result of the reverse stock split, except with respect to cash received in lieu of a fractional share. Shareholders should consult with their tax professional with respect to any tax consequences resulting from the reverse stock split.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The holding period of the Common Shares received in the reverse stock split relates to the 2026 taxable year.

Pre-transaction CUSIP 98400T106

Post-transaction CUSIP 98400T304

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.

Sign Here

Signature ▶

Print your name

Print/

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

Paid Preparer Use Only

Firm's name ▶

Firm's address ▶

Firm's EIN ▶

Phone no.