



XFLT

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XAI Octagon Floating Rate & Alternative
Income Term Trust (the “Trust” or “XFLT”)

Quarterly Webinar

December 2, 2021 at 11:00am Eastern

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Consider the investment objective, risks, charges and expenses of the Trust carefully before investing. An investment in the Trust involves risks and is not appropriate for all investors and is not intended to be a complete investment program. For a summary of the risks associated with an investment in the Trust please see the “XFLT Risk Considerations” beginning on page 51 of this presentation. The Trust is a diversified, closed-end management investment company with limited history of operation. The Trust began operation on September 27, 2017. Shares of closed-end investment companies frequently trade at a discount from their net asset value. **Investors should read XFLT’s prospectus and SEC filings (which are publicly available on the EDGAR Database on the SEC website at <http://www.sec.gov>) carefully before investing in XFLT.**

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These materials contain forward-looking statements. Investors should not place undue reliance on forward-looking statements. Actual results could differ materially from those referenced in forward-looking statements for many reasons. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by the Investment Managers or any of their respective affiliates or any other person of the results that will actually be achieved by the Trust. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revision to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

Before We Begin

- Registrants will receive a link to the replay following the webinar. Feel free to share with colleagues.
- For additional information on CEFs, please see our website at xainvestments.com under the Knowledge Bank tab.
- Submit questions at any time during the presentation using the Questions box.

The screenshot displays a webinar interface. On the left, the XA Investments logo is shown above a large, stylized 'X' graphic. Below the logo, a disclaimer reads: "This presentation has been prepared by XA Investments LLC ('XA') in conjunction with Octagon Credit Investors, LLC ('Octagon') solely for information purposes and is not an offer to sell or the solicitation of an offer to buy an interest in any security. XA is affiliated with XMS Capital Partners, LLC, a FINRA member and SIPC member. NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE".

On the right, the GoToWebinar control panel is visible. It includes a menu with icons for chat, mute, and hand raise. The 'Audio' section shows 'Computer audio' selected, with a 'MUTED' indicator and a volume slider. Below the audio settings is a 'Questions' section with a dropdown arrow, a text input field containing a disclaimer, and a 'Send' button. At the bottom of the control panel, it shows the webinar title 'Collateralized Loan Obligations (CLO) Debt...', the ID 'Webinar ID: 558-380-139', and a recording indicator 'This session is being recorded.' along with the GoToWebinar logo.

Click arrow to open question box

Enter questions in this box

Today's Speakers



Gretchen Lam
Senior Portfolio Manager
Octagon Credit Investors, LLC

Ms. Lam is a member of Octagon's Investment Committee and serves as a Portfolio Manager across CLOs, Separately Managed Accounts and Commingled Funds. Ms. Lam oversees the Firm's Structured Credit (CLO debt & equity) investment strategies. Ms. Lam is also the Co-Chair of Octagon & Conning's Global DEI (diversity, equity, and inclusion) Council and a member of the Firm's ESG (environmental, social, and corporate governance) Committee.

Prior to becoming a Portfolio Manager, Ms. Lam oversaw Octagon's investments in the software, business services, finance & insurance, paper & packaging, gaming & lodging, homebuilding and real estate industries. She was also responsible for the structured credit exposure held in Octagon's CLO vehicles.

Prior to joining Octagon in 1999, Ms. Lam attended Babson College where she graduated Summa Cum Laude with a B.S. in Investments. She received her CFA Charter in 2006.



Kimberly Flynn
Managing Director
XA Investments LLC

Kimberly Flynn serves as Managing Director at XA Investments, a wholly-owned subsidiary of XMS Capital Partners. She is a partner in the firm and responsible for all product and business development activities.

Previously, Kim was Senior Vice President and Head of Product Development for Nuveen Investments' Global Structured Products Group. In her leadership role at Nuveen, Kim was responsible for asset raising activities through the development of new traditional and alternative investment funds including CEFs, ETFs, UITs and commodity pools.

Kim received her MBA degree from Harvard University and her BBA in Finance and Business Economics, Summa Cum Laude, from the University of Notre Dame in 1999. She received her CFA charter in 2005.

Questions & Topics for the Speakers

1. Can you give us a loan market update for the quarter ended September 30th? How has the loan market's performance continued into October and November?
2. How did the CLO market perform in the 3rd quarter?
3. We have seen record issuance this year for both loans and CLOs. Did this continue through the third quarter?
4. It's been a big year for loans and CLOs, also for XFLT, Kim, can you tell us about the growth of XFLT this year?
5. XFLT trading volume has continued to increase through 2021 as well, what do you think is driving this?
6. XFLT issued 400,000 preferred shares in a direct private placement in September, can you tell us about this transaction and what it means for the Trust?
7. What was trading activity like for loans and CLOs in the quarter? Can you describe the profile of the assets you were buying?
8. How did XFLT's CLO debt and CLO equity holdings perform in Q3?
9. What about resets on CLO equity, have they been a benefit to investors?
10. Inflation is a big topic as well; how does inflation affect a strategy like XFLT?
11. XFLT has traded at a significant premium since Q4 2020, what do you attribute this to?
12. Can you give us insight on how market volatility has affected loan & CLO activity recently?
13. What is your loan and CLO market outlook for 2022?

Octagon Credit Overview



CREDIT EXPERTS

- Exclusive focus is below investment grade credit since 1994. \$29.7bn¹ in AUM as of 10/31/2021

DISCIPLINED PROCESS

- Seasoned investment process rooted in fundamental credit and relative value analysis

PEOPLE

- Cohesive, experienced, cycle-tested investment team

EXPERIENCE

- More than 25+ year track record managing and investing in CLO securities

INSTITUTIONAL FOCUSED

- XFLT, launched in Sept. 2017, was Octagon's first strategy to be publicly available in a registered fund

1. Octagon AUM as of October 31, 2021

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Overview and Top 10 Holdings

As of 9/30/21

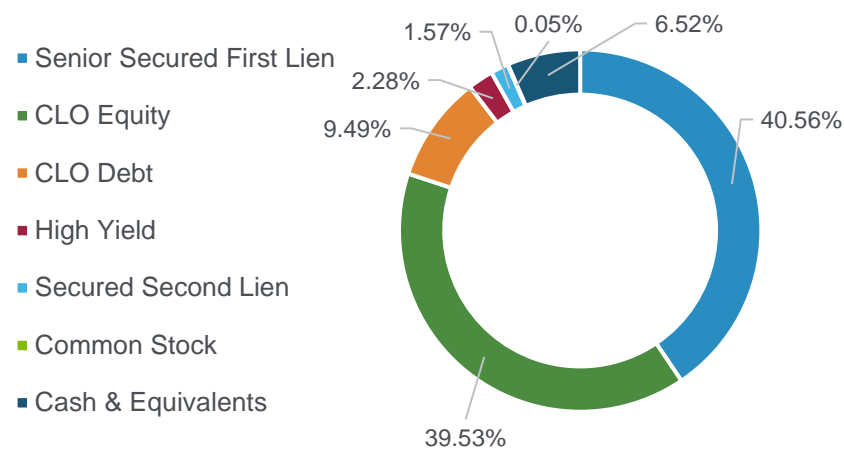
Summary Trust Characteristics

| | | | |
|---|---------------|--|-----------|
| Total Managed Assets | \$357 million | Current Distribution (monthly, as of 9/30/21) ³ | \$0.073 |
| Common Shares Outstanding | 26,674,283 | Distribution Rate on NAV ³ | 10.70% |
| Average Daily Volume (in shares) ¹ | 247,619 | Distribution Rate on Market Price ³ | 10.21% |
| Total Regulatory Leverage % | 38.71% | Number of Holdings (count) ² | 434 |
| Average Cost of Leverage % ¹ | 3.13% | Avg. Asset Price (% of par) ² | 94.9% |
| NAV (as of 9/30/21) | \$8.19 | Avg. Effective Maturity (years) ² | 7.94 |
| Market Price (as of 9/30/21) | \$8.58 | Fund Inception Date | 9/27/2017 |

Top 10 Holdings (as of 9/30/21)²

| Holdings | Asset Type | % Portfolio |
|--|------------|---------------|
| Webster Park CLO, Ltd. 2016-1A | CLO Equity | 1.72% |
| Anchorage Capital CLO 19, Ltd. 2021-19A | CLO Equity | 1.52% |
| Elmwood CLO VII, Ltd. 2020-4A | CLO Equity | 1.51% |
| Anchorage Capital Clo 13 LLC 2019-13A | CLO Equity | 1.50% |
| Recette Clo, Ltd. 2015-1A | CLO Equity | 1.44% |
| Madison Park Funding XXXVII, Ltd. 2019-37A | CLO Equity | 1.35% |
| Carbone Clo, Ltd. 2017-1A | CLO Equity | 1.31% |
| Elmwood CLO II, Ltd. 2019-2A | CLO Equity | 1.25% |
| Elmwood CLO I, Ltd. 2019-1A | CLO Equity | 1.23% |
| ALM 2020, Ltd. | CLO Equity | 1.17% |
| Total | | 14.00% |

Asset Allocation (as of 9/30/21)²



Unaudited. Source: XA Investments LLC; ALPS.

Note: (1) Quarter-to-date figures ending on 9/30/2021.

(2) Holdings are measured as a percentage of market value over the Trust's total portfolio investments as of 9/30/2021. Holdings may vary and are subject to change without notice.

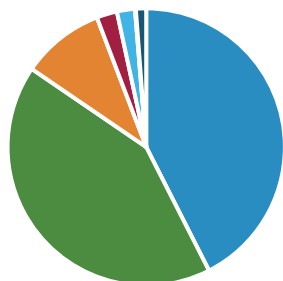
(3) Distribution rates are not performance and are calculated by summing the quarterly distributions per share over four quarters and dividing by the NAV or market price, as applicable, as of the latest quarter end. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. To date, a portion of common stock distributions has been estimated to be a return of capital as noted under the Investor Relations section on the Trust's website. The actual components of the Trust's distributions for U.S. tax reporting purposes can only be finally determined as of the end of each fiscal year of the Trust and are thereafter reported on Form 1099-DIV. The Trust's distributions for fiscal year ended 2021 comprised 89.19% net income and 10.81% return of capital. The Trust's distributions for fiscal year ending 2022 will be made available and reported to investors subsequent to the end of fiscal year 2022. A distribution comprised in whole or in part by a return of capital does not necessarily reflect the company's investment performance and should not be confused with "yield" or "income." Future distributions may consist of a return of capital. **Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.**

XFLT Portfolio Composition Over Time (as of 9/30/21)

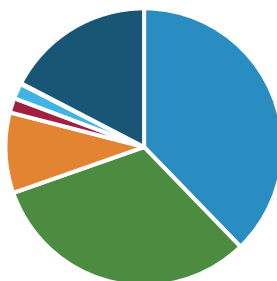
Octagon changes the portfolio mix in response to market opportunity

| Asset Allocation | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 |
|---------------------------------|------------|-----------|-----------|-----------|
| Senior Secured First Lien Loans | 42.6% | 37.8% | 42.7% | 40.6% |
| CLO Equity | 42.1% | 31.9% | 39.7% | 39.5% |
| CLO Debt | 9.7% | 9.4% | 9.8% | 9.5% |
| Secured Second Lien Loans | 2.4% | 1.7% | 2.3% | 2.3% |
| High Yield Bonds | 2.1% | 1.8% | 1.7% | 1.6% |
| Common Stock | 0.1% | 0.1% | 0.1% | 0.1% |
| Cash & Equivalents | 1.2% | 17.4% | 3.7% | 6.5% |

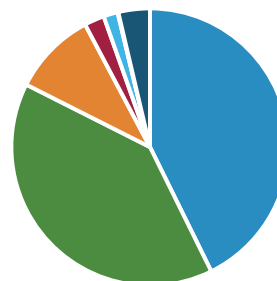
12/31/2020



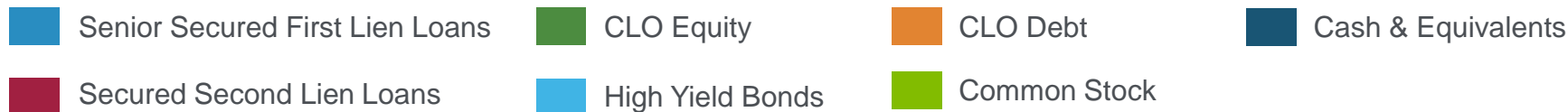
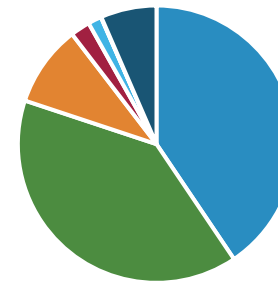
3/31/2021



6/30/2021



9/30/2021



Source: Octagon Credit Investors, LLC; ALPS

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XFLT Net Returns

Q3 2021 Performance Period: 7/1/21 to 9/30/21

XFLT Net Return Performance assumes dividends are reinvested. NAV returns reflect NAV decreases due to unrealized losses associated with model-driven valuation changes for CLO equity.

| | Inception | Q3 '21 | Current |
|--------------------|-----------|-----------|------------|
| Date | 9/27/2017 | 9/30/2021 | 11/29/2021 |
| Price | \$10.00 | \$8.58 | \$9.20 |
| NAV | \$9.78 | \$8.19 | \$8.29 |
| Premium / Discount | +2.2% | +4.8% | +11.0% |

| | 9/30/2021 | | 9/30/2021 | | 9/30/2021 | | Since Inception ¹ | |
|-----------|-----------|--------|-----------|--------|-----------|--------|------------------------------|--------|
| | Price | QTD TR | Price | YTD TR | Price | 1Y TR | Price | ITD TR |
| Price | \$8.58 | -7.78% | \$8.58 | 23.68% | \$8.58 | 59.63% | \$8.58 | 6.66% |
| NAV | \$8.19 | 4.04% | \$8.19 | 20.96% | \$8.19 | 39.14% | \$8.19 | 6.02% |
| Benchmark | | 0.98% | | 3.17% | | 6.66% | | 4.18% |

1. Annual total return as of 9/30/2021.

Source: Unaudited financials. XA Investments LLC; ALPS

Notes: Period returns shown net of fees and expenses.

The S&P/LSTA Leveraged Loan 100 Index is the Trust's benchmark. The index does not charge fees and expenses. **Performance and other financial information included herein is unaudited.**

"Price" is based on the closing prices of XFLT on the NYSE at the end of trading on the last trading day of each period. "Benchmark" is the S&P/LSTA U.S. Leveraged Loan 100 Index, which is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market. Current performance may be higher or lower than the data shown. Returns assume reinvestment of distributions, and NAV returns are net of fund expenses. **Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.**

XFLT Premium/Discount History

From Inception to 11/29/2021



Current
Premium: 10.98%

Average
Premium: 2.67%

| Average Daily Trading Volume | |
|------------------------------|---------|
| Last 30 Days ¹ | 279,587 |
| Last 60 Days ¹ | 229,060 |
| Last 90 Days ¹ | 250,674 |
| Last 12 Months | 204,211 |
| Since Inception | 93,084 |

Source: Bloomberg

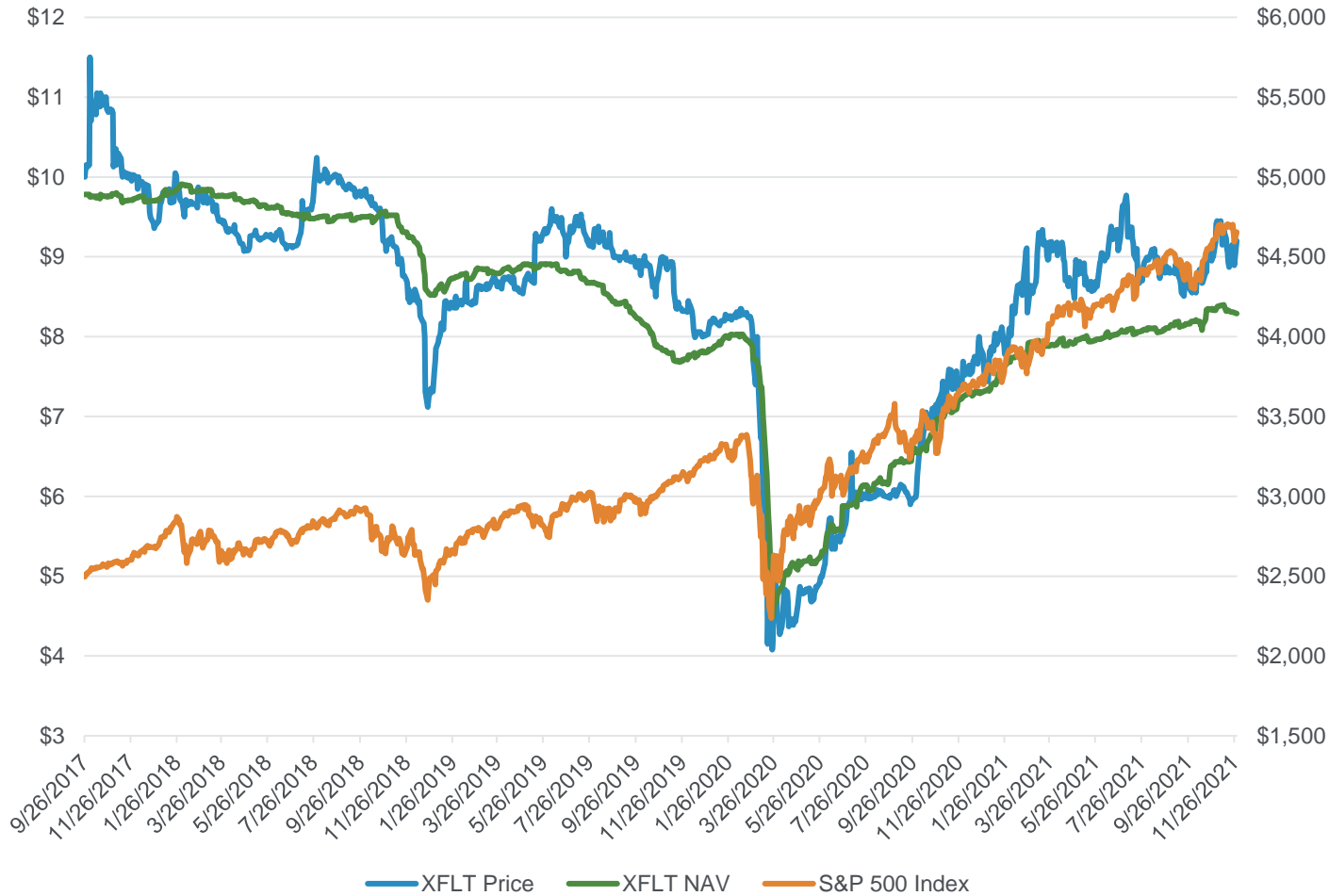
Notes: 1. Trading days ending 11/29/2021.

Shares of closed-end investment companies frequently trade at a discount from their net asset value

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Price/NAV History – Inception-to-Date

From Inception to 11/29/2021



| High/Low | Price |
|--------------------------|---------|
| Inception to Date | |
| High Price | \$11.50 |
| Low Price | \$4.08 |
| High NAV | \$9.91 |
| Low NAV | \$4.49 |
| High S&P | \$4,705 |
| Low S&P | \$2,237 |
| Last 12 Months | |
| High Price | \$9.77 |
| Low Price | \$7.40 |
| High NAV | \$8.40 |
| Low NAV | \$6.97 |
| High S&P | \$4,705 |
| Low S&P | \$3,647 |
| Current | |
| Price | \$9.20 |
| NAV | \$8.29 |
| Premium | 10.98% |
| S&P | \$4,655 |

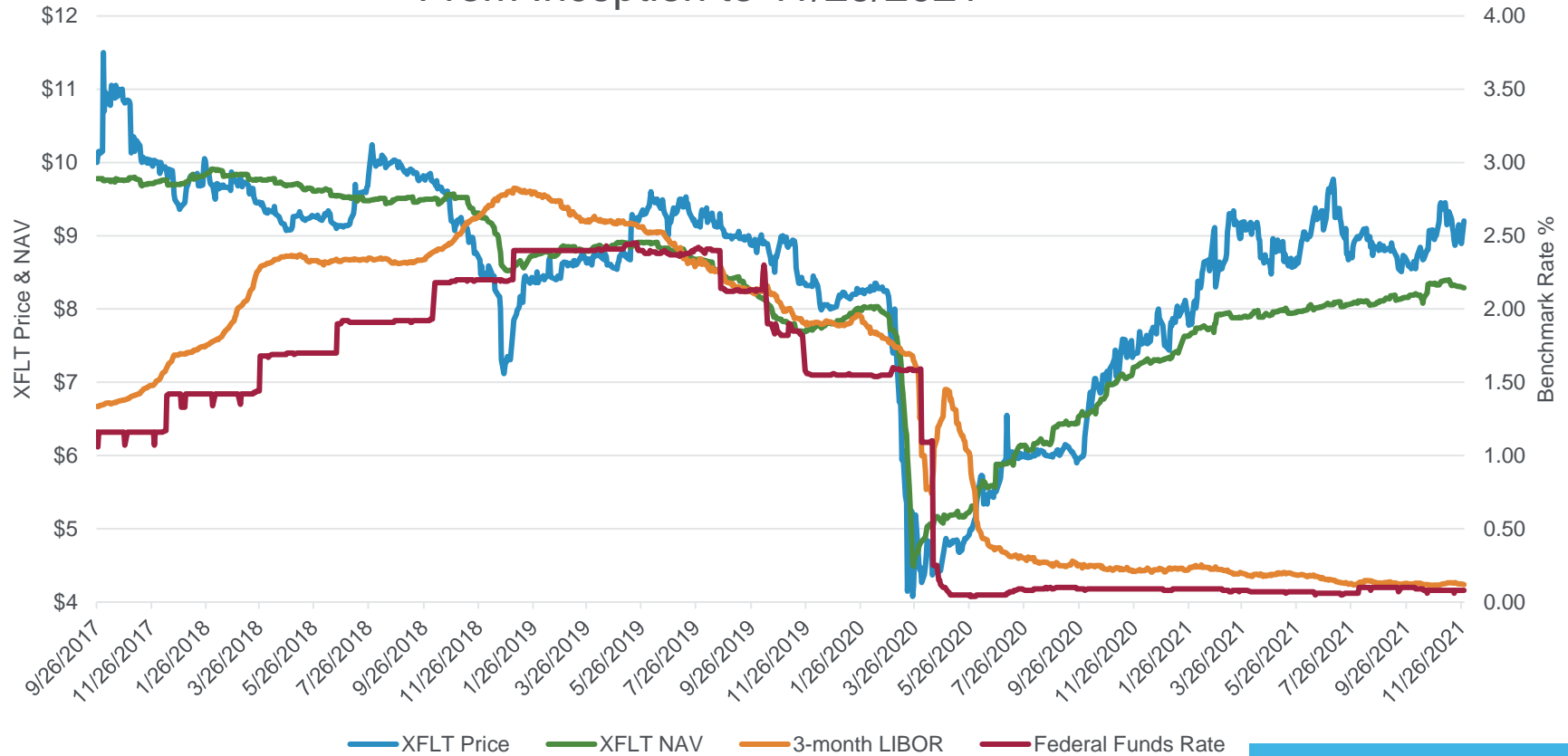
Source: Bloomberg

Shares of closed-end investment companies frequently trade at a discount from their net asset value.

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XFLT vs Benchmark Rates – Inception-to-Date

From Inception to 11/29/2021



| | 1-M LIBOR | 3-M LIBOR |
|------------|-----------|-----------|
| 12/31/2020 | 0.14% | 0.24% |
| 3/31/2021 | 0.12% | 0.20% |
| 6/30/2021 | 0.10% | 0.15% |
| 9/30/2021 | 0.08% | 0.13% |

Source: Bloomberg

Notes:

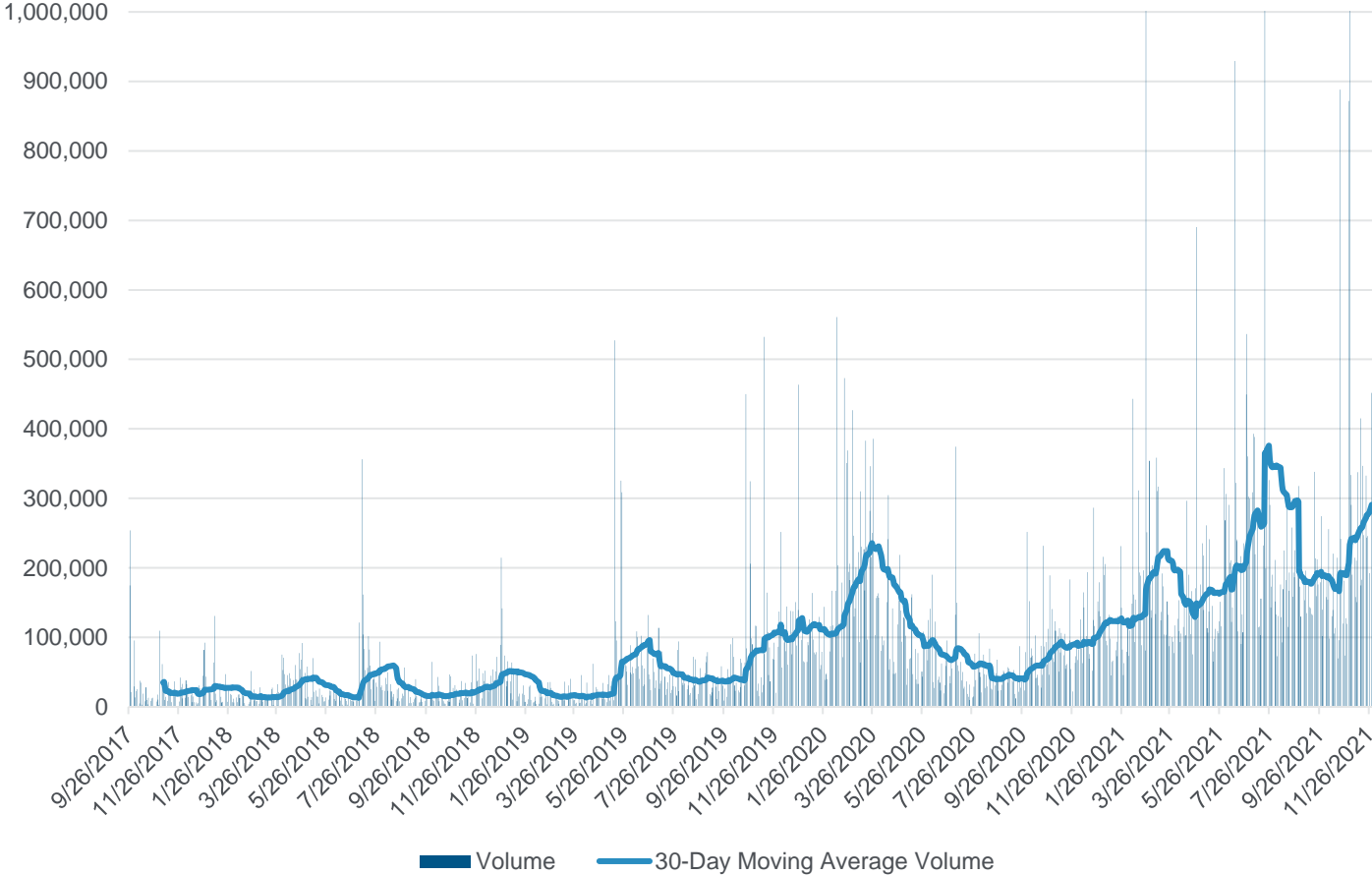
1. Data through 11/29/2021.

