



# Octagon XAI CLO Income Fund (OCTIX)

**June 30, 2025**

**NOT FDIC INSURED – NO BANK GUARANTEE – MAY LOSE VALUE**

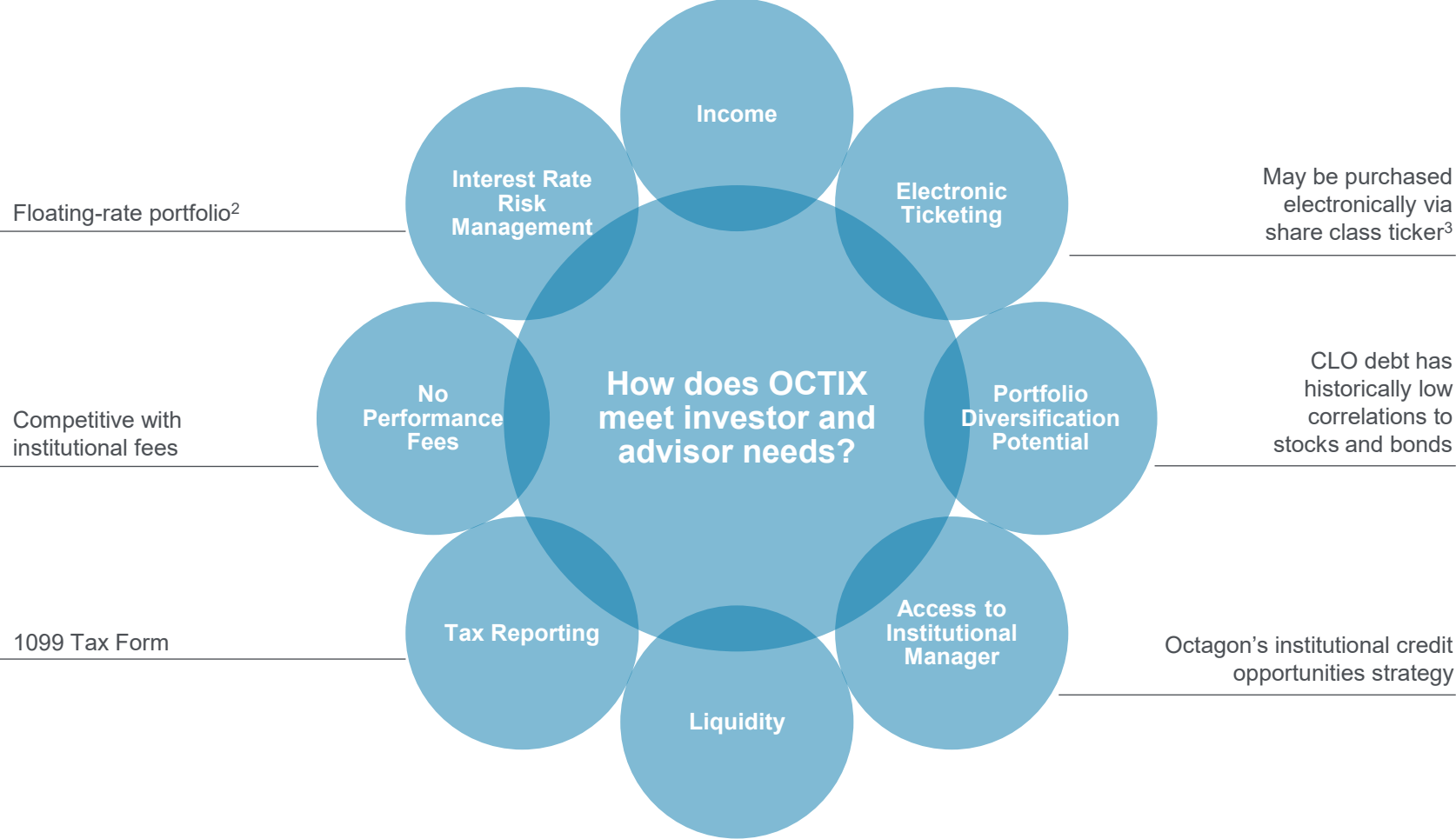
This presentation has been prepared by XA Investments LLC (“XA” or the “Adviser”) in conjunction with Octagon Credit Investors, LLC (“Octagon” or the “Sub-adviser”) solely for information purposes and is not an offer to sell or the solicitation of an offer to buy an interest in any security. XAI serves as the investment adviser to the Fund and is responsible for overseeing the Fund’s overall investment strategy and its implementation. Octagon serves as the investment sub-adviser of the Fund and is responsible for investing the Fund’s assets. XAI is affiliated with XMS Capital Partners, LLC, a FINRA member and SIPC member. The descriptions herein reflect the current views and expectations of the Adviser and Sub-Adviser and are subject to change and are qualified in the entirety by the Prospectus for the Fund. There can be no assurance that the Fund will achieve its objectives or avoid substantial losses. Please visit [xainvestments.com](http://xainvestments.com) for more information with respect to the Fund.

# Executive Summary

- The Octagon XAI CLO Income Fund (OCTIX) is an interval fund that offers individual investors the potential for high current income and attractive total returns.
- OCTIX will primarily invest in Collateralized Loan Obligation (CLO) debt securities and will invest to a limited extent in CLO equity securities.
- Octagon Credit Investors (“Octagon”) and XA Investments (“XAI”) expect the Fund’s floating-rate CLO portfolio to perform well in a variety of interest rate environments and believe CLO debt is currently an attractive income opportunity.
- Why now? Financial advisors may be searching for a substitute for corporate debt with more attractive current yield potential.
- As compared with a private fund, the interval fund structure has many attractive features for investors including 1099s, transparent reporting, frequent valuation and oversight from an independent fund board.
- Octagon has over \$32.6bn in client assets under management (as of 6/30/2025) and is consistently in the top-10 of CLO issuers.
- XAI serves as the investment adviser to three registered closed-end funds, two NYSE listed funds (XFLT & MCN) and an interval fund (OCTIX). Assets under management as of 6/30/2025 is \$915mm.