2. Source: 3-month LIBOR represented by ICE LIBOR USD 3 Month, Federal Funds Rate represented by US Federal Funds Effective Rate (continuous series).

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XFLT Trading Volume Analysis

From Inception to 11/29/2021



| Average Daily Trading Volume | |
|------------------------------|---------|
| Last 30 Days ¹ | 279,587 |
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Source: Bloomberg

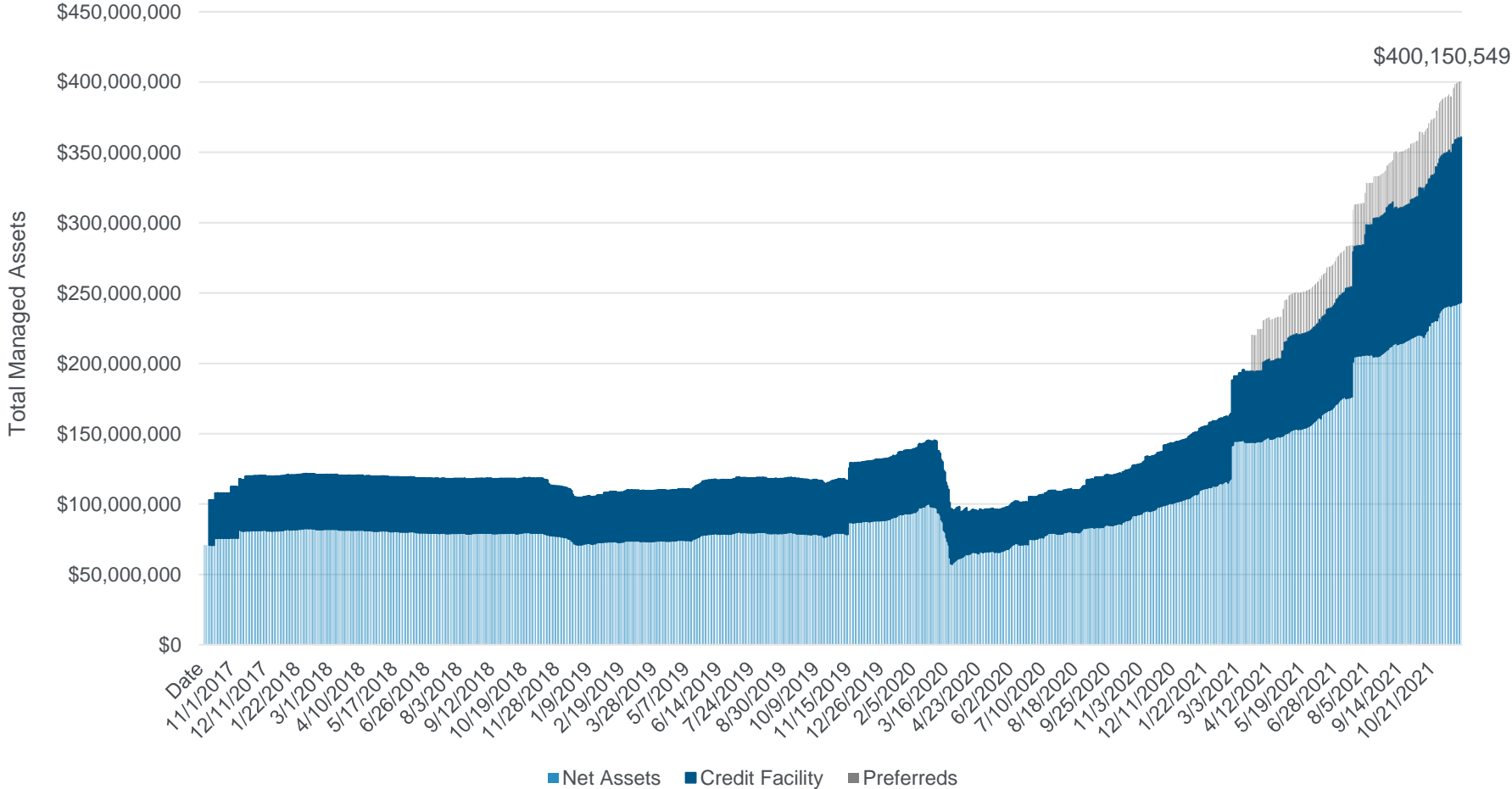
Note: 1. Trading days ending 11/29/2021.

30-Day Avg. Volume is calculated as the average volume over the previous 30 trading days. Chart maximum is set at 1,000,000 shares. Multiple trading days had volume over 1,000,000 shares.

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XFLT Asset Growth

From Inception to 11/29/2021



Source: Bloomberg; ALPS

Note: 1. Trading days ending 11/29/2021.

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Summary of XFLT's Direct Private Placement

September 8, 2021

- The Trust issued 400,000 shares of its 6.50% Series 2026 Term Preferred Shares in a registered direct offering at the par price of \$25.00 per share, plus accrued dividends of \$0.17604. At the time of the transaction, the market price of the preferred shares was \$25.89. Due to tax fungibility rules and the fast stock rule, it was determined that the preferreds must be sold at par plus accrued.
- The shares, were purchased by various accounts managed by Eagle Point Credit Management, LLC, (“Eagle”).
- Trust expenses were limited to \$80,000, or 0.8%. No underwriters were involved, as such there were no underwriter fees paid.
- Outstanding preferred shares increased from 1,196,000 to 1,596,000.
- Total outstanding par amount of the preferred shares increase from \$29.9mm to \$39.9mm.

Source: XAI

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Leverage Sources (as of September 30, 2021)

| Type of Leverage | Leverage % ¹ | Leverage \$ | Regulatory Limit | Average Cost of Leverage in Q3 | Average Cost of Leverage in Q2 |
|------------------|---------------------------|--------------------|------------------------|--------------------------------|--------------------------------|
| Bank Borrowings | 27.52% | \$72,150,000 | | 1.39% ⁴ | 1.39% |
| Preferreds | 11.19% | \$39,900,000 | | 6.50% | 6.50% |
| Total | 38.71%² | 138,050,000 | 50%³ | 3.13%⁵ | 3.04% |

Preferred Stock Overview

| | |
|----------------------------|---|
| NYSE Ticker | XFLT-PRA |
| Description | 6.50% Series 2026 Term Preferred Shares |
| Principal | \$39.9mm |
| Price per share | \$26.40 |
| Coupon | 6.50% |
| Current Yield ⁶ | 6.16% |
| Payment Frequency | Quarterly |

Notes:

- As a percent of total managed assets as of 9/30/2021.
- Figures may not add to an exact total due to accrued interest.
- With a combination of Bank Borrowings and Preferreds the Trust is allowed to a combination of leverage up to 50%.
- Based on Q3 2021 average cost of bank borrowings.
- Represents a weighted average cost of leverage.
- Current yield is the annualized interest divided by current market price per share multiplied by 100.

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XFLT Distribution History

- Since inception, XFLT has declared 49 distributions totaling \$3.281 per share
- As of October 29, 2021 the annualized distribution rate was 9.73% based on market price of \$9.00 and 10.52% on NAV of \$8.33

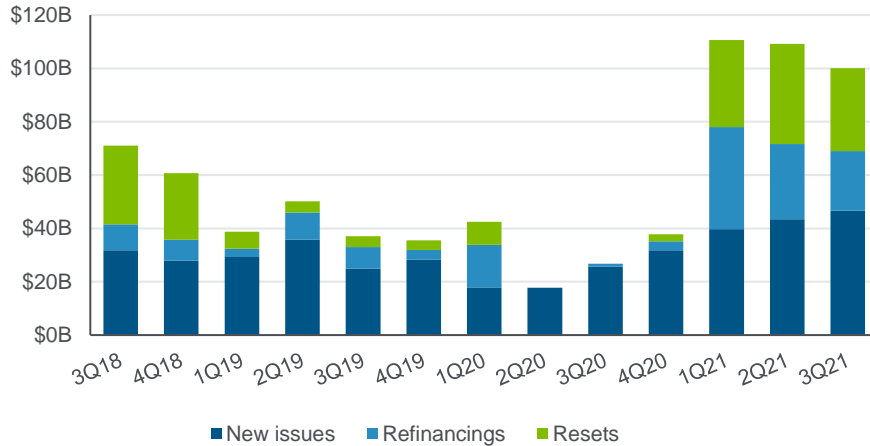
| PAYABLE DATE | RECORD DATE | EX-DATE | DECLARATION DATE | AMOUNT |
|--------------|-------------|------------|------------------|----------------|
| 12/1/2021 | 11/16/2021 | 11/15/2021 | 11/1/2021 | \$0.073 |
| 11/1/2021 | 10/15/2021 | 10/14/2021 | 10/1/2021 | \$0.073 |
| 10/1/2021 | 9/15/2021 | 9/14/2021 | 9/1/2021 | \$0.073 |
| 9/1/2021 | 8/17/2021 | 8/16/2021 | 8/2/2021 | \$0.073 |
| 8/2/2021 | 7/15/2021 | 7/14/2021 | 7/1/2021 | \$0.073 |
| 7/1/2021 | 6/15/2021 | 6/14/2021 | 6/1/2021 | \$0.073 |
| 6/1/2021 | 5/18/2021 | 5/17/2021 | 5/3/2021 | \$0.073 |
| 5/3/2021 | 4/15/2021 | 4/14/2021 | 4/1/2021 | \$0.073 |
| 4/1/2021 | 3/16/2021 | 3/15/2021 | 3/1/2021 | \$0.073 |
| 3/1/2021 | 2/17/2021 | 2/16/2021 | 2/1/2021 | \$0.073 |
| 2/1/2021 | 1/15/2021 | 1/14/2021 | 1/4/2021 | \$0.073 |
| 2020 | | | | \$0.798 |
| 2019 | | | | \$0.860 |
| 2018 | | | | \$0.828 |
| 2017 | | | | \$0.138 |
| Total | | | | \$3.427 |

Source: XAI

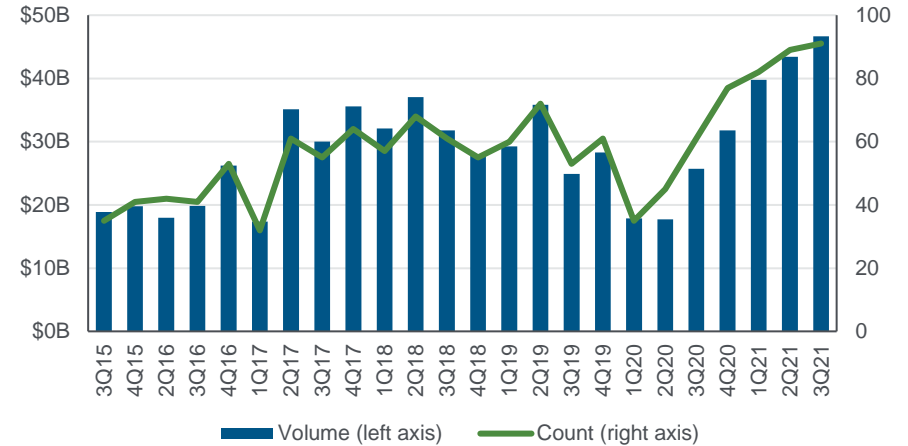
Note: Distribution rates are not performance and are calculated by summing the quarterly distributions per share over four quarters and dividing by the NAV or market price, as applicable, as of the latest quarter end. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. To date, a portion of common stock distributions has been estimated to be a return of capital as noted under the Investor Relations section on the Trust's website. The actual components of the Trust's distributions for U.S. tax reporting purposes can only be finally determined as of the end of each fiscal year of the Trust and are thereafter reported on Form 1099-DIV. The Trust's distributions for fiscal year ended 2021 comprised 89.19% net income and 10.81% return of capital. The Trust's distributions for fiscal year ending 2022 will be made available and reported to investors subsequent to the end of fiscal year 2022. A distribution comprised in whole or in part by a return of capital does not necessarily reflect the company's investment performance and should not be confused with "yield" or "income." Future distributions may consist of a return of capital. **Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.**

Technical Dynamics

MONTHLY US CLO TOTAL VOLUME¹



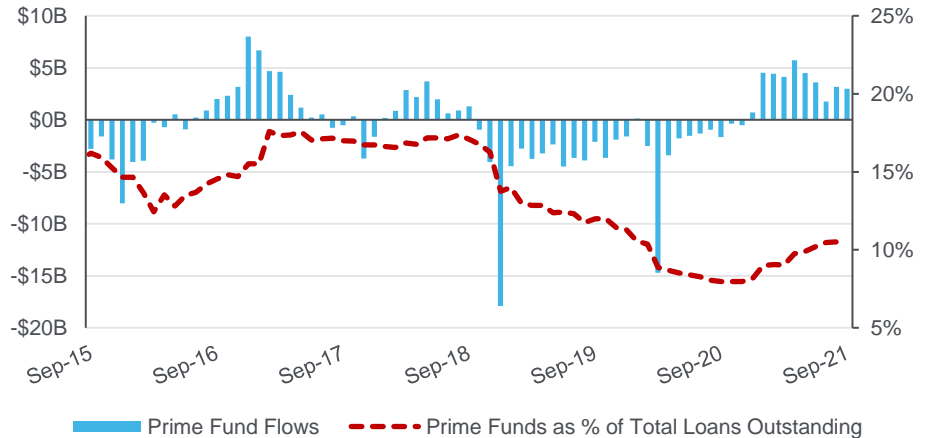
QUARTERLY NEW CLO ISSUANCE¹



INSTITUTIONAL NEW ISSUE LOAN VOLUME¹



RETAIL LOAN FUND FLOWS²



¹Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements

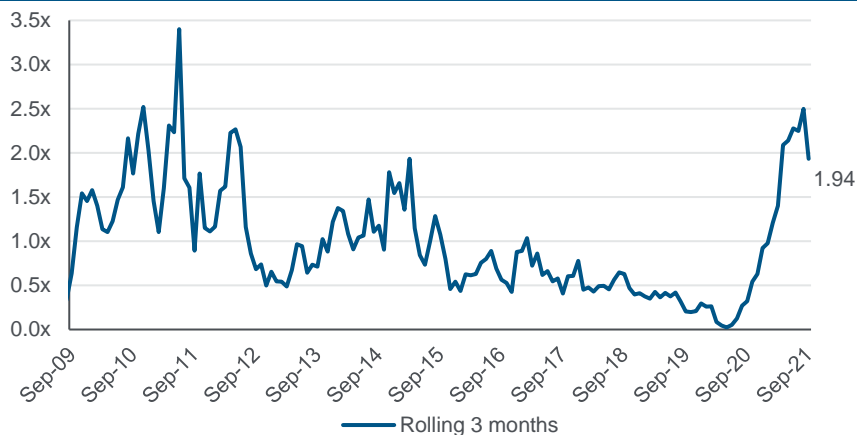
1. Source: S&P Capital IQ/SNL Financial LCD News, LCD Quarterly Review – Third Quarter 2021 (September 30, 2021).

2. Monthly excess loan demand over supply represents the sum of CLO issuance and retail loan fund flows for the period contemplated, less the change in the outstanding leveraged loans comprising the S&P/LSTA Leveraged Loan Index for the same period. Source: S&P/LSTA Leveraged Loan Index and S&P Capital IQ/SNL Financial Leveraged Commentary & Data (September 30, 2021).

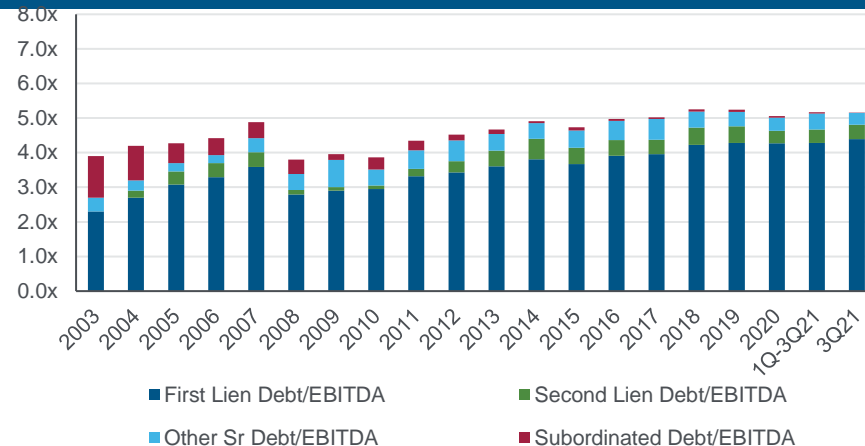
Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

Credit Fundamentals

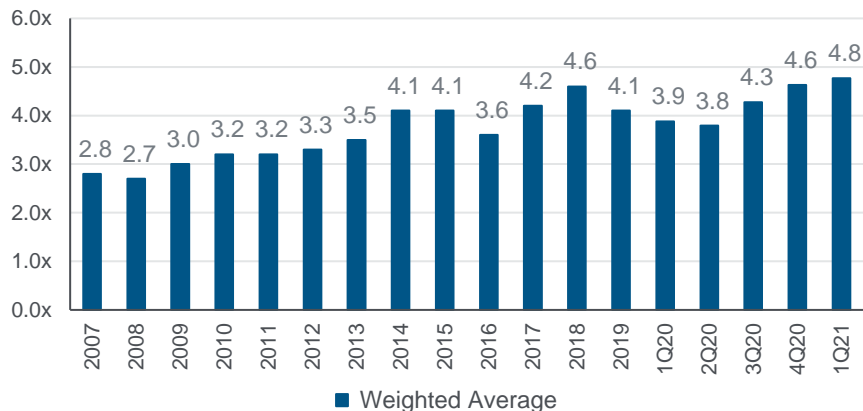
US LEVERAGED LOANS: RATIO OF UPGRADES TO DOWNGRADES¹



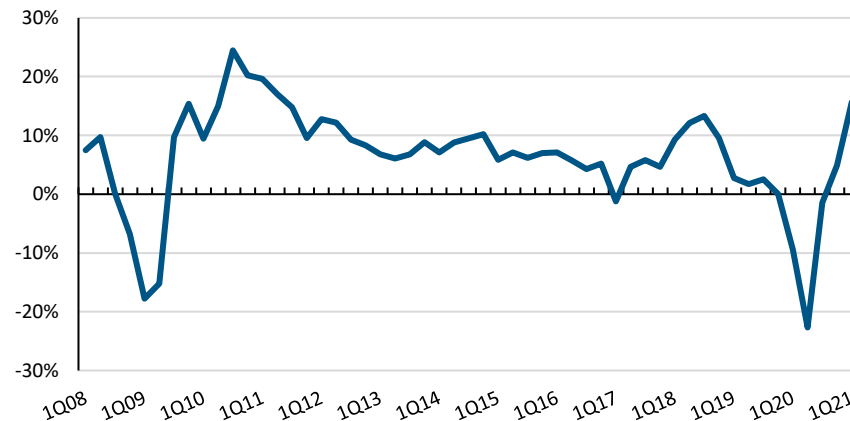
AVERAGE LEVERAGE RATIOS FOR NEW ISSUE LOANS^{2,3}



WEIGHTED AVERAGE INTEREST COVERAGE OF OUTSTANDING LOANS⁴



EBITDA GROWTH OF PUBLIC US LEVERAGED LOAN ISSUERS^{4,5}



*Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.

- Source: S&P Capital IQ/S&N Financial Leveraged Commentary & Data, LLI Default Rates (September 30, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA LLI").
- Source: S&P Capital IQ/S&N Financial Leveraged Commentary & Data, "LCD Quarterly Review: Third Quarter 2021, Commentary Charts" (September 30, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA LLI").
- Includes issuers with EBITDA greater than \$50mm.
- Source: S&P Capital IQ/S&N Financial Leveraged Commentary & Data, "Loan-issuer earnings surge squashes leverage back to pre-pandemic levels" (June 2, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA LLI").
- The sample for the latest quarter includes 150 companies within the S&P/LSTA Leveraged Loan Index that file results publicly, or just over 13% of the Index. For this analysis, LCD draws its performance metrics and total debt levels from S&P Capital IQ.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

Bank Loan Market Conditions & Outlook

- **Loans returned 0.64% in September; YTD return as of 10/1 = 4.43%¹**
 - Despite broader macro volatility, leveraged loans posted their strongest month of the year
 - Secondary prices tightened in September; the weighted average bid price of the S&P/LSTA Leveraged Loan Index (“LLI”) increased 37 bps to 98.62 as of 9/30, representing the highest level since October 2018²
 - Lower-rated loans outpaced higher-rated facilities¹
- **Given a number of jumbo deals, September’s \$69B of leveraged loan issuance represents the third-largest monthly volume on record.³ New loan issuance has surged YTD amid institutional and retail demand for floating rate assets^{3,4,5}**
- **Despite ongoing presence of the Delta variant, we remain constructive on the bank loan asset class given the improving macroeconomic indicators, healthy corporate earnings, and benign credit environment as demonstrated by a sub-1% default rate**
 - LTM loan default rate declined to 0.35% as of 9/30, the lowest level since March 2012⁶
 - Stress indicators remain very low, pointing to fewer defaults⁶
 - Leveraged loan returns (+0.64%) outpaced high yield bonds (+0.03%) by 61 bps in September, representing loans’ largest monthly outperformance since January^{2,3}

**Please refer to the “General Disclosures & Risks” section for important information regarding forward-looking statements.*

1. Source: S&P Capital IQ/SNL Financial Leveraged Commentary & Data (September 30, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the “S&P/LSTA LLI”).

2. Source: S&P Capital IQ/SNL Financial LCD Research, September wrap: Loan issuance rolls on, prices rally, sending yields to new lows (October 1, 2021).

3. Source: S&P Capital IQ/SNL Financial LCD Research, Bolstered by jumbo deals, September leveraged loan issuance challenges records (October 4, 2021).

4. Source: J.P. Morgan High Yield Bond and Leveraged Loan Market Monitor (October 1, 2021).

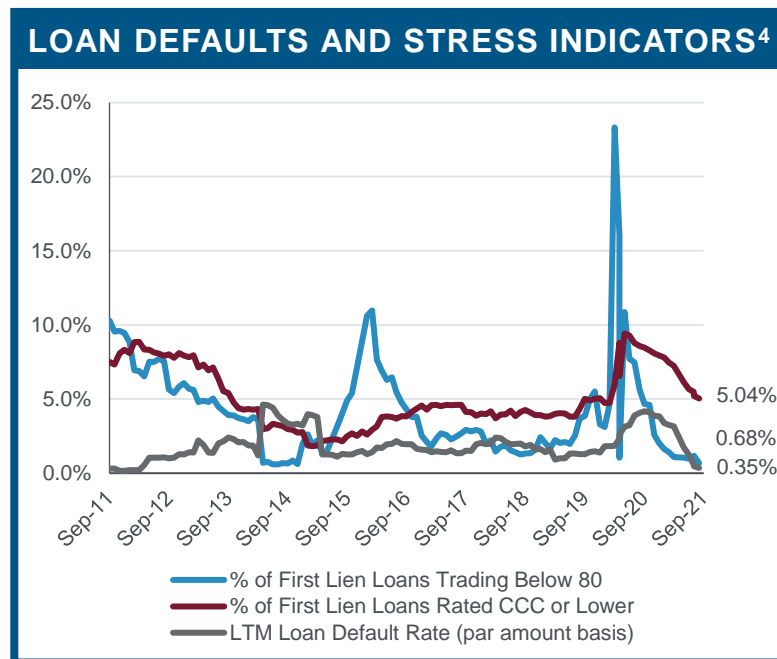
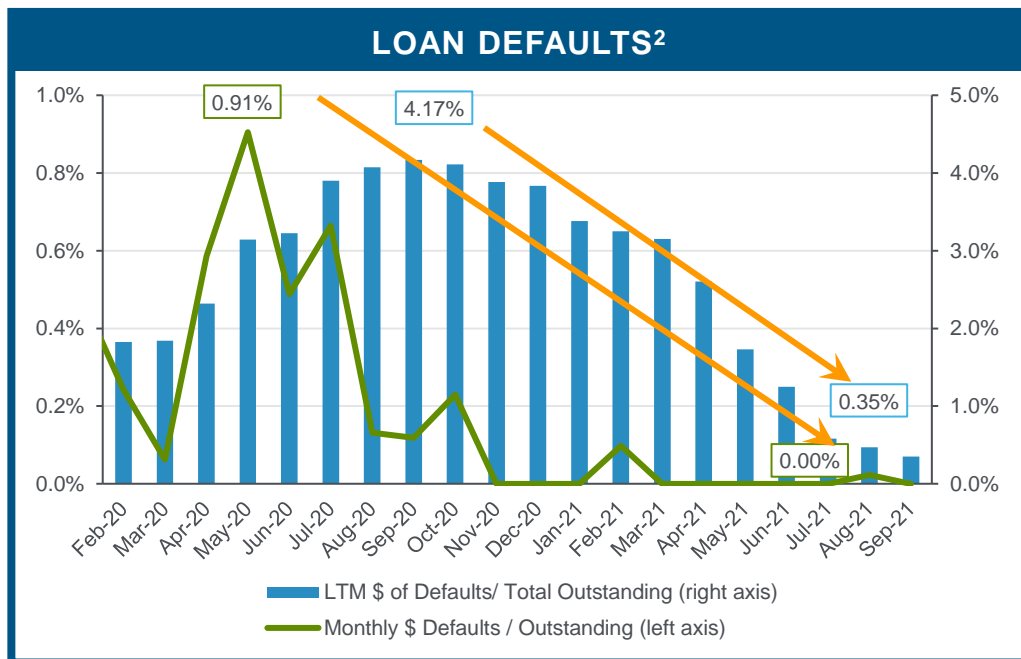
5. Source: Barclays Credit Research, CLO & Leveraged Loan Monthly Update (October 1, 2021).