# OCTIX Investment Rationale

Monthly distributions anticipated<sup>1</sup>



Quarterly repurchase offers at NAV  
(5% per quarter)<sup>2</sup>

1. Distributions are not guaranteed. Please see "Considerations and Risks" beginning on page 19 of this presentation.  
 2. The value of floating rate credit instruments is generally less sensitive to interest rate changes than fixed rate instruments. Please See "Considerations and Risk" beginning on page 18 of this presentation.  
 3. Subject to execution procedures at relevant intermediary or broker/dealer. Available via NSCC Fund/SERV.

# Designed to opportunistically invest in CLO debt

## Portfolio Guidelines<sup>1</sup>:

No CLO Debt Allocation Limit

20% Opportunistic Single Name Credit Allocation Limit

20% CLO Equity Allocation Limit

## Investors May Benefit From Octagon's:

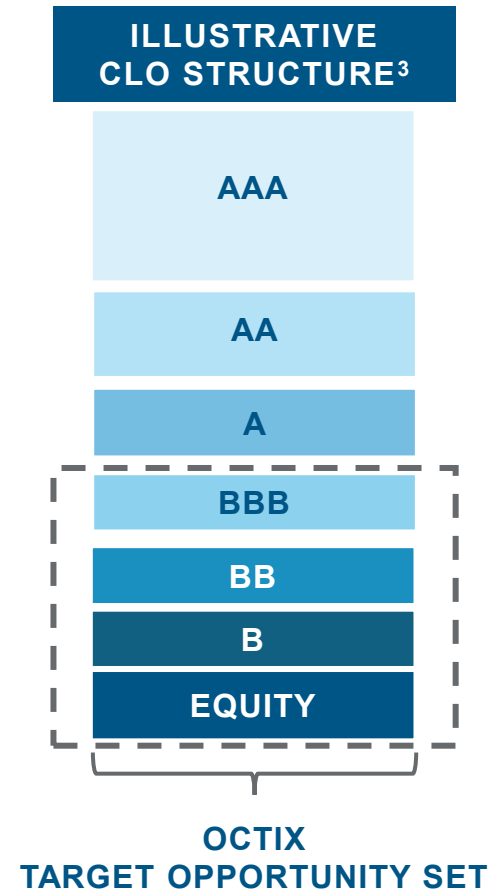
Leadership in the CLO Market – Top 10 U.S. CLO Issuer<sup>2</sup>

Ready CLO Market Access

Credit Research Team knowledgeable about broad loan market

Intimate Knowledge of Various CLO Managers & CLO Structures

Practical Expertise of CLO Fundamental & Technical Drivers



Source: Octagon Credit Investors; S&P Global Intelligence

Notes:

1. Fund terms are subject to change.
2. On a 5-year, 7-year, and 10-year basis as of June 30, 2025, Octagon is among the top ten CLO managers based on new issue US CLO volume by dollar amount (including new issue, refinancing, and reset CLOs, and excluding middle market CLOs). Source: S&P Global as of June 30, 2025.
3. Below investment grade securities (that is, securities below Baa3- by Moody's Investors Service, Inc. or below BBB- by S&P Global Ratings or Fitch Ratings Inc.) are not perceived to be as strong financially as those with higher credit ratings. Please See "Considerations and Risk" beginning on page 19 of this presentation.

# Why CLO Debt Now?

Octagon believes CLO debt is a particularly attractive investment opportunity

## Income Opportunity with Additional Total Return

CLO debt, when priced at a discount, offers positive convexity<sup>1</sup> opportunity

## Attractive Yields

Opportunity for incremental yield pick up relative to similarly rated bonds and other structured securities.

## Low Historical Defaults

CLO debt has demonstrated low historical default rates of 0.5% across all debt tranches<sup>2</sup>

## Floating Rate

Coupon floats with SOFR / LIBOR<sup>3</sup> and therefore has lower duration risk compared to similarly rated assets