6. Source: S&P Capital IQ/SNL Financial LCD Research, Leveraged loan default rate by issuer count falls to 0.44%, a nearly 14-year low (October 1, 2021).

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

LTM LLI Default Rate Fell to 0.35% as of 9/30

- Lowest level since April 2012¹
- Zero loan defaults for 9 of the past 11 months²
- JP Morgan’s 2021 and 2022 loan default forecast is 0.65% and 1.25% respectively, well below the long-term historical average of 3.1%. Notably 2021’s forecast would be the lowest default rate for loans since 2011.³

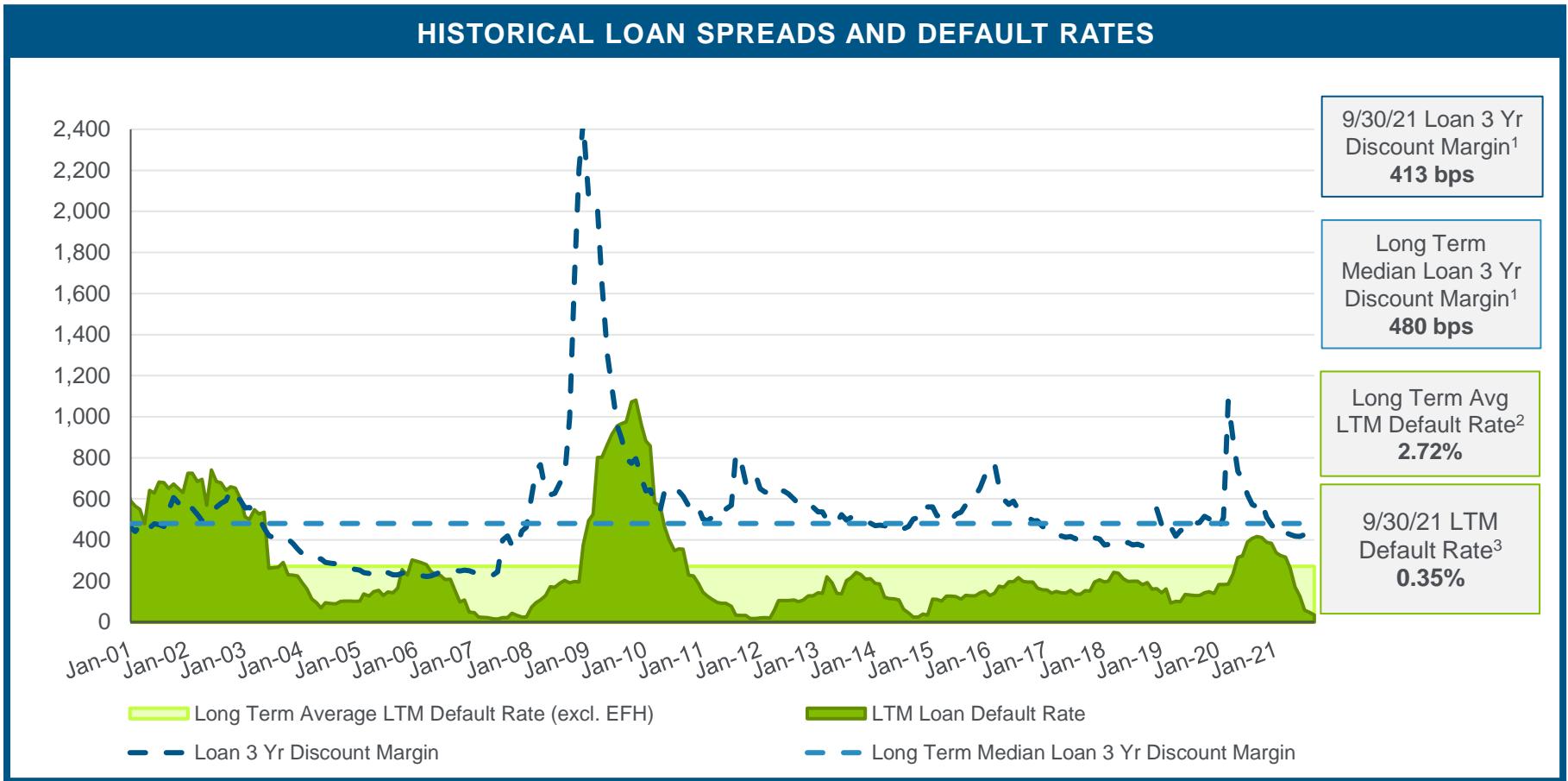


Please refer to the “General Disclosures & Risks” section for important information regarding forward-looking statements.

1. Source: S&P Capital IQ/S&N Financial LCD Research, “Leveraged loan default rate by issuer count falls to 0.44%, a nearly 14-year low (October 1, 2021).” S&P/LSTA LLI default rate represents lagging 12-month default rate by principal amount as of the respective period. The S&P/LSTA LLI generally mirrors the universe of leveraged loans syndicated in the US. Defaults for the S&P/LSTA LLI do not represent the default experience of any particular investment manager or manager peer set. Defaults represent all loans including loans not included in the LSTA/LPC mark-to-market service.
2. Source: S&P Global Market Intelligence (September 30, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the “S&P/LSTA LLI”).
3. Source: J.P. Morgan High Yield and Leveraged Loan Market Monitor (October 1, 2021).
4. Source: S&P Capital IQ/S&N Financial LCD Research. Represents all first lien loans (excluding defaulted loans) in the S&P/LSTA LLI marked at an average bid price below 80 or rated CCC or below (September 30, 2021). S&P/LSTA LLI default rate represents lagging 12-month default rate by principal amount as of the respective period. Historical LTM default rate includes EFH (aka TXU), which was included in the default rate from April 2014-March 2015. The S&P/LSTA LLI generally mirrors the universe of leveraged loans syndicated in the US. Defaults for the S&P/LSTA LLI do not represent the default experience of any particular investment manager or manager peer set. Index default rate is calculated as the amount defaulted over the last 12 months divided by the amount outstanding at the beginning of the 12-month period. Defaults represent all loans including loans not included in the LSTA/LPC mark-to-market service.

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Historical Loan Spreads and Default Rates



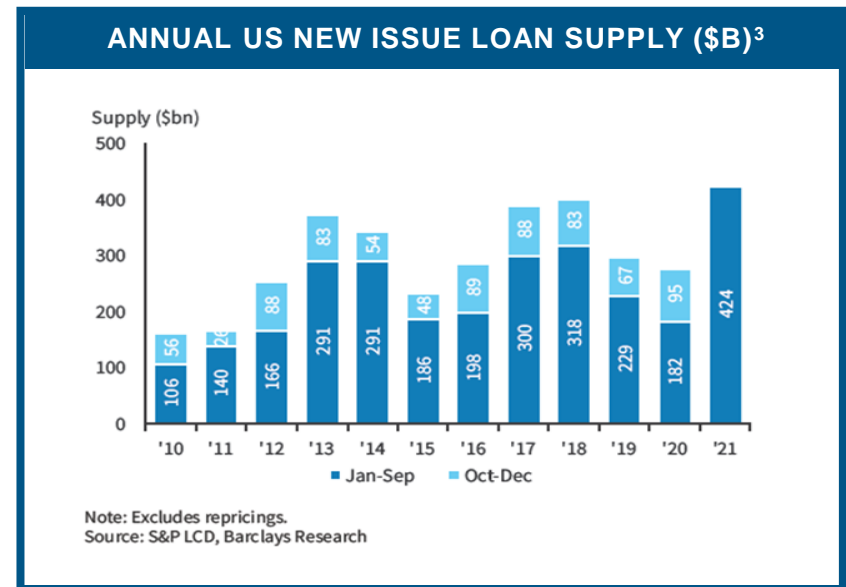
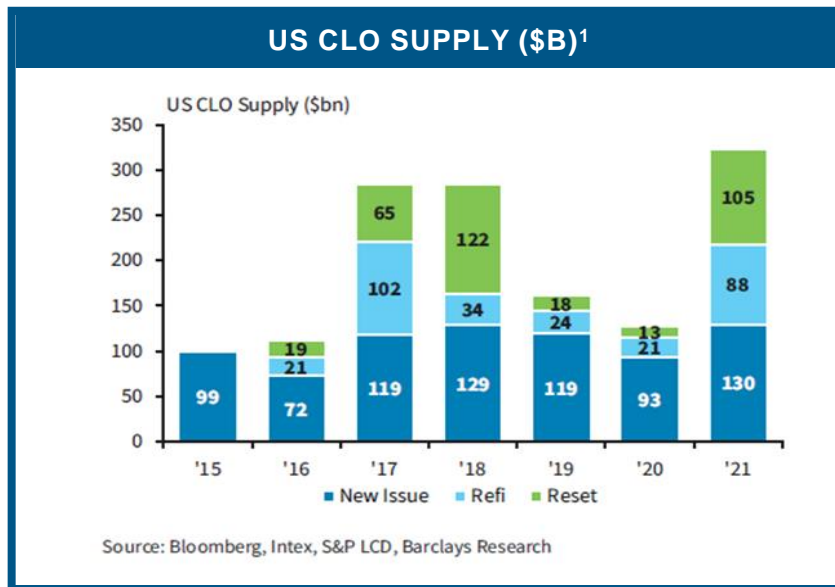
**Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.*

- As of September 30, 2021. Represents the average 3 Year Discount Margin for the S&P/LSTA Leveraged Loan Index. "Long Term Median Loan 3 Yr Discount Margin" represents the median of average 3 Year Discount Margins at month-end starting January 31, 1999. Source: S&P Capital IQ/SNL Financial LCD Research.
- Represents the long-term historical average (beginning in January 1999) of the lagging 12-month default rate for the S&P/LSTA Leveraged Loan Index by principal amount as of September 30, 2021. Default rate is calculated as the amount default over the last 12 months divided by the amount outstanding at the beginning of the 12-month period. Represents all loans including loans not included in the LSTA/LPC mark-to-market service. Source: LCD News (September 30, 2020). Past defaults are not an indication of future default rates.
- Represents lagging 12-month default rate for the S&P/LSTA Leveraged Loan Index by principal amount as of September 30, 2021. Default rate is calculated as the amount default over the last 12 months divided by the amount outstanding at the beginning of the 12-month period. Represents all loans including loans not included in the LSTA/LPC mark-to-market service. Source: LCD News (September 30, 2021). Past defaults are not an indication of future default rates.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

CLO Market Conditions

- New CLO formation hit a new record high of \$46.7B in 3Q (the third consecutive period of record quarterly issuance¹), driven by strong investor demand and robust new loan issuance
- New issue CLO volume has provided a strong bid for loans³
- Continued strong demand for CLO paper amid a shifting investor base²



**Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.*

1. Source: Barclays Credit Research, "CLO & Leveraged Loan Monthly Update – September 2021" (October 1, 2021).

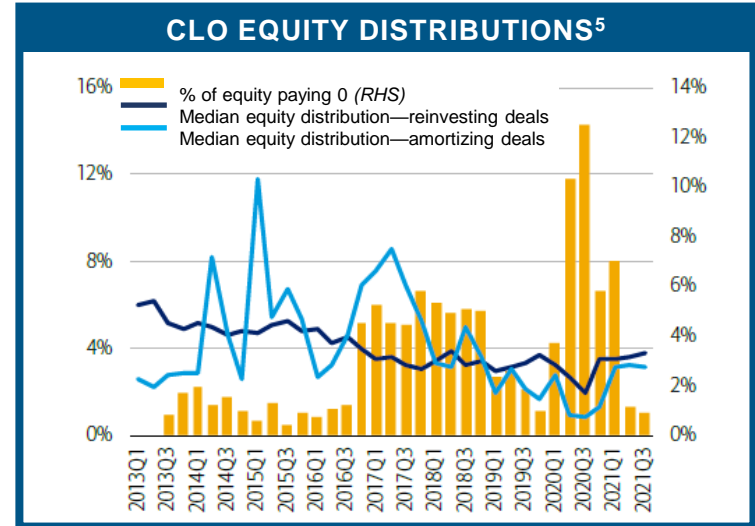
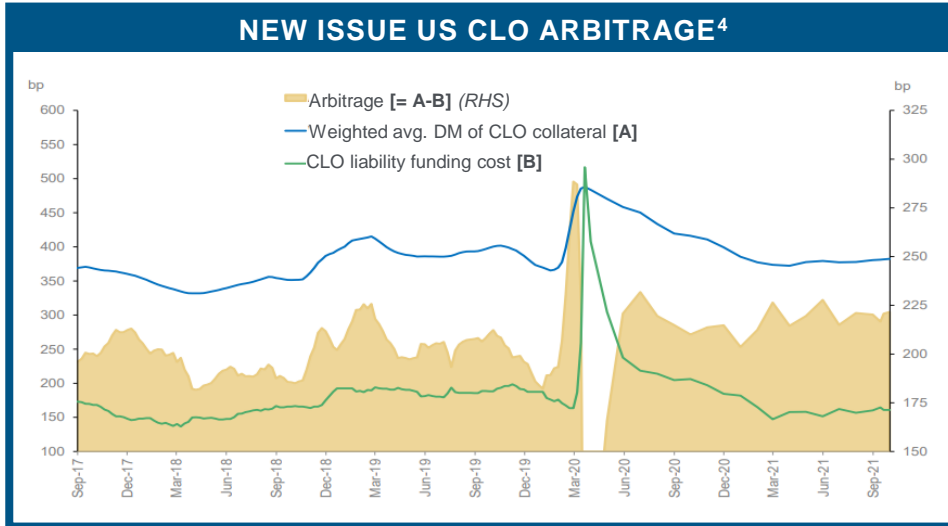
2. Source: Citi Research, "US CLO Q4'2021 Outlook – Getting Started with LIBOR Transition" (October 1, 2021).

3. Source: Barclays Credit Research, "Leveraged Loans and CLOs – CLO Appetite and a Buffet of Loans" (October 8, 2021).

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

CLO Market Conditions

- Despite heavy new supply, primary CLO spreads have generally remained rangebound and the arbitrage remains attractive^{1,2,3,4,5}



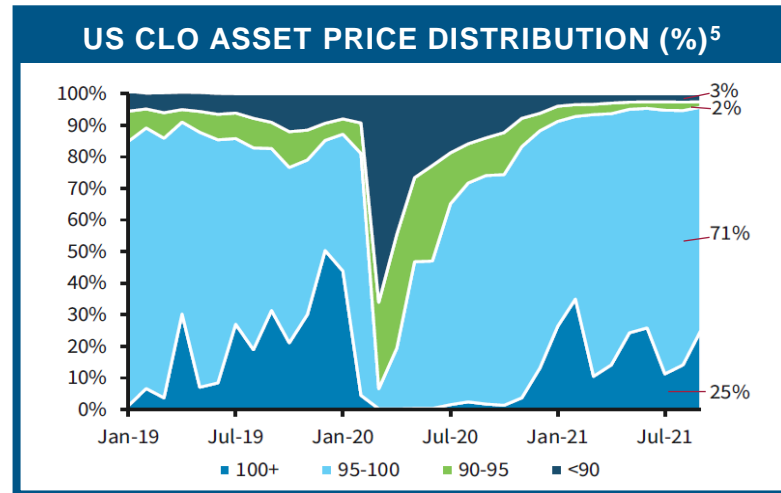
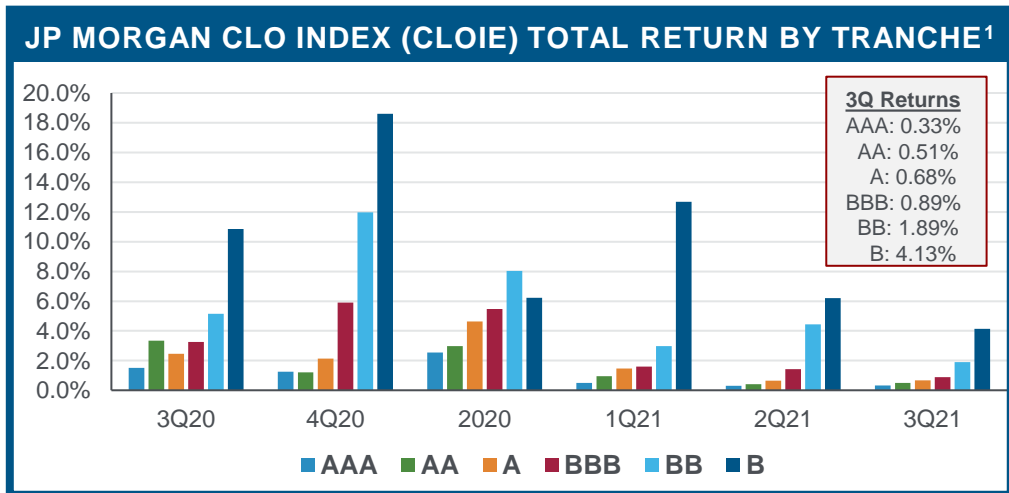
*Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.

1. Represents average spread to LIBOR for primary USD CLOs priced during the stated quarter. Source: JPMorgan DataQuery (October 19, 2021).
2. Source: Wells Fargo Corporate & Investment Banking, "LIBOR Lens: How the LIBOR Transition May Affect Risk & Performance in the CLO Market" (September 27, 2021).
3. Source: LCD, an offering of S&P Global Market Intelligence, "LCD Quarterly Review – Third quarter 2021" (October 1, 2021). LCD's analysis is based on corporate credit ratings from S&P and Moody's for deals launched during the respective quarter.
4. Source: Morgan Stanley Research, "CLO Tracker October 2021 – SOFR So Good" (October 8, 2021). Analysis assumes a ramping period of 4 months; in the first 2 months, a weighted average discount margin of collateral consisting of 80% new issue loans and 20% loans from the secondary market is assumed, after which a 50/50 mix of new issue and secondary loans is assumed. Morgan Stanley Research then takes the average of the above calculated discount margins from each half to calculate the collateral discount margin. Sources: Morgan Stanley Research, LCD, The Yield Book. *The left axis represents A and B. The right axis represents the arbitrage, or A-B.*
5. Source: Bank of America Global Research, "CLO Weekly—CLO Equity Matches S&P 500 in YTD Returns" (October 1, 2021). *"% of equity paying 0" applies to the right axis, while both "Median equity distribution" categories apply to the left axis.*

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

CLO Market Conditions

- CLO debt maintained positive performance in 3Q, with each tranche posting gains in July, August, and September (as measured by J.P. Morgan CLO Index)¹
- YTD performance by tranche as of 9/30¹:
 - AAA = 1.14% BBB = 3.98%
 - AA = 1.88% BB = 9.59%
 - A = 2.83% B = 24.62%
- Bank loans returned 1.11% in 3Q21^{2,3,4}



Note: Standard & Poor's (S&P) uses a scale divided into two categories: The first category, "Investment," includes ratings ranging from AAA to BBB-. It groups together the ratings given to bonds considered financially solid. The second category, "Speculative," ranges from BB+ to D. It groups together the ratings given to bonds considered at risk.

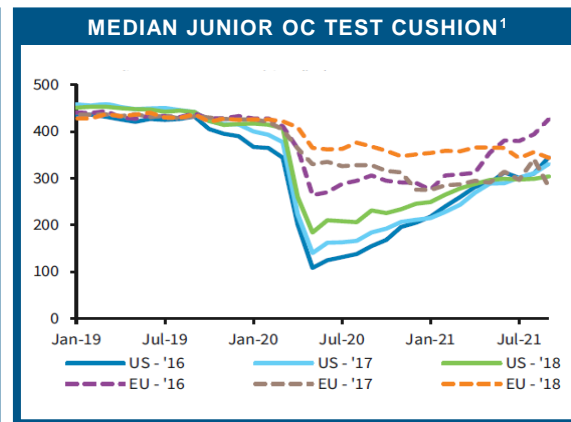
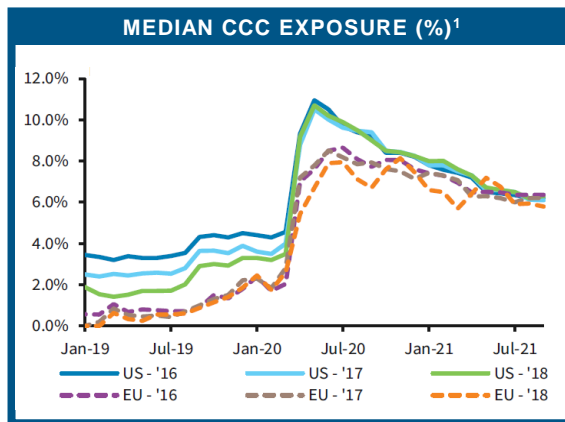
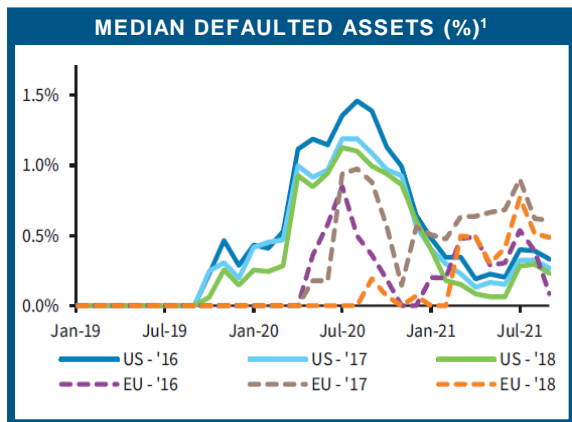
*Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.

1. Source: J.P. Morgan Markets DataQuery. Represents the post crisis J.P. Morgan Collateralized Loan Obligation Index ("CLOIE"). The CLOIE is a benchmark to track the market for US dollar denominated broadly syndicated, arbitrage CLOs. The CLOIE is divided by origination (pre- versus post-crisis) and is broken out further into six original rating classes (AAA, AA, A, BBB, BB, B). (September 30, 2021).
2. Source: S&P Capital/SNL Financial LCD Research, Leveraged Loan Index Returns (September 30, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA LLI").
3. Represents LTM default rate for S&P/LSTA Leveraged Loan Index. Source: S&P Global Market Intelligence, "Leveraged loan default rate by issuer count falls to 0.44%, a nearly 14-year low" (October 1, 2021).
4. Source: S&P Capital/LSTA LLI Factsheet (September 30, 2021). Data for loans represents metrics for the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA LLI").
5. Source: Barclays Credit Research, "CLO & Leveraged Loan Monthly Update" (October 1, 2021). Left axis represents all tracked US CLO prices. Right axis represents proportional percentage of tracked US CLO assets within the indicated current price distributions.

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CLO Market Conditions

- By-and-large, CLO fundamentals continued to improve in 3Q amid receding tail risk in collateral portfolios
 - Median US broadly syndicated CLO portfolio metrics as of 9/30:
 - Weighted Average Rating Factor (WARF) declined to 2840 (-342 LTM)¹
 - CCC/Caa levels declined to 5.4% and 4.5% (LTM decrease of 3.1 and 2.7 percentage points, respectively)¹
 - Junior OC cushion improved to 405bps (+166bps LTM)¹
 - In early September, Fitch reported that default exposure across broadly syndicated loan CLO portfolios had declined to 0.3%—the lowest level since 2Q19—with only 6 out of ~1,500 obligors identified as being in default at the end of August²
 - Loan facility upgrades have outnumbered downgrades for 8 consecutive months as of 9/30, further underscoring improving credit quality among loan issuers³



**Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.*

1. Source: Barclays Credit Research, "CLO & Leveraged Loan Monthly Update" (October 1, 2021).

2. Source: Fitch Ratings, "U.S. Leveraged Finance & CLO Weekly—2022 LL Default Rate Forecasted at 1.5%, HY at 1%" (September 10, 2021).

3. Source: LCD, an offering of S&P Global Market Intelligence, "Leveraged loan default rate by issuer count falls to 0.44%, a nearly 14-year low" (October 1, 2021).

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CLO Market Conditions & Outlook

- **Strong investor demand for higher-yielding floating rate product, coupled with a healthy new issue loan pipeline, should continue to provide support for the CLO market through year-end**
 - We expect robust new CLO issuance in October and November as managers endeavor to close deals ahead of the market's expected shift to SOFR
 - Given the brisk pace of new deal formation in 3Q, JPMorgan increased its 2021 new issue supply forecast to \$145-155B (from \$130-140B), Citi revised upward from \$130B to \$160B, and S&P Global Ratings and BofA each raised their year-end new-issue forecasts to \$140B^{1,2,3}
 - Anticipated moves in 10Y UST rates should bode well for floating rate investments⁴
 - Healthy new issue loan pipeline should provide continued near-term support for CLO market^{5,6}
- **We retain a constructive outlook for the CLO market, given improving fundamentals and supportive technicals**

**Please refer to the "General Disclosures & Risks" section for important information regarding forward-looking statements.*

1. Sources: JPMorgan Global Credit Research, "Raising the Global CLO New Issue Forecast to \$185bn" (September 10, 2021); Citi Research, "US CLO Q4'2021 Outlook, Getting Started with LIBOR Transition" (October 1, 2021); S&P Capital IQ/SNL Financial Leveraged Commentary & Data, "LCD Quarterly Review: Third Quarter 2021" (September 30, 2021).
2. Source: Wells Fargo Corporate & Investment Banking, "LIBOR Lens: How the LIBOR Transition May Affect Risk & Performance in the CLO Market" (September 27, 2021).
3. Source: Citi Research, "US CLO Q4'2021 Outlook – Getting Started with LIBOR Transition" (October 1, 2021).
4. Source: Bank of America Global Research, "CLO Weekly—CLO Equity Matches S&P 500 in YTD Returns" (October 1, 2021).
5. Source: LCD, an offering of S&P Global Market Intelligence, "LCD Quarterly Review – Third quarter 2021" (October 1, 2021).
6. Source: Nomura Global Markets Research, "CLO Special Topics: Estimated CLO YTD returns, realized WALs for CLO tranches," October 1, 2021.

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The screenshot shows a webinar interface. On the left is a presentation slide with the XAI Investments logo and Octagon Credit Investors logo. The slide title is "XFLT LISTED NYSE". Below the title, it says "XAI Octagon Floating Rate & Alternative Income Term Trust (the 'Trust' or 'XFLT') Quarterly Webinar December 2, 2021 at 11:00am Eastern". At the bottom of the slide is a disclaimer. On the right is the GoToWebinar control panel. It includes an audio section with "Computer audio" selected, a "MUTED" indicator, and a "Questions" dropdown menu. A red arrow points to the "Questions" dropdown, and another red arrow points to the "Enter questions here" text box. A "Send" button is located below the text box. At the bottom of the control panel, it says "This session is being recorded." and "GoToWebinar".