## Portfolio Diversification

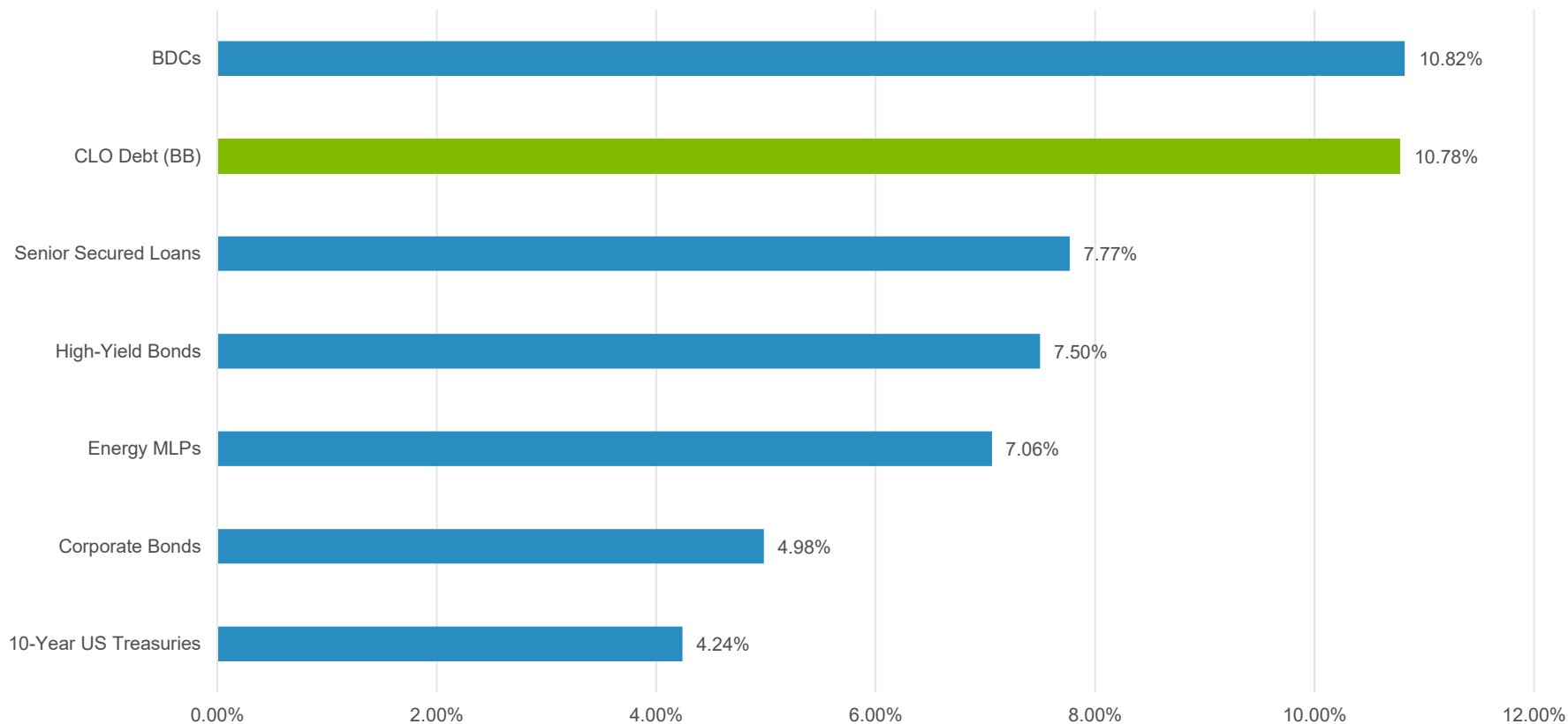
Historically low correlations to bonds and equities and negative correlation to U.S. Treasury bonds<sup>4</sup>

### Notes:

1. If a bond's duration rises and yields fall, the bond is said to have positive convexity. As yields fall, bond prices rise by a greater rate or duration than if yields rise. Positive convexity leads to increases in bond prices.
  2. See page 8 for further details. Source: Moody's Investors Service "Impairment and loss rates of US and European CLOs: 1993-2017" (June 25, 2018). **Past impairment/default rates are not indicative/a guarantee of future impairment/default rates.**
  3. Following the cessation of USD London Interbank Offered Rate ("LIBOR") on June 30, 2023, most CLO securities and bank syndicated loans use Term Secured Overnight Financing Rate ("SOFR") as a reference rate, while a minority of bank syndicated loans use as their reference rate 6-month USD LIBOR or synthetic USD LIBOR.
  4. Correlations based upon return data from January 2012 to June 2025. Investment-Grade Corporate represented by the Bloomberg Barclays US Corporate Index, S&P 500 represented by the S&P 500 Index Total Return Index, Long Treasury represented by the Barclays Capital U.S. 10-20 Year Treasury Bond Index, CLO BB represented by the J.P. Morgan Collateralized Loan Obligation Index ("CLOIE") BB Index.
- 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. Income levels shown are at a point in time are not indicative of historical or future levels. It is not possible to invest directly in an index. Diversification does not eliminate the risk of experiencing investment loss.**

# CLO Debt Has Generated Attractive Yields

Comparison of Asset Class Current Yield by Representative Index<sup>1</sup>



Sources: Bloomberg; JPMorgan; fred.stlouisfed.org.

Notes: Data as of June 30, 2025.

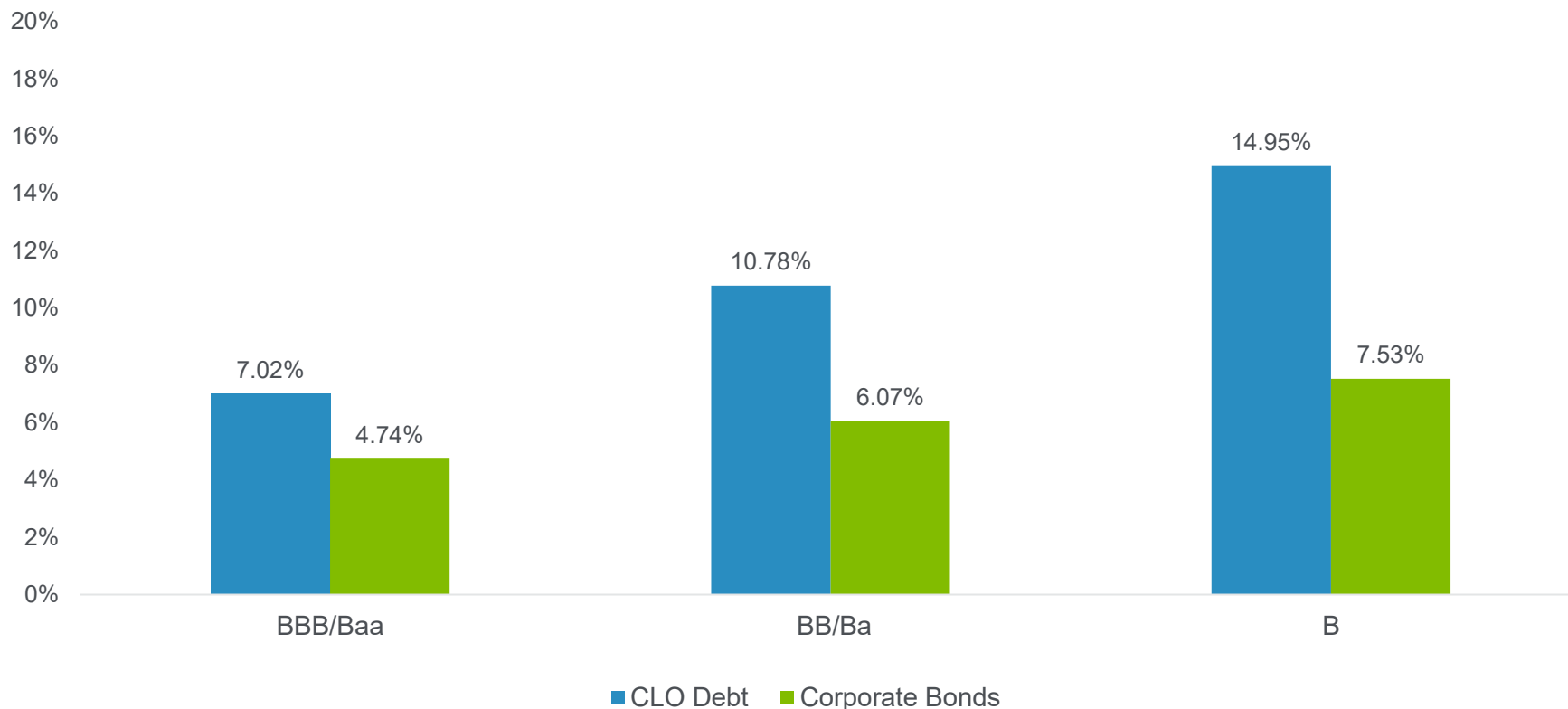
1. CLO Debt is represented by the J.P. Morgan Collateralized Loan Obligation Index ("CLOIE") (BB) Index yield to worst. BDCs are represented by the S&P BDC Index dividend yield. Senior Secured Loans are represented by the Morningstar LSTA U.S. Leveraged Loan 100 Index and reflect yield-to-worst. High-Yield Bonds are represented by the Bloomberg US Corporate High Yield Index and reflects yield-to-worst. Energy MLPs are represented by the Alerian MLP Index dividend yield (MLP distributions may consist primarily or even exclusively of returns of capital rather than income). Corporate Bonds are represented by the Bloomberg US Credit Corp 5-10Y Total Return Index and reflects yield-to-worst. CLO equity is not included in the chart above because there is no benchmark index that represents CLO equity returns. 10-Year US Treasuries figures are actual market yield.

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# Mezzanine CLO Debt Opportunity Set

The CLO debt market offers opportunities for incremental yield pick up compared to similarly rated corporate bonds.<sup>1,2,3</sup>

Comparative Yield of U.S. CLO Debt & Equivalently Rated U.S. Corporate Bonds<sup>3</sup> as of June 30, 2025



Notes:

1. Source: Wells Fargo CLO & ABS Strategy, "Collateralized Loan Obligations 101: An Overview of the CLO Market" (July 6, 2021).
2. Following the cessation of USD LIBOR on June 30, 2023, most CLO securities and bank syndicated loans use CME Term SOFR as a reference rate, while a minority of bank syndicated loans use as their reference rate 6-month USD LIBOR or synthetic USD LIBOR.
3. Yield for CLOs is represented by the J.P. Morgan Collateralized Loan Obligation Index ("CLOIE") Yield to Worst by Tranche. For AAA-BBB corporate bonds, yield is represented by the respective portfolio yield by rating as measured by the JPMorgan U.S. Liquid Index ("JULI") investment grade corporate bond index. Includes only securities with maturities of 3-5 years and excludes emerging market bonds. Source: JPMorgan Markets DataQuery (June 30, 2025).

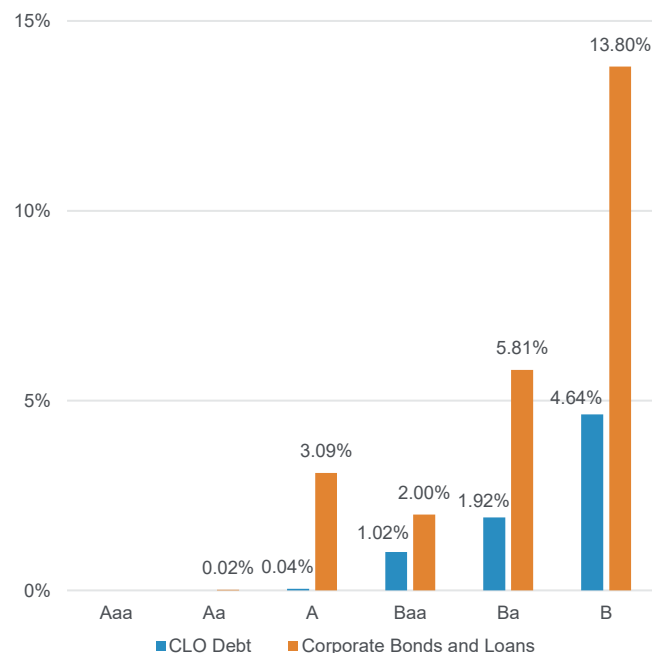
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# CLO Debt: Historically, Higher Yields with Less Risk

CLO debt has experienced low impairments as compared to similarly rated corporate loans and bonds.<sup>1,2,3</sup>

Low Historical Impairments						
Original Moody's Rating	Total Tranches	Count of Impaired Tranches	U.S. CLO Cumulative Impairment Rate <sup>2</sup>	Total Corporate Rated Assets	Count of Defaulted Assets	U.S. Corporate Loan and Bond Cumulative Default Rate <sup>3</sup>
1993-2023 (30 Year)				1993-2017 (25 Year)		
Aaa	5,628	0	0.0%	151,524	2	0.00%
Aa	2,668	0	0.0%	18,489	4	0.02%
A	2,384	1	0.0%	35,546	1,097	3.09%
Baa	2,266	23	1.0%	14,774	295	2.00%
Ba	2,027	39	1.9%	8,544	496	5.81%
B	496	23	4.6%	10,576	1,460	13.80%
	<b>15,469</b>	<b>86</b>	<b>0.6%</b>	<b>239,453</b>	<b>3,354</b>	<b>1.40%</b>