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XFLT Financial Statements and Portfolio Holdings

XFLT Financial Highlights¹

| | For the Nine Months Ended September 30, 2021 (Unaudited) | For the Year Ended September 30, 2020 | For the Year Ended September 30, 2019 | For the Year Ended September 30, 2018 | For the Period September 27, 2017 (Commencement of Operations) to September 30, 2017 |
|---|---|---|---|---|--|
| PER COMMON SHARE OPERATING PERFORMANCE: | | | | | |
| Net asset value - beginning of period | \$6.56 | \$ 8.22 | \$9.50 | \$ 9.78 | \$9.78 |
| INCOME/(LOSS) FROM INVESTMENT OPERATIONS: | | | | | |
| Net investment income/(loss) | 0.76 | 0.72 | 0.89 | 0.64 | 0 |
| Net realized and unrealized gain/(loss) on investments | 1.41 | (1.58) | (1.32) | (0.16) | – |
| Total Income/(Loss) from Investment Operations | 2.17 | (0.86) | (0.43) | 0.48 | 0 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS: | | | | | |
| From net investment income | (0.34) | (0.57) | (0.77) | (0.45) | – |
| From tax return of capital | (0.54) | (0.23) | (0.08) | (0.31) | – |
| Total Distributions to Common Shareholders | (0.88) | (0.80) | (0.85) | (0.76) | – |
| CAPITAL SHARE TRANSACTIONS: | | | | | |
| Impact of Capital Share Transactions | 0.34 | 0 | 0 | – | – |
| Total Capital Share Transactions | 0.34 | 0 | 0 | – | – |
| Net asset value per common share - end of period | \$8.19 | \$6.56 | \$8.22 | \$ 9.50 | \$ 9.78 |
| Market price per common share - end of period | \$5.58 | \$5.99 | \$ 8.95 | \$ 9.80 | \$10.12 |
| Total Investment Return per Common Share - Net Asset Value | 39.14% | (-9.54%) | (-4.55%) | 5.22% | 0.00% |
| Total Investment Return per Common Share - Market Price | 59.63% | (-24.14%) | 0.75% | 4.89% | 1.20% |
| RATIOS AND SUPPLEMENTAL DATA: | | | | | |
| Net assets attributable to common shares, end of period (000s) | \$218,564 | \$84,989 | \$78,707 | \$ 79,322 | \$70,988 |
| Ratio of expenses excluding waivers to average net assets | 5.28% | 5.71% | 6.16% | 5.60% | 5.00% |
| Ratio of expenses including waivers to average net assets | N/A% | N/A | 5.22% | 4.87% | 2.20% |
| Ratio of expenses excluding interest expense and distributions to series 2026 term preferred shares to average net assets | 3.94% | 4.51% | 3.27% | 3.35% | 2.20% |
| Ratio of net investment income including waivers to average net assets | 9.82% | 10.93% | 10.03% | 6.57% | (-2.2%) |
| Portfolio turnover rate | 34% | 60% | 94% | 119% | 0% |
| 6.50% SERIES 2026 TERM PREFERRED SHARES: | | | | | |
| Liquidation value, end of period, including dividends payable on series 2026 term preferred shares (000s) | | N/A | N/A | N/A | N/A |
| Total shares outstanding (000s) | 40,258 | N/A | N/A | N/A | N/A |
| Asset coverage, end of period per \$1,000 of series 2026 term preferred shares | 1,596 | N/A | N/A | N/A | N/A |
| Liquidation preference per share | 25 | N/A | N/A | N/A | N/A |
| LEVERAGE FACILITY: | | | | | |
| Aggregate principal amount, end of period of leverage facility payable (000s) | 98,150 | 35,650 | 38,965 | 38,865 | N/A |
| Asset coverage, end of period per \$1,000 of leverage facility | 3,227 | 3,384 | 3,020 | 3,041 | N/A |

Source: ALPS (September 30, 2021).

1. Refer to Annual Report for detailed footnotes.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Balance Sheet¹

| ASSETS: | | |
|--|----|--------------------|
| Investments, at value (Cost \$384,896,514) | \$ | 383,845,601 |
| Cash | | 4,716,350 |
| Receivable for investment securities sold | | 2,359,506 |
| Interest receivable | | 1,248,430 |
| Prepaid offering costs, net (Note 5) | | 269,918 |
| Receivable for trust shares sold | | 212,780 |
| Prepaid expenses and other assets | | 18,687 |
| Total Assets | | 392,671,272 |

| LIABILITIES: | | |
|--|----|--------------------|
| Leverage facility (Net of \$319,714 deferred financing costs) (Note 6) | | 97,830,286 |
| Series 2026 term preferred shares (Net of \$1,202,600 deferred financing costs) (Note 6) | | 38,697,400 |
| Payable for investment securities purchased | | 33,853,572 |
| Distributions payable to common shareholders | | 1,919,347 |
| Accrued professional fees payable | | 578,365 |
| Accrued investment advisory fees payable (Note 3) | | 521,870 |
| Distributions payable on Series 2026 term preferred shares | | 358,214 |
| Interest due on leverage facility (Note 6) | | 117,248 |
| Accrued fund accounting and administration fees payable | | 116,100 |
| Accrued investor support services fees payable (Note 3) | | 57,393 |
| Accrued custodian fees payable | | 9,649 |
| Accrued chief compliance officer fees payable (Note 3) | | 5,384 |
| Accrued transfer agent fees payable | | 4,392 |
| Other payables and accrued expenses | | 38,388 |
| Total Liabilities | | 174,107,608 |
| Net Assets Applicable to Common Shareholders | \$ | 218,563,664 |
| Commitments (Note 8) | | |

COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:

| | | |
|---|----|-------------|
| Paid-in capital | \$ | 217,814,682 |
| Total distributable earnings (accumulated losses) | | 748,982 |
| Net Assets Applicable to Common Shareholders | \$ | 218,563,664 |
| Common shares of beneficial interest outstanding, at \$0.01 par value, and unlimited common shares authorized | | 26,674,283 |
| Net Asset Value Applicable to Common Shareholders | \$ | 8.19 |

Source: ALPS (September 30, 2021).

1. Refer to Annual Report for detailed footnotes.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Income Statement¹

INVESTMENT INCOME:

| | | |
|--------------------------------|----|-------------------|
| Interest | \$ | 21,595,222 |
| Dividends | | 22,600 |
| Total Investment Income | | 21,617,822 |

EXPENSES:

| | | |
|--|--|-------------------|
| Investment advisory fees (Note 3) | | 3,707,426 |
| Interest expense and amortization of deferred leverage costs | | 961,490 |
| Distributions to Series 2026 term preferred shares | | 957,198 |
| Professional fees | | 484,461 |
| Investor support services fees (Note 3) | | 436,168 |
| Fund accounting and administration fees | | 358,458 |
| Trustees fees and expenses | | 166,000 |
| Amortization of financing costs (Note 6) | | 82,775 |
| Transfer agent fees | | 45,859 |
| Chief financial officer fees (Note 3) | | 42,000 |
| Printing expenses | | 35,870 |
| Chief compliance officer fees (Note 3) | | 31,956 |
| Custodian fees | | 30,958 |
| Other expenses | | 221,736 |
| Total Expenses | | 7,562,355 |
| Net Investment Income | | 14,055,467 |

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:

| | | |
|---|-----------|-------------------|
| Net realized loss on: | | |
| Investment securities | | -464,169 |
| Change in unrealized appreciation/(depreciation) on: | | |
| Investment securities | | 21,889,863 |
| Net Realized and Unrealized Gain on Investments | | 21,425,694 |
| Net Increase in Net Assets Applicable to Common Shareholders from Operations | \$ | 35,481,161 |

Source: ALPS (September 30, 2021).

1. Refer to Annual Report for detailed footnotes.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Statements of Changes in Net Assets¹

| | For the Year Ended September 30, 2021 | For the Year Ended September 30, 2020 |
|---|--|---|
| OPERATIONS: | | |
| Net investment income | \$ 14,055,467 | \$ 8,729,940 |
| Net realized loss | (464,169) | (7,369,930) |
| Change in unrealized appreciation/(depreciation) | 21,889,863 | (12,370,462) |
| Net Increase/(Decrease) in Net Assets from Operations Applicable to Common Shareholders | 35,481,161 | (11,010,452) |
| TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS: | | |
| From net investment income | (6,239,707) | (6,685,937) |
| From tax return of capital | (9,769,169) | (2,879,758) |
| TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS | (16,008,876) | (9,565,695) |
| CAPITAL SHARE TRANSACTIONS: | | |
| Proceeds from sale of common shares (net of offering costs of \$382,495 and \$509,147) | 112,958,121 | 26,640,739 |
| Net asset value of common shares issued to shareholders from reinvestment of dividends | 1,144,153 | 217,315 |
| Net Increase in Net Assets Applicable to Common Shareholders from Capital Share Transactions | 114,102,274 | 26,858,054 |
| Net Increase in Net Assets Applicable to Common Shareholders | 133,574,559 | 6,281,907 |
| NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS: | | |
| Beginning of period | \$ 84,989,105 | \$ 78,707,198 |
| End of period | \$ 218,563,664 | \$ 84,989,105 |

Source: ALPS (September 30, 2021).

1. Refer to Annual Report for detailed footnotes.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Statement of Cash Flows¹

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|----------------------|
| Net increase in net assets from operations | \$ 35,481,161 |
| Adjustments to reconcile net increase in net assets applicable to common shareholders from operations to net cash used in operating activities: | |
| Purchases of investment securities | (297,311,013) |
| Proceeds from sale of investment securities | 73,756,460 |
| Discounts accreted/premiums amortized | 352,845 |
| Reductions to CLO equity cost basis | 4,614,003 |
| Net realized loss on investment securities | 464,169 |
| Net change in unrealized depreciation(appreciation) on investment securities | (21,889,863) |
| Net purchase of short-term investment securities | (21,434,230) |
| Amortization of deferred leverage costs | (265,288) |
| (Increase)/Decrease in assets: | |
| Receivable for investment securities sold | (1,493,053) |
| Interest receivable | (788,249) |
| Prepaid expenses and other assets | (9,635) |
| Increase/(Decrease) in liabilities: | |
| Payable for investment securities purchased | 31,367,029 |
| Distributions payable on Series 2026 Term Preferred Shares | 358,214 |
| Accrued excise tax payable | (77,250) |
| Interest due on leverage facility | 73,926 |
| Accrued investment advisory fees payable | 350,361 |
| Accrued fund accounting and administration fees payable | 4,789 |
| Accrued professional fees payable | 435,511 |
| Accrued investor support services fees payable | 37,969 |
| Accrued printing fees payable | (7,047) |
| Accrued custodian fees payable | 4,389 |
| Accrued chief compliance officer fees payable | 116 |
| Accrued transfer agent fees payable | 1,818 |
| Other payables and accrued expenses | 35,121 |
| Net Cash Used in Operating Activities | (195,937,747) |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|---|---------------------|
| Proceeds from leverage facility | 67,500,000 |
| Payments on leverage facility | (5,000,000) |
| Proceeds from shares sold - Series 2026 Term Preferred Shares | 38,697,400 |
| Proceeds from shares sold - common shares | 112,763,323 |
| Distributions paid - common shareholders | (13,722,763) |
| Offering costs paid | (846,889) |
| Net Cash Provided by Financing Activities | 199,391,071 |
| Net Increase in Cash | 3,453,324 |
| Cash, beginning balance | 1,263,026 |
| Cash, ending balance | \$ 4,716,350 |

Supplemental disclosure of cash flow information:

| | |
|---|--------------|
| Cash paid for interest on leverage facility | \$ 887,564 |
| Non-cash activity: | |
| Reinvestment of distributions | \$ 1,144,153 |

Source: ALPS (September 30, 2021).