Cumulative US CLO Debt Impairments vs. Corporate Defaults (Moody's Ratings)<sup>2,3</sup>



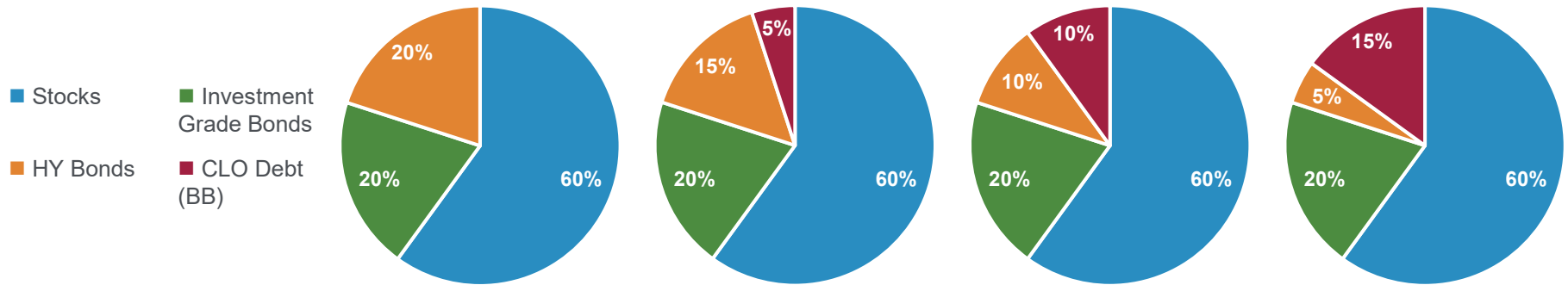
Notes:

- Following the cessation of USD LIBOR on June 30, 2023, most CLO securities and bank syndicated loans use CME Term SOFR as a reference rate, while a minority of bank syndicated loans use as their reference rate 6-month USD LIBOR or synthetic USD LIBOR.
- Includes all US cash flow CLO tranches ever rated by Moody's as of year-end 2023. Impairment is defined as when investors receive — or expect to receive with near certainty — less value than would be expected if the obligor were not experiencing financial distress or otherwise prevented from making payments by a third party, even if the indenture or contractual agreement does not provide the investor with a natural remedy for such events, such as the right to press for bankruptcy. Source: Moody's Analytics (June 24, 2024). **Past impairment rates are not indicative/a guarantee of future impairment rates.**
- US corporate cumulative default rate represents the total number of defaulted US corporate loans and bonds divided by the total number of US corporate loans and bonds rated by Moody's for each respective ratings category from 1993-2017. Source: Moody's Analytics (November 6, 2018). The information provided represents the most current data available.

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# Adding CLO Debt to a Diversified Portfolio

CLO debt may improve the risk/return profile of a traditional stock and bond portfolio.



	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4
<b>Stocks</b>	60%	60%	60%	60%
<b>Investment Grade Bonds</b>	20%	20%	20%	20%
<b>High Yield Bonds</b>	20%	15%	10%	5%
<b>CLO Debt (BB)</b>	0%	5%	10%	15%
<b>Expected Return<sup>1</sup></b>	<b>10.36%</b>	<b>10.61%</b>	<b>10.86%</b>	<b>11.11%</b>
<b>Standard Deviation<sup>2</sup></b>	<b>10.90%</b>	<b>10.91%</b>	<b>10.92%</b>	<b>10.94%</b>
<b>Risk Free Rate<sup>3</sup></b>	<b>4.58%</b>	<b>4.58%</b>	<b>4.58%</b>	<b>4.58%</b>
<b>Sharpe Ratio</b>	<b>0.53</b>	<b>0.55</b>	<b>0.58</b>	<b>0.60</b>

Sources: Bloomberg; JPMorgan.

Notes: Stocks are represented by the S&P 500. Investment Grade Bonds (IG Bonds) are represented by the Bloomberg USAgg Index. High Yield Bonds (HY Bonds) are represented by the Bloomberg US Corporate High Yield Bond Index. CLOs (BB) are represented by the J.P. Morgan Collateralized Loan Obligation Index ("CLOIE") BB Index. Annual total returns from January 2012 to December 2024 were used to calculate expected annual returns and standard deviations for each of the indices.

- The expected return represents the rate of return an investor could anticipate from an investment if it invested in the respective indexes and at the displayed percentage of investment. Expected returns showed are based on historical index rates of return. **It is not possible to invest directly in an index.**
  - Standard deviation is a statistical measurement of how far a variable, such as an investment's return, moves above or below its average (mean) return.
  - The risk-free rate is represented by the US 10 Year Treasury. The US 10 Year Treasury yield was at 4.58% as of 12/31/2024.
- 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. Diversification does not eliminate the risk of experiencing investment loss.**

# Octagon Credit Investors Overview



## Sub-adviser: Portfolio Management

**Credit Experts** - Exclusive focus is below investment grade credit since 1994. \$32.6bn in AUM as of 6/30/2025

**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** - With over 65 CLOs priced

since 1999 and 50 outstanding CLOs, Octagon has a

global institutional investor base

10 YEARS: 7/1/15 – 6/30/25				
		# Managers	197	
		CLOs Priced	4,810	\$2,241,316
Rank	Manager	# Deals	\$ Issuance	
1	GSO/Blackstone Debt Funds Management	144	\$75,034	
2	CIFC Asset Management	123	\$64,591	
3	Carlyle Investment Management	123	\$61,604	
4	Credit Suisse Asset Management	97	\$60,522	
5	<b>Octagon Credit Investors</b>	117	<b>\$60,307</b>	
6	Ares CLO Management	108	\$56,790	
7	PGIM*	113	\$56,432	
8	Apollo Credit Management	85	\$52,207	
9	Neuberger Berman Loan Advisors	103	\$51,005	
10	Palmer Square Capital Management	89	\$46,897	

Source: S&P Global as of June 30, 2025. Represents new issuance for US CLOs, excluding middle market CLOs.

Note: Dollar values in millions. PGIM (FKA Prudential Investment Management).

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.

# OCTIX Overview and Top 10 Holdings

As of June 30, 2025

## Summary Fund Characteristics

<b>Total Managed Assets</b>	\$41,523,056	<b>Number of Holdings</b>	57
<b>OCTIX Distribution Rate<sup>1</sup></b>	10.45%	<b>Avg. Asset Price (% of par)</b>	97.38
<b>OCTAX Distribution Rate<sup>1</sup></b>	10.12%	<b>Avg. Effective Maturity (Years)</b>	11.61
<b>Distribution Frequency</b>	Monthly	<b>Investment Minimum (OCTIX / OCTAX)</b>	\$10,000 / \$2,500
<b>OCTIX NAV</b>	\$25.27	<b>Redemption Frequency</b>	Quarterly
<b>OCTAX NAV</b>	\$25.24	<b>CUSIP (OCTIX / OCTAX)</b>	67578T206 / 67578T107

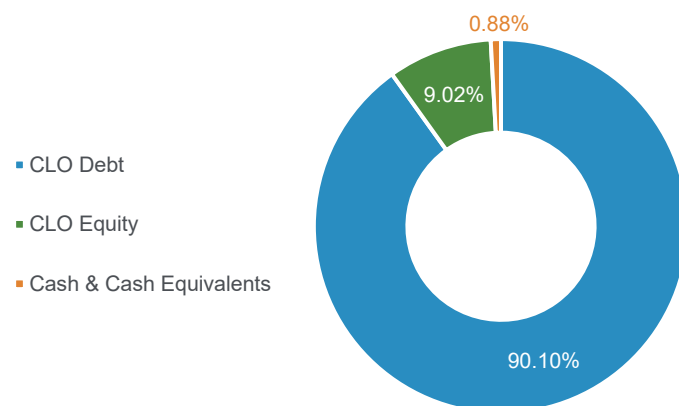
## Performance

	1 Month	3 Months	6 Months	Year-to-date
<b>OCTIX</b>	0.90%	2.93%	3.02%	3.02%
<b>OCTAX</b>	0.87%	2.83%	2.81%	2.81%
<b>Benchmark<sup>2</sup></b>	1.33%	2.94%	3.68%	3.68%

## Top 10 Holdings<sup>3</sup>

Top 10 Holdings	Asset Type	% Of Portfolio
CARLYLE US CLO 2019-3 Ltd.	CLO Debt	3.08%
CIFC Funding 2019-III Ltd.	CLO Debt	3.05%
Neuberger Berman Loan Advisers CLO 46 Ltd.	CLO Debt	3.03%
Sixth Street CLO XXII Ltd.	CLO Debt	3.02%
Generate CLO 19 Ltd.	CLO Debt	2.93%
Benefit Street Partners CLO XXIX Ltd.	CLO Debt	2.79%
Barings CLO Ltd. 2024-II	CLO Debt	2.46%
Lodi Park CLO Ltd.	CLO Debt	2.46%
OCP CLO 2019-17 Ltd.	CLO Debt	2.46%
OCP CLO 2016-12 Ltd.	CLO Debt	2.45%
<b>Total</b>		<b>27.73%</b>

## Asset Allocation %<sup>3</sup>



Unaudited. Source: XA Investments LLC; Paralel.

- Distribution rates represent each share class's latest declared regular distribution, annualized, relative to the respective share class NAV as of quarter end. Distribution rates are not performance and may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Distributions may include a return of capital and should not be confused with "yield" or "income." The actual components of the Fund's distributions for U.S. tax reporting purposes can only be finally determined as of the end of each fiscal year and are reported on Form 1099-DIV. The Fund's distributions for fiscal year ending 2025 will be made available and reported to investors after the end of fiscal year 2025. Figures shown are as of 6/30/2025.
- "Benchmark" is a blended benchmark comprised of 50% ICE BofA US High Yield Index and 50% Morningstar LSTA U.S. Leveraged Loan Index.
- Holdings are measured as a percentage of market value over the Fund's total portfolio investments as of 6/30/2025. Holdings may vary and are subject to change without notice.

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# Summary Fact Card

## OCTIX focuses on BB rated debt tranches of CLOs

### Octagon XAI CLO Income Fund (OCTIX)

<b>Initial NAV</b>	\$25 per share (\$2,500 minimum – Class A; \$10,000 minimum – Class I)
<b>Adviser</b>	XA Investments
<b>Sub-Adviser</b>	Octagon Credit Investors
<b>Structure</b>	Interval Fund (1940 Act and 1933 Act)
<b>Objective</b>	Provide high income and total returns
<b>Strategy</b>	Invest at least 80% of portfolio in CLO securities with no more than 20% in CLO equity
<b>Distributions</b>	Monthly
<b>Limited Liquidity</b>	Quarterly redemptions; 5% of outstanding shares
<b>Distribution Rate<sup>1</sup></b>	10.12% (Class A); 10.45% (Class I)
<b>Leverage</b>	None
<b>Benchmark</b>	<b>Primary:</b> 50% ICE BofA US High Yield Index and 50% Morningstar LSTA U.S. Leveraged Loan Index <b>Secondary:</b> J.P. Morgan Collateralized Loan Obligation Index BB Index
<b>Interest rate sensitivity</b>	Short duration (<1 year) – portfolio is comprised largely of floating-rate securities
<b>Valuation</b>	Daily NAV <sup>2</sup>
<b>Tax reporting</b>	Form 1099