1. Refer to Annual Report for detailed footnotes.

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (available on the XAI website, as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|--|---------------------------|------------|----------------|--------|--------------|-------------|--------------------------------|-----------------|-------------|
| Webster Park CLO, Ltd. 2016-1A | CLO Equity | 9,000,400 | 1.48 | 70.36 | \$6,332,573 | 15.93 | Capital Markets | NR | NR |
| Elmwood CLO VII, Ltd. 2020-4A | CLO Equity | 6,350,000 | 1.34 | 89.79 | \$5,701,379 | 13.26 | Capital Markets | NR | NR |
| Recette Clo, Ltd. 2015-1A | CLO Equity | 10,400,000 | 1.32 | 54.13 | \$5,629,270 | 17.53 | Capital Markets | NR | NR |
| Anchorage Capital CLO 13 LLC 2019-13A | CLO Equity | 7,000,000 | 1.31 | 80.18 | \$5,612,782 | 14.88 | Capital Markets | NR | NR |
| Anchorage Capital CLO 19, Ltd. 2021-19A | CLO Equity | 7,000,000 | 1.29 | 78.63 | \$5,504,310 | 23.05 | Capital Markets | NR | NR |
| Carbone Clo, Ltd. 2017-1A | CLO Equity | 7,850,000 | 1.19 | 64.60 | \$5,071,084 | 19.07 | Capital Markets | NR | NR |
| Madison Park Funding XXXVII, Ltd. 2019-37A | CLO Equity | 5,500,000 | 1.17 | 91.11 | \$5,010,957 | 19.37 | Capital Markets | NR | NR |
| Elmwood CLO II, Ltd. 2019-2A | CLO Equity | 5,500,000 | 1.13 | 88.03 | \$4,841,590 | 13.71 | Capital Markets | NR | NR |
| Elmwood CLO I, Ltd. 2019-1A | CLO Equity | 6,000,000 | 1.09 | 77.27 | \$4,636,453 | 11.53 | Capital Markets | NR | NR |
| ALM 2020, Ltd. | CLO Equity | 5,000,000 | 1.02 | 86.89 | \$4,344,535 | 15.14 | Capital Markets | NR | NR |
| Elmwood CLO III, Ltd. 2019-3A | CLO Equity | 5,250,000 | 1.01 | 82.25 | \$4,318,125 | 14.01 | Capital Markets | NR | NR |
| Rockland Park CLO, Ltd. 2021-1A | CLO Equity | 5,000,000 | 0.96 | 82.33 | \$4,116,490 | 15.68 | Capital Markets | NR | NR |
| Invesco CLO, Ltd. 2021-2A | CLO Equity | 5,000,000 | 0.94 | 80.64 | \$4,032,100 | 15.85 | Capital Markets | NR | NR |
| Battalion Clo XV, Ltd. 2020-15A | CLO Equity | 4,500,000 | 0.92 | 87.73 | \$3,948,019 | 18.16 | Capital Markets | NR | NR |
| Madison Park Funding XXVIII, Ltd. 2018-28A | CLO Equity | 5,000,000 | 0.91 | 77.46 | \$3,872,970 | 17.67 | Capital Markets | NR | NR |
| CIFC Funding 2021-II | CLO Equity | 4,000,000 | 0.91 | 96.76 | \$3,870,572 | 23.6 | Capital Markets | NR | NR |
| Regatta XVIII Funding, Ltd. 2021-1A | CLO Equity | 4,175,322 | 0.88 | 89.86 | \$3,751,928 | 14.6 | Capital Markets | NR | NR |
| CARLYLE US CLO 2021-5, Ltd. | CLO Equity | 4,000,000 | 0.87 | 92.96 | \$3,718,324 | 17.05 | Capital Markets | NR | NR |
| Oak Hill Credit Partners X-R, Ltd. 2014-10RA | CLO Equity | 6,673,000 | 0.84 | 53.96 | \$3,600,577 | 17.58 | Capital Markets | NR | NR |
| Dryden 43 Senior Loan Fund 2016-43A | CLO Equity | 5,000,000 | 0.79 | 67.85 | \$3,392,500 | 15.12 | Capital Markets | NR | NR |
| Dryden 95 CLO, Ltd. 2021-95A | CLO Equity | 3,500,000 | 0.73 | 89.06 | \$3,117,058 | 15.76 | Capital Markets | NR | NR |
| CIFC Funding 2017-V, Ltd. | CLO Equity | 4,500,000 | 0.69 | 65.25 | \$2,936,282 | 13 | Capital Markets | NR | NR |
| Carlyle US CLO, Ltd. 2020-4A | CLO Equity | 4,000,000 | 0.68 | 73.07 | \$2,922,866 | 17.09 | Capital Markets | NR | NR |
| Battalion Clo XVI, Ltd. 2019-16A | CLO Equity | 3,500,000 | 0.68 | 83.14 | \$2,909,753 | 15.22 | Capital Markets | NR | NR |
| Anchorage Capital CLO 1-R, Ltd. 2018-1RA | CLO Equity | 4,150,000 | 0.65 | 67.08 | \$2,783,932 | 17.31 | Capital Markets | NR | NR |
| Madison Park Funding XXIX, Ltd. 2018-29A | CLO Equity | 3,750,000 | 0.61 | 69.05 | \$2,589,349 | 16.87 | Capital Markets | NR | NR |
| Invesco CLO, Ltd. 2021-1A | CLO Equity | 3,000,000 | 0.58 | 82.78 | \$2,483,319 | 17.43 | Capital Markets | NR | NR |
| CIFC Funding 2018-I, Ltd. | CLO Equity | 3,250,000 | 0.58 | 75.85 | \$2,465,145 | 12.7 | Capital Markets | NR | NR |
| THL Credit Wind River CLO, Ltd. 2018-3A | CLO Equity | 3,000,000 | 0.54 | 77.49 | \$2,324,580 | 19.58 | Capital Markets | NR | NR |
| Madison Park Funding XVIII, Ltd. 2015-18A | CLO Equity | 4,000,000 | 0.54 | 57.39 | \$2,295,556 | 8.66 | Capital Markets | NR | NR |
| Niagara Park Clo, Ltd. 2019-1A | CLO Equity | 2,648,000 | 0.53 | 85.05 | \$2,252,058 | 21.08 | Capital Markets | NR | NR |
| CIFC Funding 2018-III, Ltd. | CLO Equity | 3,000,000 | 0.52 | 74.33 | \$2,229,960 | 19.77 | Capital Markets | NR | NR |
| Wind River CLO, Ltd. 2016-1A | CLO Equity | 4,000,000 | 0.49 | 52.27 | \$2,090,800 | 26.53 | Capital Markets | NR | NR |
| CIFC Funding 2019-V, Ltd. | CLO Equity | 2,500,000 | 0.49 | 82.99 | \$2,074,870 | 13.43 | Capital Markets | NR | NR |
| athenahealth, Inc. | Senior Secured First Lien | 2,068,173 | 0.49 | 100.25 | \$2,073,344 | 4.38 | Health Care Technology | B2 | B |
| Anchorage Capital CLO 9, Ltd. 2021-9A | CLO Debt | 2,000,000 | 0.47 | 99.53 | \$1,990,650 | 6.94 | Capital Markets | NR | BB- |
| KUEHG Corp | Senior Secured First Lien | 1,989,086 | 0.46 | 98.96 | \$1,968,459 | 4.75 | Diversified Consumer Services | B3 | CCC+ |
| VeriFone Systems, Inc. | Senior Secured First Lien | 1,987,311 | 0.46 | 97.88 | \$1,945,081 | 4.13 | Diversified Financial Services | B3 | B- |
| THL Credit Wind River CLO, Ltd. 2018-2A | CLO Equity | 3,031,000 | 0.45 | 63.32 | \$1,919,323 | 15.16 | Capital Markets | NR | NR |
| Anchorage Capital CLO 4-R, Ltd. 2018-4RA | CLO Equity | 3,000,000 | 0.44 | 62.71 | \$1,881,441 | 19.39 | Capital Markets | NR | NR |
| Dryden 87 CLO, Ltd. 2021-87A | CLO Equity | 2,000,000 | 0.44 | 93.59 | \$1,871,766 | 17.03 | Capital Markets | NR | NR |
| IXS Holdings, Inc. | Senior Secured First Lien | 1,857,050 | 0.43 | 98.97 | \$1,837,904 | 5.00 | Auto Components | B2 | B- |
| Apidos CLO XXVIII 2017-28A | CLO Equity | 3,500,000 | 0.43 | 52.34 | \$1,831,837 | 6.31 | Capital Markets | NR | NR |
| ARES LI CLO, Ltd. 2019-51A | CLO Equity | 2,646,041 | 0.43 | 68.73 | \$1,818,497 | 19.18 | Capital Markets | NR | NR |
| Air Canada | Senior Secured First Lien | 1,780,000 | 0.42 | 100.98 | \$1,797,426 | 4.25 | Airlines | Ba2 | BB- |
| OHA Credit Partners XI, Ltd. 2015-11A | CLO Equity | 2,750,000 | 0.42 | 64.60 | \$1,776,368 | 17.25 | Capital Markets | NR | NR |
| Informatica LLC, TLB | Senior Secured First Lien | 1,766,982 | 0.41 | 99.75 | \$1,762,565 | 2.88 | Internet Software & Services | B1 | BB- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields. * See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|---|---------------------------|-----------|----------------|--------|--------------|---|--------|-----------------|-------------|
| Verscend Holding Corp. | Senior Secured First Lien | 1,732,818 | 0.41 | 100.13 | \$1,734,984 | 4.09 Health Care Providers & Services | | B2 | B+ |
| MKS Instruments, Inc. TLB 1L | Senior Secured First Lien | 1,719,380 | 0.40 | 99.88 | \$1,717,230 | 0.00 Semiconductors & Semiconductor | | - | - |
| DIRECTV Financing LLC | Senior Secured First Lien | 1,636,051 | 0.38 | 100.05 | \$1,636,836 | 5.75 Diversified Telecommunication Services | Ba3 | | BB |
| Radiate Holdco, LLC TLB 1L | Senior Secured First Lien | 1,625,315 | 0.38 | 99.71 | \$1,620,520 | 3.38 Diversified Telecommunication Services | B1 | | B |
| Gogo Intermediate Holdings LLC | Senior Secured First Lien | 1,604,031 | 0.38 | 100.04 | \$1,604,705 | 4.50 Communications Equipment | B3 | | B |
| Mozart Debt Merger Sub, Inc. TLB 1L | Senior Secured First Lien | 1,575,286 | 0.37 | 100.10 | \$1,576,846 | 3.75 Health Care Equipment & Supplies | B1 | | B+ |
| Carlyle Global Market Strategies CLO, Ltd. 2013-1A | CLO Equity | 3,500,000 | 0.36 | 44.36 | \$1,552,611 | 6.07 Capital Markets | | NR | NR |
| Anchorage Capital Clo 20, Ltd. 2021-20A | CLO Equity | 1,750,000 | 0.36 | 87.96 | \$1,539,300 | 0 Capital Markets | | NR | NR |
| Pug LLC | Senior Secured First Lien | 1,530,872 | 0.36 | 100.00 | \$1,530,872 | 4.75 Diversified Consumer Services | B3 | | B- |
| Viad Corp | Senior Secured First Lien | 1,500,000 | 0.35 | 100.33 | \$1,504,995 | 5.50 Commercial Services & Supplies | B3 | | B+ |
| THL Credit Wind River CLO, Ltd. 2021-1A | CLO Debt | 1,500,000 | 0.35 | 100.16 | \$1,502,458 | 7.18 Capital Markets | Ba3 | | NR |
| Anchorage Capital CLO 13 LLC 2021-13A | CLO Debt | 1,500,000 | 0.35 | 100.00 | \$1,500,047 | 6.82 Capital Markets | | NR | BB- |
| Symphony CLO XXV, Ltd. 2021-25A | CLO Debt | 1,500,000 | 0.35 | 99.91 | \$1,498,690 | 6.62 Capital Markets | Ba3 | | NR |
| Insulet Corp. | Senior Secured First Lien | 1,496,250 | 0.35 | 100.09 | \$1,497,656 | 3.75 Health Care Equipment & Supplies | Ba3 | | B+ |
| TK Elevator US Newco, Inc. | Senior Secured First Lien | 1,491,269 | 0.35 | 100.13 | \$1,493,133 | 4.00 Industrial Conglomerates | B1 | | B+ |
| Cvent, Inc. | Senior Secured First Lien | 1,496,124 | 0.35 | 99.53 | \$1,489,107 | 3.84 Software | B3 | | CCC+ |
| Forest City Enterprises LP | Senior Secured First Lien | 1,500,000 | 0.35 | 98.70 | \$1,480,545 | 3.59 Real Estate Management & Development | B2 | | B+ |
| WP CPP Holdings LLC | Senior Secured First Lien | 1,500,000 | 0.34 | 97.68 | \$1,465,125 | 4.75 Aerospace & Defense | B3 | | CCC+ |
| Castle US Holding Corp. | Senior Secured First Lien | 1,481,250 | 0.34 | 98.78 | \$1,463,194 | 3.88 Media | B3 | | B- |
| Windstream Services II LLC | Senior Secured First Lien | 1,452,426 | 0.34 | 100.31 | \$1,456,972 | 7.25 Diversified Telecommunication Services | B3 | | B |
| Spin Holdco, Inc. | Senior Secured First Lien | 1,442,750 | 0.34 | 100.26 | \$1,446,516 | 4.75 Diversified Consumer Services | B3 | | B- |
| Greeneden U.S. Holdings I LLC | Senior Secured First Lien | 1,441,005 | 0.34 | 100.20 | \$1,443,930 | 4.75 Software | B3 | | B- |
| Hudson River Trading LLC | Senior Secured First Lien | 1,443,804 | 0.34 | 99.38 | \$1,434,781 | 3.09 Capital Markets | Ba2 | | BB- |
| Caesars Resort Collection LLC | Senior Secured First Lien | 1,377,296 | 0.32 | 100.06 | \$1,378,095 | 3.59 Hotels, Restaurants & Leisure | B1 | | B+ |
| CITGO Holding, Inc. | Senior Secured First Lien | 1,374,566 | 0.32 | 99.50 | \$1,367,693 | 8.00 Oil, Gas & Consumable Fuels | Caa1 | | B- |
| LaserShip, Inc. | Senior Secured First Lien | 1,341,214 | 0.31 | 100.06 | \$1,342,059 | 5.25 Air Freight & Logistics | B2 | | B- |
| Amentum Government Services Holdings LLC | Senior Secured First Lien | 1,327,760 | 0.31 | 99.97 | \$1,327,348 | 5.50 Aerospace & Defense | B1 | | B |
| Magenta Buyer LLC | Senior Secured First Lien | 1,323,925 | 0.31 | 99.25 | \$1,313,996 | 5.75 Software | B2 | | B |
| Asurion LLC | Senior Secured First Lien | 1,324,827 | 0.31 | 99.00 | \$1,311,579 | 3.34 Insurance | Ba3 | | B+ |
| ADMI Corp. | Senior Secured First Lien | 1,307,346 | 0.31 | 99.89 | \$1,305,947 | 4.00 Health Care Providers & Services | B2 | | B |
| Kayne CLO 11, Ltd. 2021-11A | CLO Debt | 1,300,000 | 0.30 | 100.00 | \$1,300,049 | 6.37 Capital Markets | | NR | BB- |
| Altice France S.A. | Senior Secured First Lien | 1,283,598 | 0.30 | 99.46 | \$1,276,641 | 4.12 Diversified Telecommunication Services | B2 | | B |
| Infinite Bidco LLC | Senior Secured First Lien | 1,253,315 | 0.29 | 99.88 | \$1,251,748 | 4.25 Electronic Equipment, Instruments | B2 | | B- |
| Anchorage Capital CLO 17, Ltd. 2021-17A | CLO Debt | 1,250,000 | 0.29 | 99.97 | \$1,249,623 | 7.01 Capital Markets | Ba3 | | NR |
| CARNIVAL CORPORATION TLB 1L | Senior Secured First Lien | 1,224,252 | 0.29 | 99.88 | \$1,222,722 | 4.00 Hotels, Restaurants & Leisure | Ba2 | | BB- |
| Virtusa Corp. | Senior Secured First Lien | 1,194,690 | 0.28 | 100.41 | \$1,199,541 | 4.50 IT Services | B2 | | B+ |
| Anchorage Capital CLO 9, Ltd. 2016-9A | CLO Equity | 2,500,000 | 0.28 | 47.71 | \$1,192,640 | 22.33 Capital Markets | | NR | NR |
| Chill Merger Sub, Inc. | Senior Secured First Lien | 1,250,000 | 0.28 | 94.71 | \$1,183,850 | 4.50 Food Products | Caa1 | | CCC+ |
| Conduent Business Services LLC / Conduent State & Local Solutions, Inc. | Senior Secured Bond | 1,176,000 | 0.28 | 100.12 | \$1,177,411 | 6.00 Professional Services | B1 | | BB- |
| ARES LI CLO, Ltd. 2019-51A | CLO Equity | 1,699,959 | 0.27 | 68.73 | \$1,168,300 | 19.24 Capital Markets | | NR | NR |
| American Greetings Corp. | Senior Secured First Lien | 1,157,670 | 0.27 | 100.00 | \$1,157,670 | 5.50 Household Products | Ba3 | | B+ |
| OHA Credit Partners XII, Ltd. 2016-12A | CLO Equity | 1,500,000 | 0.27 | 76.68 | \$1,150,167 | 20.74 Capital Markets | | NR | NR |
| Franchise Group, Inc. | Senior Secured First Lien | 1,139,798 | 0.27 | 100.50 | \$1,145,497 | 5.50 Specialty Retail | Ba3 | | BB- |
| Great Outdoors Group LLC | Senior Secured First Lien | 1,141,375 | 0.27 | 100.23 | \$1,143,989 | 5.00 Specialty Retail | B1 | | BB- |
| Divisions Holding Corp. | Senior Secured First Lien | 1,136,779 | 0.27 | 100.19 | \$1,138,916 | 5.50 Commercial Services & Supplies | B3 | | B |
| Consolidated Communications, Inc. | Senior Secured Bond | 1,125,000 | 0.27 | 101.24 | \$1,138,902 | 5.00 Diversified Telecommunication Services | B2 | | B+ |
| Peraton Corp. | Senior Secured First Lien | 1,135,878 | 0.27 | 100.11 | \$1,137,117 | 4.50 Aerospace & Defense | B1 | | B+ |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|--|---------------------------|-----------|----------------|--------|--------------|-------------|-------------------------------------|-----------------|-------------|
| Global Medical Response, Inc. | Senior Secured First Lien | 1,134,513 | 0.26 | 99.52 | \$1,129,044 | 5.25 | Health Care Providers & Services | B2 | B |
| BK LC Lux SPV S.a r.l. | Senior Secured First Lien | 1,128,378 | 0.26 | 99.94 | \$1,127,679 | 4.25 | Textiles, Apparel & Luxury Goods | B1 | B |
| Voya CLO 2020-2, Ltd. 2021-2A | CLO Debt | 1,125,000 | 0.26 | 100.00 | \$1,124,987 | 6.52 | Capital Markets | NR | BB- |
| Rent-A-Center, Inc. | Senior Secured First Lien | 1,119,536 | 0.26 | 100.19 | \$1,121,641 | 3.75 | Food & Staples Retailing | Ba2 | BB- |
| Conservice Midco LLC | Senior Secured First Lien | 1,116,821 | 0.26 | 99.93 | \$1,115,983 | 4.38 | Software | B2 | B |
| Elevate Textiles, Inc. | Senior Secured First Lien | 1,164,962 | 0.26 | 95.70 | \$1,114,868 | 5.13 | Textiles, Apparel & Luxury Goods | B3 | CCC+ |
| Indy US Bidco LLC | Senior Secured First Lien | 1,111,874 | 0.26 | 100.19 | \$1,113,964 | 4.09 | Software | B1 | B |
| Coral-US Co-Borrower LLC | Senior Secured First Lien | 1,122,105 | 0.26 | 99.27 | \$1,113,891 | 3.14 | Wireless Telecommunication Services | Ba3 | BB- |
| Dealer Tire LLC | Senior Secured First Lien | 1,113,290 | 0.26 | 99.95 | \$1,112,733 | 4.34 | Auto Components | B1 | B- |
| Jo-Ann Stores LLC | Senior Secured First Lien | 1,129,621 | 0.26 | 98.22 | \$1,109,503 | 5.50 | Specialty Retail | B2 | B |
| Radiology Partners, Inc. | Senior Secured First Lien | 1,104,358 | 0.26 | 99.83 | \$1,102,514 | 4.30 | Health Care Providers & Services | B2 | B- |
| Asurion LLC | Secured Second Lien | 1,104,603 | 0.26 | 99.52 | \$1,099,311 | 5.34 | Insurance | B3 | B |
| DCert Buyer, Inc. | Senior Secured First Lien | 1,097,380 | 0.26 | 100.01 | \$1,097,501 | 4.09 | Software | B2 | B- |
| Truck Hero, Inc. | Senior Secured First Lien | 1,077,157 | 0.25 | 99.52 | \$1,072,019 | 4.00 | Automobiles | B2 | B- |
| CHARIOT BUYER LLC TLB 1L | Senior Secured First Lien | 1,073,616 | 0.25 | 99.79 | \$1,071,383 | 3.63 | Building Products | B2 | B |
| ASTRA ACQUISITION CORP. TL 1L | Senior Secured First Lien | 1,100,677 | 0.25 | 97.13 | \$1,069,032 | 5.38 | Software | B2 | B- |
| Icon Public, Ltd. Company | Senior Secured First Lien | 1,062,005 | 0.25 | 99.99 | \$1,061,888 | 3.00 | Health Care Providers & Services | Ba1 | BB+ |
| Madison Park Funding XX, Ltd. 2016-20A | CLO Equity | 1,740,000 | 0.25 | 60.96 | \$1,060,659 | 23.5 | Capital Markets | NR | NR |
| Sunshine Luxembourg VII Sarl | Senior Secured First Lien | 1,049,664 | 0.25 | 100.16 | \$1,051,375 | 4.50 | Household Products | B2 | B- |
| Sixth Street CLO XVII, Ltd. 2021-17A | CLO Equity | 1,100,000 | 0.24 | 93.84 | \$1,032,227 | 13.7 | Capital Markets | NR | NR |
| ION Trading Finance, Ltd. | Senior Secured First Lien | 1,020,425 | 0.24 | 100.19 | \$1,022,344 | 4.92 | IT Services | B3 | B |
| MH Sub I LLC | Secured Second Lien | 1,000,000 | 0.24 | 101.28 | \$1,012,810 | 6.34 | Software | Caa2 | CCC+ |
| Ali Group S.R.L. TLB 1L | Senior Secured First Lien | 1,016,998 | 0.24 | 99.25 | \$1,009,371 | 0.00 | Industrial Equipment | - | - |
| Gainwell Acquisition Corp. | Senior Secured First Lien | 1,003,764 | 0.24 | 100.17 | \$1,005,470 | 4.75 | Health Care Technology | B2 | B+ |
| Symphony CLO XXIV, Ltd. 2021-24A | CLO Debt | 1,000,000 | 0.23 | 100.16 | \$1,001,583 | 7.12 | Capital Markets | NR | BB- |
| Regatta XVI Funding, Ltd. 2019-2A | CLO Debt | 1,000,000 | 0.23 | 100.15 | \$1,001,461 | 7.12 | Capital Markets | NR | BB- |
| Symphony CLO XXI, Ltd. 2019-21A ER | CLO Debt | 1,000,000 | 0.23 | 100.07 | \$1,000,734 | 6.72 | Capital Markets | NR | BB- |
| OHA Credit Funding 2, Ltd. 2021-2A | CLO Debt | 1,000,000 | 0.23 | 100.07 | \$1,000,706 | 6.49 | Capital Markets | NR | BB- |
| Regatta VII Funding, Ltd. 2021-1A | CLO Debt | 1,000,000 | 0.23 | 100.00 | \$1,000,007 | 6.52 | Capital Markets | Ba3 | NR |
| Neuberger Berman Loan Advisers CLO 24, Ltd. 2017-24A | CLO Debt | 1,000,000 | 0.23 | 99.76 | \$997,614 | 6.14 | Capital Markets | Ba3 | NR |
| OHA Credit Funding 9, Ltd. 2021-9A | CLO Debt | 1,000,000 | 0.23 | 99.75 | \$997,517 | 6.43 | Capital Markets | NR | BB- |
| Battalion CLO, Ltd. 2021-21A | CLO Debt | 1,000,000 | 0.23 | 99.65 | \$996,511 | 6.59 | Capital Markets | Ba3 | NR |
| OHA Credit Funding 5, Ltd. 2020-5A | CLO Debt | 1,000,000 | 0.23 | 99.33 | \$993,338 | 6.37 | Capital Markets | NR | BB- |
| Wind River 2021-3 CLO, Ltd. | CLO Debt | 1,000,000 | 0.23 | 99.00 | \$989,958 | 6.71 | Capital Markets | Ba3 | NR |
| CIFC Funding 2020-II, Ltd. | CLO Equity | 1,000,000 | 0.23 | 98.43 | \$984,265 | 29.52 | Capital Markets | NR | NR |
| Upland Software, Inc. | Senior Secured First Lien | 980,000 | 0.23 | 100.06 | \$980,617 | 3.84 | Software | B2 | B |
| Amneal Pharmaceuticals, LLC | Senior Secured First Lien | 983,035 | 0.23 | 99.04 | \$973,618 | 3.63 | Pharmaceuticals | B2 | B |
| Anchorage Capital CLO 19, Ltd. 2021-19A | CLO Debt | 1,000,000 | 0.23 | 97.00 | \$969,974 | 7.41 | Capital Markets | NR | NR |
| KDC/ONE Development Corp., Inc. | Senior Secured First Lien | 979,849 | 0.23 | 98.88 | \$968,826 | 3.84 | Personal Products | B3 | B- |
| LABL, INC. TL 1L | Senior Secured First Lien | 971,879 | 0.23 | 99.31 | \$965,202 | 5.13 | Containers & Packaging | B2 | B- |
| Planview Parent, Inc. | Senior Secured First Lien | 963,220 | 0.23 | 100.16 | \$964,723 | 4.75 | Software | B2 | B- |
| Medplast Holdings, Inc. | Senior Secured First Lien | 992,327 | 0.23 | 97.00 | \$962,558 | 3.84 | Health Care Equipment & Supplies | B3 | CCC+ |
| Stars Group Holdings, LLC (fka Amaya Holdings) | Senior Secured First Lien | 961,887 | 0.22 | 99.61 | \$958,097 | 2.38 | Hotels, Restaurants & Leisure | Ba1 | BBB- |
| Recorded Books, Inc. | Senior Secured First Lien | 938,541 | 0.22 | 100.00 | \$938,541 | 4.08 | Media | B3 | B- |
| Staples, Inc. | Senior Secured First Lien | 975,281 | 0.22 | 96.01 | \$936,367 | 5.13 | Diversified Consumer Services | B2 | B |
| Avaya, Inc. | Senior Secured First Lien | 912,791 | 0.21 | 100.10 | \$913,676 | 4.09 | IT Services | B2 | B+ |
| Madison Park Funding XVII, Ltd. 2015-17A | CLO Debt | 1,000,000 | 0.21 | 91.01 | \$910,145 | 7.61 | Capital Markets | Caa2 | NR |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|---|---------------------------|-----------|----------------|--------|--------------|-------------|--|-----------------|-------------|
| HPS Loan Management, Ltd. 2017-11A | CLO Debt | 1,000,000 | 0.21 | 90.77 | \$907,685 | 7.97 | Capital Markets | B3 | NR |
| Anchorage Capital CLO 3-R, Ltd. 2014-3RA | CLO Equity | 1,400,000 | 0.21 | 64.66 | \$905,195 | 20.78 | Capital Markets | NR | NR |
| CIFC Funding 2019-III, Ltd. 2021-3A | CLO Debt | 900,000 | 0.21 | 100.57 | \$905,128 | 6.92 | Capital Markets | Ba3 | NR |
| Casa Systems, Inc. | Senior Secured First Lien | 909,353 | 0.21 | 99.19 | \$901,969 | 5.00 | Communications Equipment | B3 | B- |
| Alvogen Pharma US, Inc. | Senior Secured First Lien | 931,143 | 0.21 | 96.70 | \$900,416 | 6.25 | Pharmaceuticals | B3 | B- |
| Atrium IX 2017-9A | CLO Debt | 900,000 | 0.21 | 99.45 | \$895,073 | 6.57 | Capital Markets | NR | B |
| Apex Group Treasury, Ltd. | Senior Secured First Lien | 880,000 | 0.21 | 99.88 | \$878,900 | 4.25 | Software | B1 | B- |
| Zelis Cost Management Buyer, Inc. TL | Senior Secured First Lien | 886,081 | 0.21 | 99.17 | \$878,700 | 3.58 | Health Care Technology | B2 | B |
| QUIKRETE Holdings, Inc. | Senior Secured First Lien | 877,869 | 0.20 | 99.60 | \$874,358 | 3.00 | Building Products | Ba3 | BB- |
| Anchorage Capital CLO 7, Ltd. 2015-7A | CLO Equity | 1,750,000 | 0.20 | 49.67 | \$869,225 | 32.29 | Capital Markets | NR | NR |
| McAfee Enterprise, Incremental Term Loan | Senior Secured First Lien | 851,433 | 0.20 | 99.97 | \$851,169 | 5.00 | Software | B2 | B |
| Sound Point CLO III, Ltd. 2017-3A | CLO Equity | 1,500,000 | 0.20 | 56.63 | \$849,435 | 12.62 | Capital Markets | NR | NR |
| CCRR Parent, Inc. | Senior Secured First Lien | 845,750 | 0.20 | 100.38 | \$848,922 | 4.50 | Health Care Providers & Services | B2 | B |
| United AirLines, Inc. | Senior Secured First Lien | 835,935 | 0.20 | 101.34 | \$847,128 | 4.50 | Airlines | Ba1 | BB- |
| Banjay Entertainment S.A.S. | Senior Secured First Lien | 841,391 | 0.20 | 99.63 | \$838,235 | 3.83 | Media | B1 | B |
| Pregis TopCo LLC | Senior Secured First Lien | 835,125 | 0.20 | 100.19 | \$836,695 | 4.50 | Containers & Packaging | B2 | B- |
| Schweitzer-Mauduit International, Inc. | Senior Secured First Lien | 834,973 | 0.20 | 100.13 | \$836,017 | 4.50 | Construction Materials | Ba2 | BB- |
| CIFC Funding 2017-III, Ltd. | CLO Equity | 1,400,000 | 0.20 | 59.54 | \$833,612 | 12.23 | Capital Markets | NR | NR |
| CommerceHub, Inc. | Senior Secured First Lien | 827,474 | 0.19 | 100.13 | \$828,508 | 4.75 | Software | B2 | B |
| Envision Healthcare Corp. | Senior Secured First Lien | 992,347 | 0.19 | 82.54 | \$819,103 | 3.84 | Health Care Providers & Services | Caa1 | CCC+ |
| Waystar Technologies, Inc. | Senior Secured First Lien | 816,924 | 0.19 | 100.06 | \$817,439 | 4.09 | Health Care Technology | B2 | B- |
| Casablanca US Holdings, Inc. | Senior Secured First Lien | 816,604 | 0.19 | 99.81 | \$815,077 | 4.08 | Hotels, Restaurants & Leisure | Caa2 | CCC+ |
| Hunter Fan Company | Senior Secured First Lien | 818,420 | 0.19 | 99.46 | \$813,984 | 5.75 | Household Durables | B2 | B |
| Travelport Finance S.a r.l. | Senior Secured First Lien | 780,850 | 0.19 | 103.46 | \$807,891 | 9.75 | Diversified Consumer Services | B3 | B- |
| Heartland Dental LLC | Senior Secured First Lien | 807,729 | 0.19 | 99.73 | \$805,540 | 4.09 | Health Care Providers & Services | B2 | B- |
| Acisure LLC | Senior Secured First Lien | 811,690 | 0.19 | 98.60 | \$800,326 | 3.63 | Insurance | B2 | B |
| EagleView Technology Corp. | Senior Secured First Lien | 800,238 | 0.18 | 98.46 | \$787,947 | 3.58 | Software | B2 | B |
| Seaworld Parks & Entertainment, Inc. | Senior Secured First Lien | 788,259 | 0.18 | 99.63 | \$785,303 | 3.50 | Hotels, Restaurants & Leisure | Ba3 | BB- |
| Restoration Hardware, Inc. TLB 1L | Senior Secured First Lien | 779,062 | 0.18 | 99.88 | \$778,088 | 3.00 | Specialty Retail | - | - |
| Conair Holdings LLC | Senior Secured First Lien | 769,547 | 0.18 | 99.96 | \$769,224 | 4.25 | Household Durables | B1 | B |
| WP CityMD Bidco LLC | Senior Secured First Lien | 756,535 | 0.18 | 100.21 | \$758,108 | 4.50 | Health Care Providers & Services | B1 | B |
| Ultra Clean Holdings, Inc. | Senior Secured First Lien | 755,217 | 0.18 | 100.16 | \$756,395 | 3.84 | Electronic Equipment, Instruments & Components | B1 | B+ |
| Parexel International Corp. | Senior Secured First Lien | 754,489 | 0.18 | 100.07 | \$755,010 | 4.25 | Health Care Providers & Services | B1 | B |
| Elmwood CLO VI, Ltd. 2021-3A | CLO Debt | 750,000 | 0.18 | 100.00 | \$750,000 | 6.62 | Capital Markets | NR | BB- |
| Elmwood CLO XI, Ltd. 2021-4A | CLO Debt | 750,000 | 0.18 | 99.99 | \$749,914 | 6.14 | Capital Markets | NR | BB- |
| LaserShip, Inc. | Secured Second Lien | 745,852 | 0.18 | 100.50 | \$749,581 | 8.25 | Air Freight & Logistics | Caa2 | CCC |
| Regatta XIV Funding, Ltd. 2018-3A | CLO Debt | 750,000 | 0.17 | 99.12 | \$743,426 | 6.07 | Capital Markets | Ba3 | NR |
| Midwest Physician Administrative Services LLC | Senior Secured First Lien | 746,250 | 0.17 | 99.50 | \$742,519 | 4.00 | Health Care Providers & Services | B2 | B |
| Madison Park Funding XXXVII, Ltd. 2021-37A | CLO Debt | 750,000 | 0.17 | 98.77 | \$740,760 | 6.27 | Capital Markets | NR | BB- |
| TTF Holdings LLC | Senior Secured First Lien | 738,515 | 0.17 | 100.00 | \$738,515 | 4.75 | Health Care Technology | B2 | B+ |
| Cumulus Media New Holdings, Inc. | Senior Secured First Lien | 729,052 | 0.17 | 99.82 | \$727,747 | 4.75 | Media | B2 | B |
| Polaris Newco LLC | Senior Secured First Lien | 725,328 | 0.17 | 100.19 | \$726,721 | 4.50 | Software | B2 | B- |
| Primary Products Finance, LLC TL 1L | Senior Secured First Lien | 721,121 | 0.17 | 100.31 | \$723,378 | 4.13 | Food Products | B1 | BB- |
| Mozart Debt Merger Sub, Inc. | Senior Secured Bond | 727,000 | 0.17 | 99.50 | \$723,365 | 3.88 | Health Care Equipment & Supplies | B1 | B+ |
| Gray Television 10/21 Cov-Lite | Senior Secured First Lien | 722,343 | 0.17 | 99.88 | \$721,440 | 3.13 | Media | Ba2 | BB |
| Anchorage Capital CLO 18, Ltd. 2021-18A | CLO Equity | 850,000 | 0.17 | 84.75 | \$720,389 | 16.3 | Capital Markets | NR | NR |
| Energy Acquisition LP | Senior Secured First Lien | 717,060 | 0.17 | 98.93 | \$709,352 | 4.35 | Electrical Equipment | B2 | B- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|--|---------------------------|-----------|----------------|--------|--------------|---|--------|-----------------|-------------|
| Endo Luxembourg Finance Company I S.a r.l. | Senior Secured First Lien | 725,228 | 0.17 | 97.36 | \$706,089 | 5.75 Pharmaceuticals | | B3 | B- |
| Consolidated Communications, Inc. | Senior Secured First Lien | 700,484 | 0.16 | 99.98 | \$700,323 | 4.25 Diversified Telecommunication Services | | B2 | B+ |
| Ascend Performance Materials Operations LLC | Senior Secured First Lien | 687,186 | 0.16 | 100.86 | \$693,075 | 5.50 Chemicals | | B1 | BB- |
| Oryx Midstream Services Permian Basin, LLC TLB 1L | Senior Secured First Lien | 692,314 | 0.16 | 99.57 | \$689,344 | 3.75 Oil, Gas & Consumable Fuels | | Ba3 | BB- |
| Acrisure LLC | Senior Secured First Lien | 690,000 | 0.16 | 99.58 | \$687,123 | 4.25 Insurance | | B2 | B |
| Kleopatra Finco S.a r.l. | Senior Secured First Lien | 681,488 | 0.16 | 99.41 | \$677,440 | 5.25 Containers & Packaging | | B2 | B |
| Kingpin Intermediate Holdings LLC | Senior Secured First Lien | 677,229 | 0.16 | 99.59 | \$674,479 | 4.50 Hotels, Restaurants & Leisure | | B2 | B- |
| Shutterfly LLC | Senior Secured First Lien | 678,728 | 0.16 | 98.85 | \$670,923 | 5.75 Internet and Catalog Retail | | B2 | B- |
| Creative Artists Agency LLC | Senior Secured First Lien | 674,204 | 0.16 | 99.42 | \$670,308 | 3.84 Media | | B3 | B |
| Brazos Delaware II LLC | Senior Secured First Lien | 677,528 | 0.16 | 98.36 | \$666,396 | 4.09 Oil, Gas & Consumable Fuels | | B3 | B- |
| CIFC Funding 2019-III, Ltd. | CLO Equity | 750,000 | 0.15 | 87.29 | \$654,665 | 17.93 Capital Markets | | NR | NR |
| Altice France SA | Senior Secured Bond | 667,000 | 0.15 | 98.07 | \$654,115 | 5.50 Diversified Telecommunication Services | | B2 | B |
| Global Medical Response, Inc. | Senior Secured First Lien | 653,881 | 0.15 | 99.47 | \$650,429 | 5.25 Health Care Providers & Services | | B2 | B |
| Hunter Holdco 3, Ltd. | Senior Secured First Lien | 647,960 | 0.15 | 100.13 | \$648,770 | 4.75 Health Care Providers & Services | | B1 | B |
| Apidos CLO XXVII 2017-27A | CLO Equity | 1,300,000 | 0.15 | 49.61 | \$644,943 | 10.02 Capital Markets | | NR | NR |
| AVSC Holding Corp. | Secured Second Lien | 805,556 | 0.15 | 80.00 | \$644,444 | 8.25 Commercial Services & Supplies | | Ca | CC |
| Belfor Holdings, Inc. | Senior Secured First Lien | 638,426 | 0.15 | 100.25 | \$640,022 | 4.09 Commercial Services & Supplies | | B1 | B |
| Cornerstone OnDemand, Inc. | Senior Secured First Lien | 640,307 | 0.15 | 99.78 | \$638,866 | 4.25 Software | | B2 | B- |
| Edelman Financial Center LLC | Secured Second Lien | 626,984 | 0.15 | 100.63 | \$630,903 | 6.84 Diversified Financial Services | | Caa2 | CCC+ |
| Mattress Firm, Inc. | Senior Secured First Lien | 621,234 | 0.14 | 99.48 | \$617,979 | 5.00 Household Durables | | B1 | B+ |
| RVR Dealership Holdings LLC | Senior Secured First Lien | 614,235 | 0.14 | 99.75 | \$612,699 | 4.75 Automobiles | | B2 | B+ |
| SeaWorld Parks & Entertainment, Inc. | Senior Unsecured Bond | 600,000 | 0.14 | 101.75 | \$610,500 | 5.25 Hotels, Restaurants & Leisure | | Caa1 | B- |
| Syniverse Holdings, Inc. | Senior Secured First Lien | 606,073 | 0.14 | 99.90 | \$605,449 | 6.00 Diversified Telecommunication Services | | Caa1 | CCC+ |
| Carlyle US CLO, Ltd. 2020-4A | CLO Debt | 600,000 | 0.14 | 100.19 | \$601,144 | 7.77 Capital Markets | | NR | BB- |
| Madison IAQ LLC | Senior Secured First Lien | 600,830 | 0.14 | 99.75 | \$599,328 | 3.75 Industrial Conglomerates | | B1 | B |
| LCPR Loan Financing LLC | Senior Secured First Lien | 583,258 | 0.14 | 100.05 | \$583,549 | 3.84 Diversified Telecommunication Services | | B1 | B+ |
| Project Alpha Intermediate Holding, Inc. | Senior Secured First Lien | 583,231 | 0.14 | 99.83 | \$582,257 | 4.09 Software | | B3 | B |
| WaterBridge Midstream Operating LLC | Senior Secured First Lien | 594,016 | 0.14 | 97.77 | \$580,746 | 6.75 Energy Equipment & Services | | B3 | CCC+ |
| AppLovin Corp. | Senior Secured First Lien | 578,289 | 0.14 | 99.75 | \$576,843 | 3.13 Media | | B1 | B+ |
| EyeCare Partners LLC | Senior Secured First Lien | 578,488 | 0.13 | 99.29 | \$574,370 | 3.88 Health Care Providers & Services | | B2 | B |
| Pro Mach Group, Inc. | Senior Secured First Lien | 564,426 | 0.13 | 100.45 | \$566,983 | 5.00 Machinery | | B2 | B- |
| Triton Water Holdings, Inc. | Senior Secured First Lien | 567,174 | 0.13 | 99.81 | \$566,079 | 4.00 Beverages | | B1 | B |
| Ford Motor Co. | Senior Unsecured Bond | 467,000 | 0.13 | 120.25 | \$561,568 | 9.00 Automobiles | | Ba2 | BB+ |
| Carlyle US CLO, Ltd. 2018-2A | CLO Equity | 933,000 | 0.13 | 60.18 | \$561,488 | 12.38 Capital Markets | | NR | NR |
| Anticimex International AB | Senior Secured First Lien | 559,552 | 0.13 | 99.88 | \$558,853 | 3.63 Diversified Consumer Services | | B2 | B |
| LSF11 A5 HoldCo, LLC TLB 1L | Senior Secured First Lien | 552,353 | 0.13 | 99.87 | \$551,652 | 4.25 Chemicals | | B1 | B |
| Ingram Micro, Inc. | Senior Secured First Lien | 548,856 | 0.13 | 100.20 | \$549,954 | 4.00 Distributors | | B1 | BB- |
| UFC Holdings LLC | Senior Secured First Lien | 544,762 | 0.13 | 99.38 | \$541,357 | 3.50 Media | | B2 | B |
| Hilton Grand Vacations Borrower Escrow LLC / Hilton Grand Vacations Borrower Esc | Senior Unsecured Bond | 529,000 | 0.13 | 101.58 | \$537,353 | 5.00 Hotels, Restaurants & Leisure | | B2 | B- |
| Alterra Mountain Co. | Senior Secured First Lien | 531,956 | 0.12 | 99.73 | \$530,493 | 4.00 Hotels, Restaurants & Leisure | | B2 | B |
| Jane Street Group LLC | Senior Secured First Lien | 532,165 | 0.12 | 98.92 | \$526,401 | 2.84 Capital Markets | | Ba2 | BB- |
| MajorDrive Holdings IV LLC | Senior Unsecured Bond | 545,000 | 0.12 | 96.38 | \$525,244 | 6.38 Industrial Conglomerates | | Caa2 | CCC+ |
| ZoomInfo LLC | Senior Secured First Lien | 514,307 | 0.12 | 100.00 | \$514,307 | 3.09 Software | | Ba2 | BB |
| N-able International Holdings II LLC | Senior Secured First Lien | 512,992 | 0.12 | 99.88 | \$512,351 | 3.50 Software | | B1 | B+ |
| Champ Acquisition Corp. | Senior Secured First Lien | 502,135 | 0.12 | 100.46 | \$504,435 | 5.66 Textiles, Apparel & Luxury Goods | | B1 | B |
| Travelport Finance Luxembourg Sarl | Secured Second Lien | 575,582 | 0.12 | 87.50 | \$503,634 | 6.88 Diversified Consumer Services | | Caa3 | CCC- |
| American Tire Distributors, Inc., TLB | Senior Secured First Lien | 501,458 | 0.12 | 100.23 | \$502,586 | 6.38 Distributors | | Caa1 | B- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

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XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|--|---------------------------|---------|----------------|--------|--------------|-------------|--|-----------------|-------------|
| CIFC Funding 2019-VI, Ltd. | CLO Debt | 500,000 | 0.12 | 100.27 | \$501,339 | 7.52 | Capital Markets | NR | BB- |
| Magnetite XXIV, Ltd. 2019-24A | CLO Debt | 500,000 | 0.12 | 100.21 | \$501,032 | 7.07 | Capital Markets | NR | BB- |
| Madison Park Funding XLVIII, Ltd. 2021-48A | CLO Debt | 500,000 | 0.12 | 100.01 | \$500,046 | 6.37 | Capital Markets | NR | BB- |
| RR 19, Ltd. 2021-19A | CLO Debt | 500,000 | 0.12 | 100.00 | \$500,000 | 6.50 | Capital Markets | NR | BB- |
| The Knot Worldwide, Inc. | Senior Secured First Lien | 500,256 | 0.12 | 99.83 | \$499,420 | 4.63 | Diversified Consumer Services | B2 | B+ |
| Bally's Corp. | Senior Secured First Lien | 500,031 | 0.12 | 99.88 | \$499,406 | 3.75 | Hotels, Restaurants & Leisure | Ba2 | BB- |
| Natel Engineering Company, Inc. | Senior Secured First Lien | 511,332 | 0.12 | 97.58 | \$498,973 | 7.25 | Electronic Equipment, Instruments | B3 | CCC+ |
| Regatta VIII Funding, Ltd. 2017-1A | CLO Debt | 500,000 | 0.12 | 99.76 | \$498,789 | 6.22 | Capital Markets | Ba3 | NR |
| Hilton Grand Vacations Borrower Escrow LLC / Hilton Grand Vacations Borrower Esc | Senior Unsecured Bond | 500,000 | 0.12 | 99.63 | \$498,125 | 4.88 | Hotels, Restaurants & Leisure | B2 | B- |
| United PF Holdings LLC | Senior Secured First Lien | 512,132 | 0.12 | 97.25 | \$498,049 | 4.13 | Hotels, Restaurants & Leisure | B3 | CCC+ |
| Regata XII Funding, Ltd. 2021-1A | CLO Debt | 500,000 | 0.12 | 99.50 | \$497,496 | 6.47 | Capital Markets | NR | BB- |
| BCP Raptor LLC | Senior Secured First Lien | 496,080 | 0.12 | 100.05 | \$496,353 | 5.25 | Oil, Gas & Consumable Fuels | B2 | B |
| OneDigital Borrower LLC | Senior Secured First Lien | 491,909 | 0.12 | 100.38 | \$493,754 | 5.25 | Insurance | B3 | B |
| Atrium XIV LLC 2018-14A | CLO Debt | 500,000 | 0.12 | 98.70 | \$493,517 | 5.77 | Capital Markets | NR | B+ |
| THL Credit Wind River CLO, Ltd. 2017-4A | CLO Debt | 500,000 | 0.12 | 98.70 | \$493,514 | 5.93 | Capital Markets | Ba3 | NR |
| Heartland Dental, LLC | Senior Secured First Lien | 494,889 | 0.11 | 99.04 | \$490,148 | 3.59 | Health Care Providers & Services | B2 | B- |
| Mavenir Systems, Inc. | Senior Secured First Lien | 489,989 | 0.11 | 100.03 | \$490,141 | 5.25 | Electronic Equipment, Instruments & Components | B2 | B- |
| CIFC Funding 2015-I, Ltd. | CLO Debt | 500,000 | 0.11 | 97.94 | \$489,693 | 6.13 | Capital Markets | Ba3 | NR |
| Sabert Corp. | Senior Secured First Lien | 478,563 | 0.11 | 99.94 | \$478,266 | 5.50 | Containers & Packaging | B2 | B |
| Cinemark USA, Inc. | Senior Secured First Lien | 499,548 | 0.11 | 95.44 | \$476,758 | 1.84 | Hotels, Restaurants & Leisure | Ba3 | BB- |
| Samsonite International S.A. | Senior Secured First Lien | 478,424 | 0.11 | 99.18 | \$474,477 | 3.75 | Household Durables | Ba2 | B+ |
| CEC Entertainment LLC | Senior Secured Bond | 470,000 | 0.11 | 99.76 | \$468,874 | 6.75 | Hotels, Restaurants & Leisure | Caa1 | B- |
| Gopher Resource, Llc Tlb | Senior Secured First Lien | 498,825 | 0.11 | 93.71 | \$467,439 | 4.25 | Auto Components | Caa1 | B |
| TITAN ACQUISITIONCO NEW ZEALAND LIMITED TL 1L | Senior Secured First Lien | 466,178 | 0.11 | 100.00 | \$466,178 | 4.13 | Internet and Catalog Retail | B2 | B- |
| Sound Point CLO XVIII, Ltd. 2017-4A | CLO Debt | 500,000 | 0.11 | 92.68 | \$463,381 | 5.63 | Capital Markets | Ba3 | NR |
| AQ Carver Buyer, Inc. | Senior Secured First Lien | 458,532 | 0.11 | 100.25 | \$459,679 | 6.00 | Professional Services | B2 | B |
| WCG Purchaser Corp. | Senior Secured First Lien | 451,244 | 0.11 | 100.44 | \$453,221 | 5.00 | Health Care Providers & Services | B2 | B |
| Fiserv Investment Solutions, Inc. | Senior Secured First Lien | 441,978 | 0.10 | 100.09 | \$442,394 | 4.12 | Software | B2 | B |
| Herens Holdco Sarl | Senior Secured Bond | 444,000 | 0.10 | 99.21 | \$440,470 | 4.75 | Chemicals | B2 | B |
| MH Sub I LLC | Senior Secured First Lien | 438,034 | 0.10 | 100.17 | \$438,766 | 4.75 | Software | B2 | B |
| Sotheby's | Senior Secured First Lien | 435,192 | 0.10 | 100.17 | \$435,919 | 5.00 | Diversified Consumer Services | B2 | B+ |
| Edelman Financial Center LLC | Senior Secured First Lien | 429,452 | 0.10 | 99.89 | \$428,971 | 4.25 | Diversified Financial Services | B2 | B |
| Global Tel*Link Corp. | Senior Secured First Lien | 449,203 | 0.10 | 95.48 | \$428,908 | 4.34 | Communications Equipment | B2 | B |
| ELECTRON BIDCO INC. TL 1L | Senior Secured First Lien | 429,010 | 0.10 | 99.88 | \$428,473 | 3.38 | Health Care Providers & Services | B1 | B |
| Entertainment Partners 10/21 Cov-Lite | Senior Secured First Lien | 425,659 | 0.10 | 99.88 | \$425,127 | 3.63 | Diversified Consumer Services | B1 | B+ |
| At Home Group, Inc. | Senior Secured First Lien | 423,908 | 0.10 | 99.54 | \$421,967 | 4.75 | Household Durables | B1 | B |
| CT Technologies Intermediate Holdings, Inc. | Senior Secured First Lien | 416,927 | 0.10 | 100.20 | \$417,744 | 5.00 | Software | B3 | B |
| Conduent Business Services, LLC TLB 1L | Senior Secured First Lien | 415,171 | 0.10 | 99.75 | \$414,134 | 4.75 | Professional Services | B1 | BB- |
| Imperva, Inc. | Senior Secured First Lien | 407,478 | 0.10 | 99.99 | \$407,421 | 5.00 | Software | B2 | B |
| Cambrex Corp. | Senior Secured First Lien | 403,534 | 0.09 | 100.04 | \$403,680 | 4.25 | Health Care Providers & Services | B2 | B |
| Mileage Plus Holdings LLC | Senior Secured First Lien | 376,743 | 0.09 | 106.44 | \$400,998 | 6.25 | Diversified Consumer Services | Baa3 | NR |
| Standard Industries, Inc. | Senior Secured First Lien | 392,670 | 0.09 | 99.86 | \$392,108 | 3.00 | Building Products | Baa3 | BBB- |
| Learning Care Group No. 2, Inc. | Senior Secured First Lien | 387,053 | 0.09 | 100.00 | \$387,053 | 9.50 | Diversified Consumer Services | B3 | CCC+ |
| Audacy Capital Corp. | Senior Secured Bond | 390,000 | 0.09 | 99.13 | \$386,588 | 6.75 | Media | B3 | B- |
| Cornerstone Building Brands, Inc. | Senior Secured First Lien | 387,341 | 0.09 | 99.80 | \$386,566 | 3.75 | Building Products | B1 | B+ |
| Herens Holdco S.a.r.l. | Senior Secured First Lien | 384,752 | 0.09 | 100.11 | \$385,179 | 4.75 | Chemicals | B2 | B |
| Focus Financial Partners LLC | Senior Secured First Lien | 386,317 | 0.09 | 99.48 | \$384,289 | 3.00 | Diversified Financial Services | Ba3 | BB- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|---|---------------------------|-----------|----------------|--------|--------------|---|--------|-----------------|-------------|
| Sound Point CLO VI-R, Ltd. 2014-2RA | CLO Equity | 2,000,000 | 0.09 | 19.12 | \$382,406 | 8.06 Capital Markets | | NR | NR |
| Allegiant Travel Company | Senior Secured First Lien | 382,939 | 0.09 | 99.31 | \$380,308 | 3.12 Airlines | | Ba3 | BB- |
| KKR Apple Bidco LLC | Senior Secured First Lien | 376,652 | 0.09 | 99.75 | \$375,710 | 3.50 Air Freight & Logistics | | B1 | B+ |
| Apidos CLO XXVII 2017-27A | CLO Debt | 375,000 | 0.09 | 98.84 | \$370,660 | 6.52 Capital Markets | | Ba3 | NR |
| Creative Artists Agency LLC | Senior Secured First Lien | 370,776 | 0.09 | 99.42 | \$368,633 | 5.25 Media | | B3 | B |
| Petco Health and Wellness Company, Inc. | Senior Secured First Lien | 368,219 | 0.09 | 99.93 | \$367,957 | 4.00 Specialty Retail | | B2 | B |
| Generation Bridge Acquisition LLC | Senior Secured First Lien | 362,859 | 0.09 | 100.25 | \$363,766 | 5.13 Electric Utilities | | Ba2 | BB |
| Avaya, Inc. | Senior Secured Bond | 345,000 | 0.08 | 104.25 | \$359,649 | 6.13 IT Services | | B2 | B+ |
| Pretium PKG Holdings, Inc. | Senior Secured First Lien | 357,995 | 0.08 | 100.24 | \$358,847 | 4.50 Containers & Packaging | | B2 | B- |
| United PF Holdings LLC | Senior Secured First Lien | 356,400 | 0.08 | 100.00 | \$356,400 | 9.50 Hotels, Restaurants & Leisure | | B3 | CCC+ |
| Traverse Midstream Partners LLC | Senior Secured First Lien | 352,024 | 0.08 | 99.85 | \$351,510 | 5.25 Oil, Gas & Consumable Fuels | | B3 | BB |
| Star US Bidco LLC | Senior Secured First Lien | 348,449 | 0.08 | 100.25 | \$349,320 | 5.25 Industrial Conglomerates | | B3 | B- |
| Nexus Buyer LLC | Senior Secured First Lien | 350,531 | 0.08 | 99.27 | \$347,975 | 3.84 Diversified Financial Services | | B2 | B- |
| Pacific Bells LLC | Senior Secured First Lien | 348,055 | 0.08 | 99.75 | \$347,185 | 4.63 Food Products | | B3 | B- |
| Compass Group Diversified Holdings LLC | Senior Unsecured Bond | 333,000 | 0.08 | 104.00 | \$346,320 | 5.25 Diversified Financial Services | | B1 | B+ |
| Avantor Funding, Inc. | Senior Secured First Lien | 345,606 | 0.08 | 99.92 | \$345,319 | 2.75 Health Care Equipment & Supplies | | - | - |
| Lucid Energy Group II | Senior Secured First Lien | 344,072 | 0.08 | 99.16 | \$341,185 | 4.00 Oil, Gas & Consumable Fuels | | B2 | B |
| Xplornet Communications, Inc. TL 1L | Senior Secured First Lien | 339,521 | 0.08 | 99.79 | \$338,794 | 4.13 Diversified Telecommunication Services | | B2 | B- |
| Pathway Vet Alliance LLC | Senior Secured First Lien | 337,859 | 0.08 | 99.46 | \$336,028 | 3.84 Health Care Providers & Services | | B2 | B |
| Uber Technologies, Inc. | Senior Unsecured Bond | 305,000 | 0.08 | 107.37 | \$327,483 | 6.25 Transportation Infrastructure | | B3 | B- |
| LS Group Opco Acquisition LLC | Senior Secured First Lien | 325,632 | 0.08 | 99.81 | \$325,023 | 4.00 Auto Components | | B2 | B |
| Global Tel*Link Corp. | Secured Second Lien | 347,222 | 0.08 | 93.30 | \$323,958 | 8.34 Communications Equipment | | Caa2 | CCC+ |
| Visual Comfort Group, Inc. (fka VC GB Holdings, Inc.)(aka Visual Comfort Generation Brands) | Senior Secured First Lien | 324,675 | 0.08 | 99.55 | \$323,227 | 4.00 Building Products | | B1 | B |
| Zelis Cost Management Buyer, Inc Delayed TL 1L | Senior Secured First Lien | 322,211 | 0.07 | 99.17 | \$319,527 | 3.63 Health Care Technology | | B2 | B |
| Par Petroleum LLC | Senior Secured First Lien | 321,660 | 0.07 | 99.06 | \$318,646 | 6.88 Energy Equipment & Services | | B1 | B+ |
| Torrid LLC | Senior Secured First Lien | 315,155 | 0.07 | 100.25 | \$315,943 | 6.25 Specialty Retail | | B2 | B |
| Grab Holdings, Inc. | Senior Secured First Lien | 302,977 | 0.07 | 100.75 | \$305,249 | 5.50 Transportation Infrastructure | | B3 | B- |
| Xperi Holding Corp. | Senior Secured First Lien | 304,973 | 0.07 | 99.70 | \$304,046 | 3.59 Electronic Equipment, Instruments & Components | | Ba3 | BB- |
| Savage Enterprises LLC | Senior Secured First Lien | 302,578 | 0.07 | 100.17 | \$303,083 | 3.75 Road & Rail | | B1 | BB- |
| BW NHHHC Holdco, Inc. | Senior Secured First Lien | 341,447 | 0.07 | 87.97 | \$300,367 | 5.12 Health Care Providers & Services | | Caa1 | CCC |
| Pregis TopCo LLC | Senior Secured First Lien | 297,423 | 0.07 | 100.16 | \$297,887 | 4.09 Containers & Packaging | | B2 | B- |
| DG Investment Intermediate Holdings 2, Inc. | Secured Second Lien | 292,804 | 0.07 | 100.50 | \$294,268 | 7.50 Construction & Engineering | | Caa2 | CCC |
| Sabre GBLB, Inc. | Senior Secured First Lien | 290,290 | 0.07 | 99.65 | \$289,274 | 4.00 Diversified Consumer Services | | Ba3 | B |
| CLARKE AMERICAN CORP. TL | Senior Secured First Lien | 313,879 | 0.07 | 91.71 | \$287,852 | 8.75 Commercial Services & Supplies | | Caa1 | B- |
| ESCAPE VELOCITY HOLDINGS, INC. TL | Senior Secured First Lien | 283,497 | 0.07 | 100.00 | \$283,497 | 4.75 IT Services | | B3 | B |
| Ryan Specialty Group LLC | Senior Secured First Lien | 278,622 | 0.07 | 100.03 | \$278,691 | 3.75 Insurance | | B1 | BB- |
| TRC Companies, Inc. | Senior Secured First Lien | 277,525 | 0.06 | 99.75 | \$276,831 | 5.25 Construction & Engineering | | B2 | B |
| IMA Financial Group, Inc., TL | Senior Secured First Lien | 270,333 | 0.06 | 99.63 | \$269,319 | 3.88 Insurance | | B3 | B |
| AAdvantage Loyalty IP, Ltd. | Senior Secured First Lien | 258,469 | 0.06 | 104.09 | \$269,051 | 5.50 Diversified Consumer Services | | Ba2 | NR |
| Bausch Health Cos., Inc. | Senior Secured Bond | 260,000 | 0.06 | 102.98 | \$267,748 | 4.88 Pharmaceuticals | | Ba2 | BB |
| Icon Public, Ltd. Company | Senior Secured First Lien | 264,599 | 0.06 | 99.99 | \$264,570 | 3.00 Health Care Providers & Services | | Ba1 | BB+ |
| Osmosis Buyer, Ltd. | Senior Secured First Lien | 260,356 | 0.06 | 100.33 | \$261,223 | 4.50 Building Products | | B3 | B |
| Triton Solar US Acquisition Co. | Senior Secured First Lien | 265,168 | 0.06 | 97.83 | \$259,422 | 6.13 Electronic Equipment, Instruments & | | B2 | B |
| CP Iris Holdco I, Inc. | Secured Second Lien | 258,621 | 0.06 | 99.00 | \$256,034 | 7.50 Chemicals | | Caa1 | CCC |
| Majordrive Holdings IV LLC | Senior Secured First Lien | 255,398 | 0.06 | 100.00 | \$255,398 | 4.50 Industrial Conglomerates | | B2 | B |
| Rising Tide Holdings, Inc. | Senior Secured First Lien | 252,374 | 0.06 | 99.96 | \$252,268 | 5.50 Specialty Retail | | B2 | B- |
| Madison Park Funding XXXVI, Ltd. 2019-36A | CLO Debt | 250,000 | 0.06 | 100.22 | \$250,554 | 7.37 Capital Markets | | NR | BB- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|---|---------------------------|------------|----------------|--------|--------------|-------------|--|-----------------|-------------|
| ARES LI CLO, Ltd. 2021-51A | CLO Debt | 250,000 | 0.06 | 100.12 | \$250,311 | 6.97 | Capital Markets | Ba3 | NR |
| Apidos CLO XXXII 2020-32A | CLO Debt | 250,000 | 0.06 | 100.07 | \$250,186 | 6.88 | Capital Markets | NR | BB- |
| Skillssoft Finance II, Inc. | Senior Secured First Lien | 244,814 | 0.06 | 100.50 | \$246,038 | 5.50 | Software | B2 | B- |
| Kodiak BP LLC | Senior Secured First Lien | 245,535 | 0.06 | 99.88 | \$245,228 | 4.00 | Building Products | B2 | B- |
| HighTower Holding LLC | Senior Secured First Lien | 243,919 | 0.06 | 100.00 | \$243,919 | 4.75 | Diversified Financial Services | B2 | B- |
| Unifrax Escrow Issuer Corp. | Senior Secured Bond | 241,000 | 0.06 | 99.88 | \$240,716 | 5.25 | Chemicals | B2 | B- |
| Cardinal Parent, Inc. | Senior Secured First Lien | 240,840 | 0.06 | 99.88 | \$240,556 | 5.25 | Software | B2 | B- |
| Recette Clo, Ltd. 2021-1A | CLO Equity | 10,400,000 | 0.06 | 2.27 | \$236,475 | 0 | Capital Markets | NR | NR |
| Endurance International Group Holdings, Inc. | Senior Secured First Lien | 234,732 | 0.05 | 98.21 | \$230,525 | 4.25 | IT Services | B2 | B |
| CP Iris Holdco I, Inc. | Senior Secured First Lien | 227,888 | 0.05 | 99.67 | \$227,129 | 4.25 | Chemicals | B1 | B- |
| ASP BLADE HOLDINGS, INC. TLB 1L | Senior Secured First Lien | 226,426 | 0.05 | 100.12 | \$226,709 | 4.50 | Machinery | B1 | B- |
| Eyecare Partners LLC | Senior Secured First Lien | 226,785 | 0.05 | 99.75 | \$226,218 | 3.88 | Health Care Providers & Services | B2 | B |
| Sound Point CLO II, Ltd. 2013-1A | CLO Debt | 250,000 | 0.05 | 90.47 | \$226,183 | 5.62 | Capital Markets | NR | B+ |
| Foundation Building Materials, Inc. | Senior Secured First Lien | 225,606 | 0.05 | 99.15 | \$223,679 | 3.75 | Building Products | B2 | B |
| White Cap Buyer LLC | Senior Secured First Lien | 220,338 | 0.05 | 100.19 | \$220,764 | 4.50 | Building Products | B2 | B |
| UWH PLLC | Senior Secured First Lien | 219,705 | 0.05 | 100.03 | \$219,760 | 5.00 | Health Care Providers & Services | B2 | B- |
| Voyage US LLC (Vocus Group) | Senior Secured First Lien | 219,446 | 0.05 | 100.13 | \$219,720 | 4.00 | Diversified Telecommunication Services | B1 | BB- |
| Innovative Water Care Global Corp. | Senior Secured First Lien | 220,198 | 0.05 | 99.47 | \$219,028 | 6.00 | Chemicals | Caa1 | B- |
| AEA International Holdings S.a.r.l. | Senior Secured First Lien | 217,234 | 0.05 | 100.12 | \$217,506 | 4.25 | Health Care Providers & Services | Ba3 | BB |
| INEOS Enterprises Holdings, Ltd. | Senior Secured First Lien | 215,470 | 0.05 | 100.13 | \$215,739 | 4.50 | Chemicals | Ba3 | BB |
| PG&E Corporation | Senior Secured First Lien | 211,766 | 0.05 | 98.84 | \$209,318 | 3.50 | Electric Utilities | B1 | BB- |
| Sorenson Communications LLC | Senior Secured First Lien | 207,747 | 0.05 | 100.50 | \$208,786 | 6.25 | Diversified Telecommunication Services | B2 | B+ |
| Intrado Corp. | Senior Secured First Lien | 212,319 | 0.05 | 98.18 | \$208,459 | 5.00 | IT Services | B2 | B- |
| LTR Intermediate Holdings, Inc. | Senior Secured First Lien | 207,695 | 0.05 | 100.00 | \$207,695 | 5.50 | Auto Components | B3 | B- |
| Imprivata, Inc. | Senior Secured First Lien | 206,123 | 0.05 | 100.03 | \$206,187 | 4.00 | IT Services | B2 | B |
| Invesco CLO, Ltd. 2021-2A | CLO Equity | 500,000 | 0.05 | 40.60 | \$203,003 | 0 | Capital Markets | NR | NR |
| Howden Group Holdings, Ltd. | Senior Secured First Lien | 198,912 | 0.05 | 99.74 | \$198,387 | 4.00 | Insurance | B2 | B |
| EagleView Technology Corp. | Secured Second Lien | 198,167 | 0.05 | 98.50 | \$195,195 | 8.50 | Software | Caa2 | CCC |
| Altice Financing SA | Senior Secured Bond | 197,000 | 0.05 | 98.32 | \$193,686 | 5.75 | Diversified Telecommunication Services | B2 | B |
| Synaptics Incorporated, TLB | Senior Secured First Lien | 192,445 | 0.05 | 100.16 | \$192,745 | 0.00 | Machinery | - | - |
| Weber-Stephen Products LLC | Senior Secured First Lien | 186,634 | 0.04 | 100.17 | \$186,945 | 4.00 | Household Durables | B1 | BB |
| CEC Brands, LLC | Common Stock | 10,454 | 0.04 | 17.83 | \$186,431 | 0.00 | Food & Staples Retailing | NR | NR |
| Energy Acquisition LP | Senior Secured First Lien | 186,080 | 0.04 | 100.00 | \$186,080 | 7.50 | Electrical Equipment | B2 | B- |
| TruGreen LP | Senior Secured First Lien | 182,370 | 0.04 | 100.00 | \$182,370 | 4.75 | Diversified Consumer Services | B1 | B |
| Radnet Management, Inc. | Senior Secured First Lien | 182,340 | 0.04 | 99.77 | \$181,922 | 3.75 | Health Care Providers & Services | B1 | B |
| Sabre GBLB, Inc. | Senior Secured First Lien | 182,107 | 0.04 | 99.65 | \$181,470 | 4.00 | Diversified Consumer Services | Ba3 | B |
| Ankura Consulting Group LLC | Senior Secured First Lien | 178,748 | 0.04 | 100.25 | \$179,195 | 5.25 | Commercial Services & Supplies | B2 | B- |
| IGT Holding IV AB | Senior Secured First Lien | 177,459 | 0.04 | 99.88 | \$177,237 | 4.25 | Software | B2 | B |
| HCRX Investments Holdco LP | Senior Secured First Lien | 177,915 | 0.04 | 99.40 | \$176,848 | 2.25 | Pharmaceuticals | Ba2 | NR |
| Mission Broadcasting, Inc. | Senior Secured First Lien | 175,000 | 0.04 | 99.58 | \$174,271 | 2.58 | Media | Ba2 | BBB- |
| ChampionX | Senior Secured First Lien | 167,690 | 0.04 | 101.47 | \$170,153 | 6.00 | Energy Equipment & Services | Ba2 | BBB- |
| Visual Comfort Group, Inc. (fka VC GB Holdings, Inc.)(aka Visual Comfort Generation Brands) | Secured Second Lien | 169,492 | 0.04 | 99.92 | \$169,351 | 7.25 | Building Products | Caa1 | CCC+ |
| Wilsonart LLC | Senior Secured First Lien | 167,948 | 0.04 | 100.06 | \$168,053 | 4.50 | Building Products | B2 | B+ |
| Ford Motor Co. | Senior Unsecured Bond | 116,000 | 0.04 | 144.20 | \$167,272 | 9.63 | Automobiles | Ba2 | BB+ |
| Tory Burch LLC | Senior Secured First Lien | 166,190 | 0.04 | 100.00 | \$166,190 | 4.00 | Textiles, Apparel & Luxury Goods | Ba2 | BB- |
| Cimpress plc | Senior Secured First Lien | 165,680 | 0.04 | 100.03 | \$165,731 | 4.00 | Media | Ba3 | BB |
| SRAM LLC | Senior Secured First Lien | 165,984 | 0.04 | 99.75 | \$165,569 | 3.25 | Household Durables | B1 | BB- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