### Shareholder Transaction Expenses

	Class A	Class I
<b>Maximum Initial Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)<sup>3</sup></b>	2.00%	None
<b>Early Withdrawal Charge<sup>4</sup></b>	1.00%	1.00%
<b>Dividend Reinvestment Fees</b>	None	None

### Annual Expenses (As of 6/30/2025 as a percentage of net assets attributable to shares)<sup>5</sup>

	Class A	Class I
<b>Management Fees<sup>6</sup></b>	1.50%	1.50%
<b>Distribution and/or Servicing Fees<sup>7</sup></b>	0.85%	None
<b>Interest Payment on Borrowed Funds</b>	None	None
<b>Other Expenses<sup>8</sup></b>	2.06%	2.77%
<b>Total Annual Fund Operating Expenses</b>	4.40%	4.27%
<b>Distribution and/or Servicing Fee Reimbursement<sup>9</sup></b>	(0.50%)	None
<b>Expense Limitation<sup>9</sup></b>	(1.37%)	(2.08%)
<b>Total Annual Expenses (After Expense Reimbursement)<sup>9</sup></b>	2.53%	2.18%

Source: XA Investments; Octagon Credit Investors

Note: Please refer to the "Summary Fact Card Endnotes" on the following page for all associated footnotes.

# Summary Fact Card Endnotes

## Notes:

1. Distribution rates represent each share class's latest declared regular distribution, annualized, relative to the respective share class NAV as of quarter end. Distribution rates are not performance and may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Distributions may include a return of capital and should not be confused with "yield" or "income." The actual components of the Fund's distributions for U.S. tax reporting purposes can only be finally determined as of the end of each fiscal year and are reported on Form 1099-DIV. The Fund's distributions for fiscal year ending 2025 will be made available and reported to investors after the end of fiscal year 2025. Figures shown are as of 6/30/2025.
2. The Fund utilizes independent third-party pricing to assist with daily NAV determination. In events that could cause a portfolio security's price to be deemed unavailable or unreliable, the Fund's valuation designee may determine the security's value in accordance with guidelines adopted by the Fund's Board of Trustees.
3. Paralel Distributors LLC is the principal underwriter and distributor of Class A shares and Class I shares and serves in that capacity on a best efforts basis, subject to various conditions. The Fund may be offered through intermediaries that have entered into selling agreements with the Distributor. Intermediaries typically receive the sales load with respect to Class A shares purchased by their clients. The Distributor does not retain any portion of the sales load. Class A shares are sold subject to a maximum sales load of up to 2.00% of the offering price. However, purchases of Class A shares in excess of \$100,000 may be eligible for a sales load discount. See the Fund's prospectus for more information. While neither the Fund nor the Distributor impose an initial sales charge on Class I shares, if an investor buys Class I shares through certain intermediaries, they may directly charge the investor transaction or other fees in such amount as they may determine. Investors should consult with their intermediary for additional information. Investors should consult with their intermediary about the sales load and any additional fees or charges their intermediary might impose on each class of shares.
4. The Fund imposes early withdrawal charges of up to 1.00% on shares accepted for repurchase that have been held by an investor for less than one year. Payment of the early withdrawal charge is made by netting the charge against the repurchase proceeds. The early withdrawal charge is retained by the Fund for the benefit of remaining shareholders. If a shareholder has made multiple purchases and tenders a portion of its shares, the early withdrawal charge is calculated on a first-in/first-out basis. See "Periodic Repurchase Offers" in the Fund's prospectus for additional information about share repurchases.
5. Expenses shown in table may not calculate precisely due to rounding.
6. The Fund pays XAI an annual management fee, payable monthly in arrears, in an amount equal to 1.50% of the Fund's average daily Managed Assets. XAI pays to Octagon a sub-advisory fee out of the management fee received by XAI.
7. The Fund may charge a distribution and/or shareholder servicing fee totaling up to 0.85% per year on Class A shares.
8. "Other Expenses" are based on amounts for the current fiscal year and include professional fees and other expenses, including, without limitation, SEC filing fees, printing fees, administration fees, transfer agency fees, custody fees, trustee fees, insurance costs and financing costs. XAI and Octagon have agreed to (i) pay all organizational expenses of the Fund and (ii) pay or reimburse offering expenses of the Fund incurred through the date of effectiveness of this registration statement. Such amounts are not subject to recoupment by XAI and Octagon.
9. XAI has agreed to enter into an Expense Limitation and Reimbursement Agreement with the Fund through the 18-month anniversary of the Fund's inception of operations (the "Limitation Period") during which XAI has agreed to reimburse the Fund for up to 0.50% of Distribution and/or Shareholder Servicing Fees paid and/or accrued on Class A shares. XAI may at its discretion, agree to extend the Limitation Period for additional period(s) of one year on an annual basis. For three years following a reimbursement XAI may recoup amounts reimbursed to the Fund only if the recoupment would not cause the Fund's total annual fund operating expenses, excluding certain "excluded expenses," to exceed the expense ratio at the time the reimbursement was made. "Excluded expenses" are management fees, distribution and/or servicing fees, taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with SEC Form N-2), expenses incurred in connection with any merger or reorganization, and extraordinary expenses, such as litigation expenses.