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XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|---|---------------------------|-----------|----------------|--------|--------------|-------------|--|-----------------|-------------|
| Allied Universal Holdco LLC | Senior Secured First Lien | 164,968 | 0.04 | 99.94 | \$164,866 | 4.25 | Commercial Services & Supplies | B2 | B |
| BCPE Empire Holdings, Inc. | Senior Secured First Lien | 159,696 | 0.04 | 99.66 | \$159,146 | 4.50 | Distributors | B2 | B- |
| Idera, Inc. | Senior Secured First Lien | 158,766 | 0.04 | 99.79 | \$158,435 | 4.50 | Software | B2 | B- |
| DCert Buyer, Inc. | Secured Second Lien | 156,627 | 0.04 | 100.73 | \$157,773 | 7.09 | Software | Caa2 | CCC |
| Curia Global, Inc. | Senior Secured First Lien | 154,037 | 0.04 | 100.03 | \$154,085 | 4.50 | Health Care Providers & Services | B2 | B |
| Raptor Acquisition Corp. | Senior Secured First Lien | 151,987 | 0.04 | 100.45 | \$152,671 | 4.75 | Hotels, Restaurants & Leisure | B2 | B+ |
| MLN US HoldCo LLC | Senior Secured First Lien | 168,853 | 0.04 | 89.46 | \$151,063 | 4.59 | Communications Equipment | B3 | CCC+ |
| Paysafe Holdings US Corp. | Senior Secured First Lien | 147,278 | 0.03 | 99.41 | \$146,403 | 3.25 | Diversified Financial Services | B1 | B+ |
| CIFC Funding 2020-III, Ltd. | CLO Equity | 150,000 | 0.03 | 95.45 | \$143,178 | 17.18 | Capital Markets | NR | NR |
| DG Investment Intermediate Holdings 2, Inc. | Senior Secured First Lien | 142,454 | 0.03 | 100.19 | \$142,721 | 4.50 | Construction & Engineering | B2 | B |
| United Talent Agency LLC | Senior Secured First Lien | 143,204 | 0.03 | 99.50 | \$142,488 | 4.75 | Media | B2 | B+ |
| CCI Buyer, Inc. | Senior Secured First Lien | 139,726 | 0.03 | 100.29 | \$140,134 | 4.50 | Communications Equipment | B1 | B- |
| RLG Holdings LLC | Senior Secured First Lien | 138,347 | 0.03 | 100.00 | \$138,347 | 5.00 | Containers & Packaging | B2 | B- |
| Verscend Holding Corp. | Secured Second Lien | 135,802 | 0.03 | 100.50 | \$136,481 | 7.50 | Health Care Providers & Services | Caa2 | B+ |
| Herschend Entertainment Company LLC | Senior Secured First Lien | 133,401 | 0.03 | 100.25 | \$133,734 | 4.25 | Hotels, Restaurants & Leisure | B2 | B+ |
| CPC Acquisition Corp. | Senior Secured First Lien | 133,695 | 0.03 | 99.78 | \$133,402 | 4.50 | Chemicals | B3 | B |
| INEOS Styrolution Group GmbH | Senior Secured First Lien | 127,941 | 0.03 | 100.00 | \$127,941 | 3.25 | Chemicals | Ba3 | BB |
| Alliant Holdings Intermediate LLC | Senior Secured First Lien | 127,544 | 0.03 | 99.80 | \$127,288 | 4.25 | Insurance | B2 | B |
| TruGreen LP | Secured Second Lien | 125,392 | 0.03 | 101.00 | \$126,646 | 9.25 | Diversified Consumer Services | Caa1 | CCC+ |
| W. R. Grace Holdings LLC | Senior Secured First Lien | 122,247 | 0.03 | 100.23 | \$122,522 | 4.25 | Chemicals | B1 | B |
| Constellis Holdings LLC | Senior Secured First Lien | 119,765 | 0.03 | 99.17 | \$118,767 | 8.50 | Aerospace & Defense | B2 | B |
| Midwest Veterinary Partners LLC | Senior Secured First Lien | 118,520 | 0.03 | 100.00 | \$118,520 | 4.75 | Health Care Providers & Services | B3 | B- |
| ITT Holdings LLC | Senior Secured First Lien | 107,650 | 0.03 | 99.54 | \$107,157 | 3.25 | Oil, Gas & Consumable Fuels | Ba2 | BB |
| Rockland Park CLO, Ltd. 2021-1A | CLO Equity | 5,000,000 | 0.03 | 2.14 | \$106,895 | 0 | Capital Markets | NR | NR |
| Curium BidCo S.a r.l. | Senior Secured First Lien | 105,212 | 0.02 | 100.06 | \$105,278 | 5.00 | Health Care Equipment & Supplies | B2 | B |
| Clear Channel Outdoor Holdings, Inc. | Senior Unsecured Bond | 100,000 | 0.02 | 103.49 | \$103,493 | 7.75 | Media | Caa2 | CCC |
| Tempo Acquisition LLC | Senior Secured First Lien | 103,097 | 0.02 | 100.06 | \$103,162 | 3.50 | Professional Services | Ba3 | BB- |
| SkyMiles IP, Ltd. | Senior Secured First Lien | 95,123 | 0.02 | 106.44 | \$101,253 | 4.75 | Diversified Consumer Services | Baa1 | NR |
| Northwest Fiber LLC | Senior Secured First Lien | 101,753 | 0.02 | 99.50 | \$101,244 | 3.83 | Diversified Telecommunication Services | B1 | B |
| First Brands Group, LLC | Senior Secured First Lien | 99,441 | 0.02 | 100.75 | \$100,187 | 6.00 | Auto Components | B1 | B |
| Whole Earth Brands, Inc. | Senior Secured First Lien | 100,612 | 0.02 | 99.42 | \$100,026 | 5.50 | Food Products | B2 | B |
| MetroNet Systems Holdings LLC | Senior Secured First Lien | 99,428 | 0.02 | 100.09 | \$99,521 | 4.50 | Diversified Telecommunication Services | B2 | B- |
| Mamba Purchaser, Inc. | Senior Secured First Lien | 97,965 | 0.02 | 100.17 | \$98,129 | 4.25 | Health Care Providers & Services | B2 | B |
| Park River Holdings, Inc. | Senior Secured First Lien | 95,831 | 0.02 | 99.56 | \$95,413 | 4.00 | Building Products | B1 | B- |
| BCPE Empire Holdings, Inc. | Senior Secured First Lien | 94,763 | 0.02 | 99.71 | \$94,486 | 4.50 | Distributors | B2 | B- |
| Pro Mach Group, Inc. | Senior Secured First Lien | 91,628 | 0.02 | 100.45 | \$92,043 | 5.00 | Machinery | B2 | B- |
| Sparta U.S. Holdco LLC | Senior Secured First Lien | 91,471 | 0.02 | 99.87 | \$91,357 | 4.25 | Chemicals | B1 | B+ |
| ProAmpac PG Borrower LLC | Senior Secured First Lien | 91,245 | 0.02 | 100.00 | \$91,245 | 4.50 | Containers & Packaging | B2 | B- |
| Focus Financial Partners LLC | Senior Secured First Lien | 89,373 | 0.02 | 99.47 | \$88,904 | 2.50 | Diversified Financial Services | Ba3 | BB- |
| Avaya, Inc. | Senior Secured First Lien | 87,209 | 0.02 | 100.23 | \$87,411 | 4.34 | IT Services | B2 | B+ |
| AmWINS Group, Inc. | Senior Secured First Lien | 87,485 | 0.02 | 99.24 | \$86,823 | 3.00 | Insurance | Ba3 | B+ |
| Project Leopard Holdings, Inc. | Senior Secured First Lien | 86,263 | 0.02 | 100.25 | \$86,478 | 5.75 | Software | B2 | B |
| LifeMiles, Ltd. | Senior Secured First Lien | 84,391 | 0.02 | 99.75 | \$84,180 | 6.25 | Diversified Consumer Services | B3 | B- |
| BCPE Empire Holdings, Inc. | Senior Secured First Lien | 82,700 | 0.02 | 99.66 | \$82,415 | 4.50 | Distributors | B2 | B- |
| Real Hero Merger Sub 2, Inc. | Senior Unsecured Bond | 80,000 | 0.02 | 102.54 | \$82,029 | 6.25 | Automobiles | Caa2 | CCC |
| Pactiv Evergreen Group Holdings, Inc. | Senior Secured First Lien | 81,675 | 0.02 | 99.78 | \$81,494 | 4.00 | Containers & Packaging | B1 | B+ |
| New Constellis Borrower LLC | Secured Second Lien | 107,755 | 0.02 | 74.25 | \$80,008 | 12.00 | Aerospace & Defense | Caa1 | CCC- |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

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XFLT Total Portfolio Holdings (as of 10/31/2021)

| Issuer | Asset Type | Shares | % of Portfolio | Price | Market Value | Coupon Rate | Sector | Moody's Rating* | S&P Rating* |
|---|---------------------------|---------------|----------------|--------|--------------|-------------|---|-----------------|-------------|
| St. George's University Scholastic Services LLC (St. George's University Scholastic Services LLC) | Senior Secured First Lien | 73,202 | 0.02 | 99.44 | \$72,791 | 3.38 | Diversified Consumer Services | B2 | B+ |
| Infinite Bidco LLC | Secured Second Lien | 69,869 | 0.02 | 100.50 | \$70,218 | 7.50 | Electronic Equipment, Instruments & Components | Caa2 | CCC |
| Maravai Intermediate Holdings LLC | Senior Secured First Lien | 68,709 | 0.02 | 100.19 | \$68,839 | 4.75 | Health Care Providers & Services | B2 | B+ |
| Permian Production Partners, LLC | Senior Secured First Lien | 75,972 | 0.02 | 90.00 | \$68,375 | 9.00 | Oil, Gas & Consumable Fuels | Caa3 | CCC- |
| Southern Veterinary Partners LLC | Senior Secured First Lien | 67,299 | 0.02 | 100.19 | \$67,425 | 5.00 | Health Care Providers & Services | B2 | B- |
| Array Tech, Inc. | Senior Secured First Lien | 66,997 | 0.02 | 99.67 | \$66,774 | 3.75 | Independent Power/Renewable Electricity Producers | B1 | B+ |
| Carnival Corp. | Senior Secured First Lien | 64,957 | 0.02 | 99.81 | \$64,835 | 8.50 | Hotels, Restaurants & Leisure | Ba2 | BB- |
| Mozart Debt Merger Sub, Inc. | Senior Unsecured Bond | 62,000 | 0.01 | 101.50 | \$62,930 | 5.25 | Health Care Equipment & Supplies | Caa1 | B- |
| H-Food Holdings LLC | Senior Secured First Lien | 61,719 | 0.01 | 100.03 | \$61,738 | 6.00 | Food Products | B2 | B- |
| First Advantage Holdings LLC | Senior Secured First Lien | 59,760 | 0.01 | 99.75 | \$59,611 | 2.84 | Commercial Services & Supplies | B1 | BB- |
| Hilton Grand Vacations Borrower LLC | Senior Secured First Lien | 58,972 | 0.01 | 100.17 | \$59,075 | 3.50 | Hotels, Restaurants & Leisure | Ba1 | BB |
| EyeCare Partners LLC | Senior Secured First Lien | 56,696 | 0.01 | 99.75 | \$56,554 | 3.88 | Health Care Providers & Services | B2 | B |
| Precision Medicine Group LLC | Senior Secured First Lien | 56,518 | 0.01 | 99.78 | \$56,394 | 3.75 | Life Sciences Tools & Services | B2 | B- |
| Hightower Holdings LLC | Senior Secured First Lien | 54,216 | 0.01 | 100.00 | \$54,216 | 4.00 | Diversified Financial Services | B2 | B- |
| Lummus Technology Holdings V LLC | Senior Secured First Lien | 49,882 | 0.01 | 99.68 | \$49,723 | 3.59 | Chemicals | B1 | B+ |
| CP Iris Holdco I, Inc. | Senior Secured First Lien | 45,578 | 0.01 | 99.67 | \$45,426 | 3.88 | Chemicals | B1 | B- |
| UKG, Inc. | Senior Secured First Lien | 42,807 | 0.01 | 100.11 | \$42,856 | 4.00 | Software | B1 | B- |
| Orion Advisor Solutions, Inc. | Senior Secured First Lien | 39,601 | 0.01 | 100.12 | \$39,651 | 4.50 | Diversified Financial Services | B2 | B |
| RVR Dealership Holdings LLC | Senior Secured First Lien | 38,726 | 0.01 | 99.75 | \$38,629 | 4.75 | Automobiles | B2 | B+ |
| RLG Holdings LLC | Senior Secured First Lien | 35,024 | 0.01 | 100.00 | \$35,024 | 5.00 | Containers & Packaging | B2 | B- |
| Osmosis Buyer, Ltd. | Senior Secured First Lien | 32,544 | 0.01 | 100.33 | \$32,653 | 4.50 | Building Products | B3 | B |
| DG Investment Intermediate Holdings 2, Inc. | Senior Secured First Lien | 29,839 | 0.01 | 100.19 | \$29,895 | 4.50 | Construction & Engineering | B2 | B |
| CCM Merger, Inc. | Senior Secured First Lien | 28,468 | 0.01 | 100.00 | \$28,468 | 4.50 | Hotels, Restaurants & Leisure | Ba2 | BB |
| Flexera Software LLC | Senior Secured First Lien | 23,319 | 0.01 | 100.05 | \$23,332 | 4.50 | Software | B1 | BB |
| Lealand Finance Company B.V. | Senior Secured First Lien | 46,026 | 0.00 | 44.67 | \$20,558 | 4.15 | Energy Equipment & Services | B3 | B- |
| OneDigital Borrower LLC | Senior Secured First Lien | 20,345 | 0.00 | 100.37 | \$20,421 | 5.25 | Insurance | B3 | B |
| Pacific Bells LLC | Senior Secured First Lien | 18,916 | 0.00 | 99.75 | \$18,869 | 4.63 | Food Products | B3 | B- |
| Project Leopard Holdings, Inc. | Senior Secured First Lien | 17,250 | 0.00 | 100.21 | \$17,286 | 5.75 | Software | B2 | B |
| Rockland Park CLO, Ltd. 2021-1A | CLO Equity | 5,000,000 | 0.00 | 0.34 | \$17,230 | 0 | Capital Markets | NR | NR |
| Catamaran CLO, Ltd. 2015-1A | CLO Equity | 750,000 | 0.00 | 2.08 | \$15,600 | 0 | Capital Markets | NR | NR |
| BW Gas & Convenience Holdings LLC | Senior Secured First Lien | 14,739 | 0.00 | 100.25 | \$14,776 | 4.00 | Food & Staples Retailing | B1 | B+ |
| New Constellis Borrower LLC | Common Stock | 6,795 | 0.00 | 1.48 | \$10,053 | 0.00 | Aerospace & Defense | NR | NR |
| Precision Medicine Group LLC | Senior Secured First Lien | 8,092 | 0.00 | 99.78 | \$8,074 | 3.75 | Life Sciences Tools & Services | B2 | B- |
| Generation Bridge Acquisition LLC | Senior Secured First Lien | 7,560 | 0.00 | 100.25 | \$7,578 | 5.13 | Electric Utilities | Ba2 | BB |
| Thacher Park CLO, Ltd. 2014-1A | CLO Equity | 6,000,000 | 0.00 | 0.09 | \$5,400 | 0 | Capital Markets | NR | NR |
| Lealand Finance Company B.V. | Senior Secured First Lien | 8,469 | 0.00 | 55.00 | \$4,658 | 3.09 | Energy Equipment & Services | B3 | B- |
| Permian Production Partners | Common Stock | 18,995 | 0.00 | 0.10 | \$1,900 | 0.00 | Oil, Gas & Consumable Fuels | - | - |
| Short Term Investments & Cash Equivalents | Cash & Equivalents | \$ 43,780,941 | 10.26 | 1.00 | \$43,780,941 | n/a | Cash & Equivalents | n/a | n/a |

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO's portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields.

* See page 46 for risk disclosure and description on ratings

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Total Portfolio Holdings Notes

Below Investment Grade Securities Risk. The Trust invests primarily in below investment grade credit instruments, which are commonly referred to as “high-yield” securities or “junk” bonds. S&P uses a scale divided into two categories: The first category, “Investment,” includes ratings ranging from AAA to BBB-. It groups together the ratings given to bonds considered financially solid. The second category, “Speculative,” ranges from BB+ to D. S&P groups together the ratings given to bonds considered at risk. Moody’s also uses a two-scale rating approach for long-term obligations: “Investment Grade” rating range from Aaa to Baa3, while “Non-Investment Grade” rating range from Ba1 to C. Moody’s does not rate credit investments below C. A credit instrument is considered below investment grade quality if it is rated below investment grade (that is, below Baa3 by Moody’s or below BBB- by S&P or Fitch) or, if unrated, judged to be below investment grade quality by the Sub-Adviser. Below investment grade credit instruments are often referred to as “high yield” securities or “junk bonds.” Below investment grade credit instruments are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and to repay principal.

Rating agencies, such as Moody’s, S&P or Fitch, are private services that provide ratings of the credit quality of debt obligations. Ratings assigned by a rating agency are not absolute standards of credit quality but represent the opinion of the rating agency as to the quality of the obligation. Rating agencies may fail to make timely changes in credit ratings and an issuer’s current financial condition may be better or worse than a rating indicates. To the extent that the issuer of a security pays a rating agency for the analysis of its security, an inherent conflict of interest may exist that could affect the reliability of the rating. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk or liquidity of such obligations. To the extent that the Trust invests in unrated lower grade securities, the Trust’s ability to achieve its investment objective will be more dependent on the Sub-Adviser’s credit analysis than would be the case when the Trust invests in rated securities.

Notes: Coupon amounts represent estimated yield. CLO equity positions receive quarterly distributions that generally are comprised of payments made on loans held in the CLO’s portfolio less coupon payments made to CLO debtholders and expenses of the CLO. The estimated yield is based upon current projections of the amount and timing of future quarterly distributions as well as the estimated amount of terminal principal payment. Effective yields for each CLO equity position are generally updated quarterly. Because estimated yields are estimates, the amounts actually received by the Trust on listed CLO equity positions are likely to differ from the estimated yields. **Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.**



APPENDIX:
Additional Information, Glossary
and Risk Considerations

CLO Considerations

Is there a CLO equity benchmark index?

Currently, no CLO equity index exists and none is expected since CLO equity returns differ by vintage (year of issuance), making index creation challenging. As such, there are no historical returns for the CLO equity marketplace. There are two fairly new CLO debt indices (J.P. Morgan CLO Index and Palmer Square CLO Debt Index) which provide historical post-crisis index return information.

What is XFLT's performance benchmark?

Because there is no CLO equity index, XFLT uses the leading senior loan benchmark which is the S&P/LSTA 100 Leveraged Loan Index as its performance benchmark.

What does the life of a typical CLO look like?

| Life of the Typical CLO | | |
|-------------------------|--------------------------------|---|
| Pre-closing | Month 1 to Month 6 | Warehouse Period: Underwriting bank provides CLO manager with financing to begin acquiring assets in advance of CLO closing. Equity investors provide first loss capital during the warehouse period |
| Closing | CLO comes into legal existence | |
| Post-closing | Month 1 to Month 3 | Ramp-Up Period: Post-closing, proceeds from CLO debt issuance used to repay warehouse and purchase additional assets |
| | Month 4 to Year 4 | Non-Call Period: Post Year 2, the equity investor(s) may direct original CLO liabilities to be refinanced (prepaid at par) and replaced with new liabilities in order to reduce interest expense Reinvestment Period: Collateral manager permitted to actively trade underlying assets to maximize value and ensure portfolio remains in compliance with collateral quality tests. Principal cash flows from underlying loan/bond assets used by the Collateral Manager to purchase new assets |
| | Year 5 to Maturity | Amortization Period: A portion of cash flows from asset amortization, prepayments/repayments, and sales are used to pay down outstanding CLO debt in order of seniority |

What does it mean to reset or refinance a CLO?

When refinancing a CLO, the CLO capital stack is replaced at lower spreads, which reduces equity-tranche holders' cost of leverage and thus increases their return. The portfolio can be refinanced either partially or in full. In a CLO reset, the original deal, including the loans it owns, remains in place and its reinvestment period or maturity is extended to allow the deal to remain outstanding longer. CLOs typically have a four-year reinvestment and once that timeframe is up, there may be restrictions on buying new loans. A CLO can only be reset or refinanced after its non-call period.

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Glossary

| TERM | DEFINITION |
|---|--|
| Accredited Investor | Generally, anyone who earned income that exceeded \$200,000 (or \$300,000 together with a spouse) in each of the prior two years, and reasonably expects the same for the current year, or has a net worth over \$1 million, either alone or together with a spouse (excluding the value of the person's primary residence). |
| Alpha | A measure of the excess return of a manager or a fund relative to the return of the benchmark index. |
| Alternative Investments | Investments in assets other than stocks, bonds and cash or investments using strategies that go beyond traditional ways of investing. Because alternatives tend to behave differently than typical stock and bond investments, adding them to a portfolio may provide broader diversification, reduce risk, and enhance returns. |
| Barclays Corporate Bond Index | This index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility, and financial markets. |
| Basis Point | A unit of measure used to describe the percentage changes in the value or rate of an instrument. One basis point is equivalent to 0.01%. |
| BDC (Business Development Company) | A type of closed-end fund that must invest at least 70% of its assets in private or public U.S. firms with market values of less than \$250 million. BDCs may be structured as listed or non-listed funds. |
| BWIC (Bids Wanted in Competition) | Refers to a type of secondary "auction" of loans of bonds where an institutional investor/security holder offers up a portfolio of securities via a dealer. The dealer will then put out a BWIC, asking potential buyers to submit bids for the securities/portfolio as a whole. |
| Cash Drag | Uninvested assets in a fund or account are sometimes called cash drag because your cash is not participating in the market and has no upside or downside potential. |
| CLO (Collateralized Loan Obligation) | A type of structured credit. CLOs invest in a diverse portfolio of broadly syndicated senior secured loans. CLOs finance this pool of loans with a capital structure that consists of debt and equity. |
| Collateral | A property or other asset that a borrower offers as a way for a lender to secure the loan. If the borrower stops making the promised loan payments, the lender can seize the collateral to recoup its losses. |
| Correlation | A statistical measure of how two securities move in relation to one another. The correlation coefficient, or indicator of related movement, ranges from 1 to -1. |
| Duration | A measure expressed in years of the sensitivity of the price of a fixed-income investment to a change in interest rates. |
| J.P. Morgan Domestic High Yield Index | This index is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market. |
| J.P. Morgan Collateralized Loan Obligation Index ("CLOIE") | The CLOIE index is a benchmark to track the market for US dollar denominated broadly-syndicated, arbitrage CLOs. The CLOIE is divided by origination (pre- versus post-crisis) and is broken out further into six original rating classes (AAA, AA, A, BBB, BB, B). |

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

Glossary (cont.)

| TERM | DEFINITION |
|--|--|
| First Lien | A security interest in one or more assets that lenders hold in exchange for secured debt financing. The first lien to be recorded is paid first. |
| LIBOR | A benchmark rate that some of the world's leading banks charge each other for short-term loans. LIBOR stands for 'London Interbank Offered Rate.' |
| LIBOR Floor | Ensures that investors receive a guaranteed minimum yield on the loans in which they invest, regardless of how low the LIBOR benchmark rates falls. |
| LTM (Last Twelve Months) | The timeframe of the immediately preceding 12 months. |
| Mark-to-Market | A measure of the value of an asset or liability, based on current market price. |
| MLP (Master Limited Partnership) | A type of publicly-traded limited partnership which must generate 90% of their income from qualifying sources, such as exploration, extraction, refining and transporting oil and alternative fuels. |
| REIT (Real Estate Investment Trust) | A type of security that invests in real estate through property or mortgages. At least 75% of a REIT's assets must be invested in real estate, cash or U.S. Treasuries and 75% of gross income must be derived from real assets. REITs are structured as listed or non-listed REITs. |
| S&P 500 Index | The S&P 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies. The index is widely regarded as the best gauge of large-cap U.S. equities. |
| S&P/LSTA Leveraged Loan 100 Index | The S&P/LSTA U.S. Leveraged Loan 100 Index ("S&P LLI or LLI") is designed to reflect the performance of the largest facilities in the leveraged loan market. |
| Second Lien | Debts that are subordinate to the rights of more senior debts (i.e., first lien instruments) issued against the same collateral or portions of the same collateral. |
| S&P Leveraged Loan Index (LLI) | The S&P/LSTA U.S. Leveraged Loan Index ("S&P LLI or LLI") is designed to reflect the performance of the all the leveraged loan facilities in the leveraged loan market. |
| Senior Secured Loans | Debt obligations (also commonly referred to as "senior loans" or "floating rate loans"), issued by a bank to a corporation that holds legal claim to the borrower's assets above all other debt obligations. Senior secured loans have floating rates that typically fluctuate according to the LIBOR. |
| Sharpe Ratio | Measure of an investment's historical returns adjusted for risk or volatility. |
| SOFR | The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. |
| Standard Deviation | Measures the volatility of an investment return. The larger the standard deviation, the larger the potential movement – up or down – of an investment return. |
| Tranche | Related securities that are portions of a deal or structured financing, but have different risks, return potential and/or maturities. |
| Volcker Rule | Prohibits banks from proprietary trading and restricts investment in hedge funds and private equity by commercial banks and their affiliates. |
| Waterfall | A hierarchy establishing the order in which funds are to be distributed in a CLO. |

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

XFLT Summary Risks

Investment in the Trust involves special risk considerations, which are summarized below. The Trust is designed as a long-term investment and not as a trading vehicle. The Trust is not intended to be a complete investment program. The Trust's performance and the value of its investments will vary in response to changes in interest rates, inflation and other market factors.

- Limited Prior History
- Investment and Market Risk
- Structured Credit Instruments Risk
- Below Investment Grade Securities Risk
- Market Discount Risk
- CLO Risk
- CLO Subordinated Note Risk
- Corporate Credit Investments Risk
- Senior Loan Risk
- Second Lien Loans Risk
- Unsecured Loan Risk
- Loan Participation and Assignment Risk
- Illiquid Investments Risk
- Stressed and Distressed Investments Risk
- Leverage Risk
- Other Investment Companies Risk
- Exchange-Traded Fund Risk
- Short Sales Risk
- Derivatives Risk
- Off-Exchange Derivatives Risk
- Options Risk
- Futures Risk
- Swaps Risk
- Credit Default Swaps Risk
- Hedging Transactions Risk
- Counterparty Risk
- Synthetic Investment Risk
- Segregation and Cover Risk
- Interest Rate Risk
- Prepayment Risk
- Inflation/Deflation Risk
- Duration and Maturity Risk
- Credit Risk
- Non-U.S. Investments Risk
- Equity Investments Risk
- Limited Term Risk

For additional risks relating to investments in the Trust, please see "Risks" in the Trust's prospectus, which is publicly available on the EDGAR Database on the SEC website at <http://www.sec.gov>.

XFLT Risk Considerations

Investment in the Trust involves special risk considerations, which are summarized below. The Trust is designed as a long-term investment and not as a trading vehicle. The Trust is not intended to be a complete investment program. The Trust's performance and the value of its investments will vary in response to changes in interest rates, inflation and other market factors. Investors should see the "Risks" section in the Trust's most recent Annual Report on Form N-CSR for a detailed discussion of factors investors should consider carefully before deciding to invest in the Trust's Shares.

Investment and Market Risk. An investment in Common Shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in Common Shares represents an indirect investment in the securities owned by the Trust. Your Common Shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of distributions. A prospective investor should invest in the Common Shares only if the investor can sustain a complete loss in its investment.

Structured Credit Instruments Risk. Holders of structured credit instruments bear risks of the underlying investments, index or reference obligation as well as risks associated with the issuer of the instrument, which is often a special purpose vehicle, and may also be subject to counterparty risk.

Below Investment Grade Securities Risk. The Trust intends to invest primarily in below investment grade credit instruments, which are commonly referred to as "high-yield" securities or "junk" bonds. Investment in securities of below investment grade quality involves substantial risk of loss. Securities of below investment grade quality are considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default or decline in market value due to adverse economic and issuer-specific developments. Issuers of below investment grade securities are not perceived to be as strong financially as those with higher credit ratings. These issuers face ongoing uncertainties and exposure to adverse business, financial or economic conditions and are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments. Securities of below investment grade quality display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values of certain below investment grade securities tend to reflect individual issuer developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates. The market values for securities of below investment grade quality tend to be more volatile and such securities tend to be less liquid than investment grade debt securities, which could result in the Trust being unable to sell such securities for an extended period of time, if at all. To the extent that a secondary market does exist for certain below investment grade securities, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Because of the substantial risks associated with investments in below investment grade securities, you could have an increased risk of losing money on your investment in Common Shares, both in the short-term and the long-term. To the extent that the Trust invests in below investment grade securities that are unrated, the Trust's ability to achieve its investment objectives will be more dependent on the Sub-Adviser's credit analysis than would be the case when the Trust invests in rated securities.

Market Discount Risk. Shares of closed-end management investment companies frequently trade at a discount from their net asset value, which is a risk separate and distinct from the risk that the Trust's net asset value could decrease as a result of its investment activities. Although the value of the Trust's net assets is generally considered by market participants in determining whether to purchase or sell Common Shares, whether investors will realize gains or losses upon the sale of Common Shares will depend entirely upon whether the market price of Common Shares at the time of sale is above or below the investor's purchase price for Common Shares. Because the market price of Common Shares will be determined by factors such as net asset value, dividend and distribution levels (which are dependent, in part, on expenses), supply of and demand for Common Shares, stability of dividends or distributions, trading volume of Common Shares, general market and economic conditions and other factors beyond the control of the Trust, the Trust cannot predict whether Common Shares will trade at, below or above net asset value or at, below or above the initial public offering price. This risk may be greater for investors expecting to sell their Common Shares soon after the completion of the public offering, as the net asset value of the Common Shares will be reduced immediately following the offering as a result of the payment of certain offering costs. Common Shares of the Trust are designed primarily for long-term investors; investors in Common Shares should not view the Trust as a vehicle for trading purposes.

CLO Risk. CLOs often involve risks that are different from or more acute than risks associated with other types of credit instruments. For instance, due to their often complicated structures, various CLOs may be difficult to value and may constitute illiquid investments. In addition, there can be no assurance that a liquid market will exist in any CLO when the Trust seeks to sell its interest therein. Moreover, the value of CLOs may decrease if the ratings agencies reviewing such securities revise their ratings criteria and, as a result, lower their original rating of a CLO in which the Trust has invested.

Restructuring of Investments Held by CLOs. The manager of a CLO has broad authority to direct and supervise the investment and reinvestment of the investments held by the CLO, which may include the execution of amendments, waivers, modifications and other changes to the investment documentation in accordance with the collateral management agreement. During periods of economic uncertainty and recession, the incidence of amendments, waivers, modifications and restructurings of investments may increase. Such amendments, waivers, modifications and other restructurings will change the terms of the investments and in some cases may result in the CLO holding assets not meeting its criteria for investments. This could adversely impact the coverage tests under an indenture governing the notes issued by the CLO. If as a result of any such restructurings, the Sub-Adviser determines that continuing to hold instruments issued by such CLO is no longer in the best interest of the Trust, the Sub-Adviser may dispose of such CLO instruments. In certain instances, the Trust may be unable to dispose of such investments at advantageous prices and/or may be required to reinvest the proceeds of such disposition in lower-yielding investments.

CLO Management Risk. The activities of any CLO in which the Trust may invest will generally be directed by a collateral manager. In the Trust's capacity as holder of subordinated notes, the Trust is generally not able to make decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the business and affairs, of that CLO.

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CLO Subordinated Note Risk. The Trust may invest in subordinated notes issued by a CLO, which are junior in priority of payment and are subject to certain payment restrictions generally set forth in an indenture governing the notes. In addition, they generally have only limited voting rights and generally do not benefit from any creditors' rights or ability to exercise remedies under the indenture governing the notes. The subordinated notes are not guaranteed by another party. The subordinated notes are unsecured and rank behind all of the secured creditors, known or unknown, of the issuer, including the holders of the secured notes it has issued. Consequently, to the extent that the value of the issuer's portfolio of loan investments has been reduced as a result of conditions in the credit markets, defaulted loans, capital gains and losses on the underlying assets, prepayment or changes in interest rates, the value of the subordinated notes realized at their redemption could be reduced. Accordingly, the subordinated notes may not be paid in full and may be subject to up to 100% loss. Subordinated notes are subject to greater risk than the senior notes issued by the CLO. CLO subordinated notes do not have a fixed coupon and payments on CLO subordinated notes will be based on the income received from the underlying collateral and the payments made to the secured notes, both of which may be based on floating notes. While payments on CLO subordinated notes will vary, CLO subordinated notes may not offer the same level of protection against changes in interest rates as other floating-rate instruments. Subordinated notes are illiquid investments and subject to extensive transfer restrictions, and no party is under any obligation to make a market for subordinated notes.

Corporate Credit Investments Risk. Corporate debt instruments pay fixed, variable or floating rates of interest. The value of fixed-income securities in which the Trust invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

Senior Loan Risk. Senior Loans are generally of below investment grade credit quality and are subject to greater risks than investment grade corporate obligations. The prices of these investments may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, U.S. and non-U.S. economic or political events, developments or trends in any particular industry, and the financial condition of certain Borrowers.

Second Lien Loans Risk. Second lien loans are secured by liens on the collateral securing the loan that are subordinated to the liens of at least one other class of obligations of the related obligor, and thus, the ability of the Trust to exercise remedies after a second lien loan becomes a defaulted loan is subordinated to, and limited by, the rights of the senior creditors holding such other classes of obligations. In many circumstances, the Trust may be prevented from foreclosing on the collateral securing a second lien loan until the related senior loan is paid in full.

Unsecured Loan Risk. Unsecured loans do not benefit from any security interest in the assets of the Borrower. Liens on such Borrowers' assets, if any, will secure the applicable Borrower's obligations under its outstanding secured indebtedness and may secure certain future indebtedness that is permitted to be incurred by the Borrower under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before unsecured instruments held by the Trust. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy the Trust's unsecured obligations after payment in full of all secured loan obligations of the Borrower. If such proceeds were not sufficient to repay the Borrower's outstanding secured loan obligations, then the Trust's unsecured claims against the Borrower would rank equally with the unpaid portion of such secured creditors' claims against the Borrower's remaining assets, if any. As a result, the prices of unsecured loans may be more volatile than those of senior loans, second lien and other secured loans and other investments held by the Trust.

Loan Participation and Assignment Risk. The Trust may purchase Senior Loans, second lien loans and unsecured loans on a direct assignment basis from a participant in the original syndicate of lenders or from subsequent assignees of such interests. The Trust may also purchase, without limitation, participations in Senior Loans, second lien loans and unsecured loans. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and, in any event, the Trust may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral. A participation typically results in a contractual relationship only with the institution participating out the interest, not with the Borrower. In purchasing participations, the Trust generally will have no right to enforce compliance by the Borrower with the terms of the loan agreement against the Borrower, and the Trust may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Trust will be exposed to the credit risk of both the Borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, the Trust may not be able to conduct the same due diligence on the Borrower with respect to a loan that the Trust would otherwise conduct. In addition, as a holder of the participations, the Trust may not have voting rights or inspection rights that the Trust would otherwise have if it were investing directly in the loan, which may result in the Trust being exposed to greater credit or fraud risk with respect to the Borrower.

Illiquid Investments Risk. The Trust expects to invest in restricted, as well as thinly traded, instruments and securities (including privately placed securities and instruments, which are assets which are subject to Rule 144A). There may be no trading market for these securities and instruments, and the Trust might only be able to liquidate these positions, if at all, at disadvantageous prices.

Stressed and Distressed Investments Risk. The Trust may invest in stressed and distressed securities. The ability of the Trust to obtain a profit from these investments may often depend upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of such securities may be contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the Trust may incur a loss on the position. Distressed securities may have a limited trading market, resulting in limited liquidity and presenting difficulties to the Trust in valuing its positions. Due to the illiquid nature of many distressed investments, as well as the uncertainties of the reorganization and active management process, the Sub-Adviser may be unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Certain distressed investment opportunities may allow a holder to have significant influence on the management, operations and strategic direction of the portfolio companies in which it invests.

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Leverage Risk. The Trust uses leverage to seek to enhance total return and income. The Trust may use leverage through (i) the issuance of senior securities representing indebtedness, including through borrowing from financial institutions or issuance of debt securities, including notes or commercial paper (collectively, "Indebtedness"), (ii) the issuance of preferred shares ("Preferred Shares") and/or (iii) reverse repurchase agreements, securities lending, short sales or derivatives, such as swaps, futures or forward contracts, that have the effect of leverage ("portfolio leverage"). The Trust will not utilize leverage, either through Indebtedness, Preferred Shares or portfolio leverage, in an aggregate amount in excess of 40% of the Trust's Managed Assets (including the proceeds of leverage). The Trust has entered into a revolving credit facility and any borrowings through the credit facility are secured by eligible securities held in the Trust's portfolio of investments. The Trust has also issued Series 2026 Term Preferred Shares, which are senior securities that constitute shares of beneficial interest of the Trust. The 2026 Preferred Shares rank senior to the Trust's Common Shares in priority of payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the Trust's affairs; equal in priority with all other future series of Preferred Shares the Trust may issue as to priority of payment of dividends and as to distributions of assets upon dissolution, liquidation or the winding-up of the Trust's affairs; and subordinate in right of payment to amounts owed under the Trust's existing credit facility, and to the holder of any future senior indebtedness, which may be issued without the vote or consent of Preferred Shareholders. The use of leverage is a speculative technique that involves special risks. The Trust currently anticipates utilizing leverage to seek to enhance total return and income. There can be no assurance that the Advisor's and the Sub-Advisor's expectations will be realized or that a leveraging strategy will be successful in any particular time period. Use of leverage creates an opportunity for increased income and capital appreciation but, at the same time, creates special risks. Leverage is a speculative technique that exposes the Trust to greater risk and increased costs than if it were not implemented. The more leverage that is utilized by the Trust, the more exposed the Trust will be to the risks of leverage. The use of leverage by the Trust causes the net asset value of the common shares to fluctuate significantly in response to changes in interest rates and other economic indicators. As a result, the net asset value, market price and dividend rate of the common shares is likely to be more volatile than those of a fund that is not exposed to leverage. Leverage increases operating costs, which may reduce total return. The Trust pays interest on its borrowings, which may reduce the Trust's return. Increases in interest rates that the Trust must pay on its borrowings will increase the cost of leverage and may reduce the return to common shareholders. The risk of increases in interest rates may be greater in the current market environment because interest rates are near historically low levels. During the time in which the Trust is utilizing leverage, the amount of the investment advisory fee paid by the Trust will be higher than if the Trust did not utilize leverage because the fees paid will be calculated based on the Trust's Managed Assets, including proceeds of leverage. Common shareholders bear the portion of the management fee attributable to assets purchased with the proceeds of leverage, which means that common shareholders effectively bear the entire management fee.

Other Investment Companies Risk. Investments in other investment companies present certain special considerations and risks not present in making direct investments in securities in which the Trust may invest. Investments in other investment companies involve operating expenses and fees that are in addition to the expenses and fees borne by the Trust. Such expenses and fees attributable to the Trust's investments in other investment companies are borne indirectly by Common Shareholders. Accordingly, investment in such entities involves expense and fee layering.

Exchange-Traded Fund Risk. For ETFs tracking an index of securities, the cumulative percentage increase or decrease in the net asset value of the shares of an ETF may over time diverge significantly from the cumulative percentage increase or decrease in the relevant index due to the compounding effect experienced by an ETF which results from a number of factors, including, leverage (if applicable), daily rebalancing, fees, expenses and interest income, which in turn results in greater non-correlation between the return of an ETF and its corresponding index.

Short Sales Risk. Short sales involve selling securities of an issuer short in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the issuer's securities declines, the Trust may then cover the short position with securities purchased in the market. The profit realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the federal securities laws and the various national and regional securities exchanges, which restrictions could limit the Trust's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Derivatives Risk. Derivatives are financial contracts in which the value depends on, or is derived from, the value of an underlying asset, reference rate or index. The Trust may, but is not required to, engage in various derivatives transactions for hedging and risk management purposes, to facilitate portfolio management and to seek to enhance total return of earn income. The Trust's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, such as interest rate risk, market risk, counterparty risk, and credit risk.

Off-Exchange Derivatives Risk. The Trust may invest a portion of its assets in investments which are not traded on organized exchanges and as such are not standardized. Such transactions may include forward contracts, swaps or options. While some markets for such derivatives are highly liquid, transactions in off-exchange derivatives may involve greater risk than investing in exchange-traded derivatives because there is no exchange market on which to close out an open position.

Options Risk. Trading in options involves a number of risks. Specific market movements of the option and the instruments underlying an option cannot be predicted. No assurance can be given that a liquid offset market will exist for any particular option or at any particular time. If no liquid offset market exists, the Trust might not be able to effect an offsetting transaction in a particular option.

Futures Risk. Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader.

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Swaps Risk. The Trust may utilize swap agreements including, without limitation, interest rate, index and currency swap agreements. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary securities transactions. There are risks relating to the financial soundness and creditworthiness of the counterparty to swap agreements.

Credit Default Swaps Risk. The Trust may enter into credit default swap agreements. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. The Trust may be either the buyer or seller in a credit default swap transaction. Credit default swap transactions involve greater risks than if a Trust had invested in the reference obligation directly. Credit default swaps are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty.

Hedging Transactions Risk. The success of any hedging strategy utilized by the Trust’s will be subject to the Sub-Adviser’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Trust’s hedging strategy will also be subject to the Sub-Adviser’s ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

Counterparty Risk. The Trust will be subject to credit risk with respect to the counterparties to the derivative contracts entered into by the Trust.

Synthetic Investment Risk. The Trust may be exposed to certain additional risks should the Sub-Adviser uses derivatives transactions as a means to synthetically implement the Trust’s investment strategies. Customized derivative instruments will likely be highly illiquid, and it is possible that the Trust will not be able to terminate such derivative instruments prior to their expiration date or that the penalties associated with such a termination might impact the Trust’s performance in a materially adverse manner.

Segregation and Cover Risk. In connection with certain derivatives transactions, the Trust may be required to segregate liquid assets or otherwise cover such transactions and/or to deposit amounts as premiums or to be held in margin accounts. Such amounts may not otherwise be available to the Trust for investment purposes. The Trust may earn a lower return on its portfolio than it might otherwise earn if it did not have to segregate assets in respect of, or otherwise cover, its derivatives transactions positions.

Interest Rate Risk. Interest rate risk is the risk that credit securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of fixed income credit securities generally will fall. These risks may be greater in the current market environment because interest rates are near historically low levels. Prevailing interest rates may be adversely impacted by market and economic factors. If interest rates rise the markets may experience increased volatility, which may adversely affect the value and/or liquidity of certain of the Trust’s investments. The prices of longer-term securities fluctuate more than prices of shorter-term securities as interest rates change. The Trust’s use of leverage will tend to increase the interest rate risk to which its Common Shares are subject. The Trust invests primarily in variable and floating rate credit instruments and other structured credit investments, which generally are less sensitive to interest rate changes than fixed rate instruments, but generally will not increase in value if interest rates decline.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. The adverse effects of prepayments may impact the Trust’s portfolio in several ways. During periods of declining interest rates, when the issuer of a security exercises its option to prepay principal earlier than scheduled, the Trust may be required to reinvest the proceeds of such prepayment in lower-yielding securities. Particular investments may experience outright losses, as in the case of an interest-only security in an environment of faster actual or anticipated prepayments. In addition, particular investments may underperform relative to hedges that the Sub-Adviser may have constructed for these investments, resulting in a loss to the Trust’s overall portfolio.

Inflation/Deflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions can decline. Deflation risk is the risk that prices throughout the economy decline over time — the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Trust’s portfolio.

Duration and Maturity Risk. The Trust has no set policy regarding maturity or duration of credit instruments in which it may invest or of the Trust’s portfolio generally. The price of fixed rate securities with longer maturities or duration generally is more significantly impacted by changes in interest rates than those of fixed rate securities with shorter maturities or duration. Therefore, generally speaking, the longer the duration of the Trust’s portfolio, the more exposure the Trust will have to interest rate risk described above. The Sub-Adviser may seek to adjust the portfolio’s duration or maturity based on its assessment of current and projected market conditions and all factors that the Sub-Adviser deems relevant. The Trust may incur costs in seeking to adjust the portfolio average duration or maturity. There can be no assurance that the Sub-Adviser’s assessment of current and projected market conditions will be correct or that any strategy to adjust the portfolio’s duration or maturity will be successful at any given time.

Credit Risk. Credit risk is the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay.

Non-U.S. Investments Risk. The risk of loss associated with investments in securities of foreign issuers include currency exchange risks, expropriation, or limits on repatriating an investment, government intervention, confiscatory taxation, political, economic or social instability, illiquidity, less efficient markets, price volatility and market manipulation.

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Equity Investments Risk. Incidental to the Trust's investments in credit instruments, the Trust may acquire or hold equity securities, or warrants to purchase equity securities, of a Borrower or issuer. Common equity securities prices fluctuate for a number of reasons, including changes in investors' perceptions of the financial condition of an issuer, the general condition of the relevant stock market and broader domestic and international political and economic events.

Limited Term Risk. Unless the Trust completes an Eligible Tender Offer, and converts to perpetual existence, the Trust will terminate on or about the Termination Date. The Trust should not be confused with a so called "target date" or "life cycle" fund whose asset allocation becomes more conservative over time as the fund's target date, often associated with retirement, approaches, and does not typically terminate on the target date. In addition, the Trust should not be confused with a "target term" fund whose investment objective is to return the fund's original net asset value on the termination date. **The Trust's investment objective and policies are not designed to seek to return to investors that purchase Common Shares in this offering their initial investment of \$10.00 per Common Share on the Termination Date or in an Eligible Tender Offer, and such investors and investors that purchase Common Shares after the completion of this offering may receive more or less than their original investment upon termination or in an Eligible Tender Offer.**

Because the assets of the Trust will be liquidated in connection with the termination, the Trust will incur transaction costs in connection with dispositions of portfolio securities. The Trust does not limit its investments to securities having a maturity date prior to the Termination Date and may be required to sell portfolio securities when it otherwise would not, including at times when market conditions are not favorable, which may cause the Trust to lose money. In particular, the Trust's portfolio may still have significant remaining average maturity and duration, and large exposures to below investment grade securities, as the Termination Date approaches, losses due to portfolio liquidation may be significant. Beginning one year before the Termination Date (the "wind-down period"), the Trust may begin liquidating all or a portion of the Trust's portfolio, and may deviate from its investment policies, including its policy of investing at least 80% of its Managed Assets in floating rate credit instruments and other structured credit investments and may not achieve its investment objective. During the wind-down period, the Trust's portfolio composition may change as more of its portfolio holdings are called or sold and portfolio holdings are disposed of in anticipation of liquidation. Rather than reinvesting the proceeds of matured, called or sold securities, the Trust may invest such proceeds in short-term or other lower yielding securities or hold the proceeds in cash, which may adversely affect its performance. The Trust may distribute the proceeds in one or more liquidating distributions prior to the final liquidation, which may cause fixed expenses to increase when expressed as a percentage of assets under management. Upon a termination, it is anticipated that the Trust will have distributed substantially all of its net assets to shareholders, although securities for which no market exists or securities trading at depressed prices, if any, may be placed in a liquidating trust. Common Shareholders will bear the costs associated with establishing and maintaining a liquidating trust, if necessary. Securities placed in a liquidating trust may be held for an indefinite period of time until they can be sold or pay out all of their cash flows. The Trust cannot predict the amount, if any, of securities that will be required to be placed in a liquidating trust.

If the Trust conducts an Eligible Tender Offer, the Trust anticipates that funds to pay the aggregate purchase price of Common Shares accepted for purchase pursuant to the tender offer will be first derived from any cash on hand and then from the proceeds from the sale of portfolio investments held by the Trust. In addition, the Trust may be required to dispose of portfolio investments in connection with any reduction in the Trust's outstanding leverage necessary in order to maintain the Trust's desired leverage ratios following a tender offer. The disposition of portfolio investments by the Trust could cause market prices of such instruments, and hence the net asset value of the Common Shares, to decline. In addition, disposition of portfolio investments will cause the Trust to incur increased brokerage and related transaction expenses. The Trust may receive proceeds from the disposition of portfolio investments that are less than the valuations of such investments by the Trust. It is likely that during the pendency of a tender offer, and possibly for a time thereafter, the Trust will hold a greater than normal percentage of its total assets in cash and cash equivalents, which may impede the Trust's ability to achieve its investment objective and decrease returns to shareholders. If the Trust's tax basis for the investments sold is less than the sale proceeds, the Trust will recognize capital gains, which the Trust will be required to distribute to shareholders. In addition, the Trust's purchase of tendered Common Shares pursuant to a tender offer will have tax consequences for tendering shareholders and may have tax consequences for non-tendering shareholders. The purchase of Common Shares by the Trust pursuant to a tender offer will have the effect of increasing the proportionate interest in the Trust of non-tendering shareholders. All shareholders remaining after a tender offer will be subject to proportionately higher expenses due to the reduction in the Trust's total assets resulting from payment for the tendered Common Shares. Such reduction in the Trust's total assets may also result in less investment flexibility, reduced diversification and greater volatility for the Trust, and may have an adverse effect on the Trust's investment performance. The Trust is not required to conduct an Eligible Tender Offer. If the Trust conducts an Eligible Tender Offer, there can be no assurance that tendered Common Shares will not exceed the Termination Threshold, in which case the Eligible Tender Offer will be terminated, no Common Shares will be repurchased pursuant to the Eligible Tender Offer and the Trust will terminate on or before the Termination Date (subject to possible extensions). Following the completion of an Eligible Tender Offer in which the tendered Common Shares do not exceed the Termination Threshold, the Board of Trustees may eliminate the Termination Date upon the affirmative vote of a majority of the Board of Trustees and without a shareholder vote. Thereafter, the Trust will have a perpetual existence. The Trust is not required to conduct additional tender offers following an Eligible Tender Offer and conversion to perpetual existence. Therefore, remaining shareholders may not have another opportunity to participate in a tender offer. Shares of closed-end management investment companies frequently trade at a discount from their net asset value, and as a result remaining shareholders may only be able to sell their Common Shares at a discount to net asset value.

Additional Risks. For additional risks relating to investments in the Trust, please see "Risks" in the Trust's prospectus, which is publicly available on the EDGAR Database on the SEC website at <http://www.sec.gov>.