# The Octagon Investor Advantage

Benefiting from Octagon's credit expertise and well-established CLO platform, OCTIX offers an attractive high-income solution from a diverse portfolio of CLO debt and CLO equity investments in an investor-friendly structure with regular liquidity opportunities.<sup>1</sup>

## OCTIX

- A high-income alternative
- Below-investment grade expertise
- Diverse portfolio of CLOs
- Benefits from well-established CLO platform
- Octagons established reputation since 1994
- Focused on CLO Debt
- Active management may enhance returns over time

## INVESTOR FRIENDLY FEATURES OCTIX

Quarterly liquidity <sup>1</sup>	✓
Daily NAV	✓
Fully Funded/No capital calls	✓
1099 tax reporting	✓
Low investment minimum of \$2,500 <sup>2</sup>	✓
Retail investor: available to all investors	✓
No leverage	✓

For illustrative purposes only. The statements above reflect XAI and Octagon's views and opinions as of the date hereof and not as of any future date. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. There is no assurance that the trends highlighted above will occur in the future or that the projections will be met. Diversification does not assure a profit or protect against loss in a declining market.

Notes:

1. The Fund will offer to repurchase no less than 5% and no more than 25% of the Fund's outstanding shares at NAV on a quarterly basis. In the event that a repurchase offer is oversubscribed, Shareholders may only be able to have a portion of their Shares redeemed.
2. Generally, the minimum initial investment for Class A Shares in the Fund from each investor is at least \$2,500 and the minimum initial investment for Class I shares in the Fund from each investor is at least \$10,000. The minimum initial investment may be reduced at the Adviser's discretion.

# Liquidity Management Plan

To meet quarterly repurchases, Octagon intends to manage the Fund with:

- An investment management program designed to meet investor demand for quarterly liquidity<sup>1</sup>
- Liquid secondary trading market for CLO debt securities in most market environments
- Significant cash flow naturally created by portfolio investments that pay regular interest income
- May seek to establish a credit facility to provide additional liquidity to meet repurchases, as needed

## Quarterly Repurchase Dates<sup>2</sup>

	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Repurchase Notice Date	7/16/2025	10/15/2025	1/14/2026	4/15/2026
Repurchase Request Deadline	8/27/2025	11/26/2025	2/25/2026	5/27/2026
Repurchase Pricing Date	8/28/2025	11/28/2025	2/26/2026	5/28/2026
Repurchase Payment Deadline	9/4/2025	12/5/2025	3/5/2026	6/4/2026

Source: XA Investments.

Notes:

1. The fund offers quarterly repurchases of no less than 5%. Shareholders are subject to proration if demand for liquidity exceeds 5%.
2. Dates subject to change at the Fund's discretion. **Repurchase Notice Date:** The date on which the Fund will notify each shareholder of record about its next repurchase offer. The notice will include key details and procedures regarding the repurchase offer. **Repurchase Request Deadline:** The date by which the Fund must receive repurchase requests submitted by shareholders in response to a repurchase offer or withdrawals or modifications of previously submitted repurchase requests for such repurchase offer. **Repurchase Pricing Date:** At the close of business, the Fund determines the NAV applicable to the repurchases of the Fund's shares. **Repurchase Payment Deadline:** The date by which the Fund must pay shareholders for any shares repurchased.

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.

# Contact the XAI Team with Questions

For more information and Fund materials please visit the Fund's website at [xainvestments.com/octix/](http://xainvestments.com/octix/)



**Kevin Davis**

XA Investments

Managing Director, Head of Sales & Distribution

[kdavis@xainvestments.com](mailto:kdavis@xainvestments.com)

(832) 752-4792



**Kimberly Flynn, CFA**

XA Investments

President

[kflynn@xainvestments.com](mailto:kflynn@xainvestments.com)

(312) 374-6931

**[XAInvestments.com](http://XAInvestments.com)** | (888) 903-3358

321 North Clark Street Suite 2430 Chicago, IL 60654

# Glossary

TERM	DEFINITION
<b>Alerian MLP Index</b>	This index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis and on a total-return basis.
<b>Barclays Capital U.S. 10-20 Year Treasury Bond Index</b>	Barclays Capital U.S. 10-20 Year Treasury Bond Index Treasury securities that have a remaining maturity of at least 10 years and less than 20 years.
<b>BDC (Business Development Company)</b>	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.
<b>Bloomberg Barclays US Corporate Bond Index</b>	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 issuers.
<b>Bloomberg US Agg Index</b>	This index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.
<b>Bloomberg US Corporate High Yield Index</b>	This index measures the USD-denominated, high yield, fixed-rate corporate bond market.
<b>Bloomberg US Credit Corp 5-10 YR Total Return Index</b>	This index tracks corporate credit of United States based companies over a five-to-ten-year period.
<b>CLO (Collateralized Loan Obligation)</b>	A type of structured credit. CLOs invest in a diverse portfolio of broadly syndicated senior secured loans. CLOs issue multiple debt tranches along with equity and use the proceeds from the issuance to obtain a diverse pool of syndicated bank loans. Interest and principal cash flows generated from the underlying collateral pool flow through the CLO and are distributed to debt and equity investors. Each debt tranche carries a different risk/return profile based on credit quality, risk of loss and priority to cash flow distributions. Structural features of the CLO, including coverage, diversification and exposure tests, dictate cash flow mechanics and further add to the risk/return profile. Investment options range from AAA-rated debt tranches to non-rated equity.
<b>Collateral</b>	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.
<b>Correlation</b>	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.
<b>Default Rate</b>	Default rate is the rate of all loans or bonds issued to a borrower that are left unpaid by the borrower and declared to be in default.
<b>Duration</b>	A measure expressed in years of the sensitivity of the price of a fixed-income investment to a change in interest rates.
<b>ICE BofA US High Yield Index</b>	This index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.
<b>Impairment Rate</b>	Impairment rate for a group of Collateralized Loan Obligations (CLOs) is the total losses experienced over a given period of time.
<b>J.P. Morgan Collateralized Loan Obligation Index (“CLOIE”)</b>	This 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
<b>LIBOR</b>	LIBOR stands for “London Interbank Offered Rate.” Following the cessation of USD LIBOR on June 30, 2023, most CLO securities and bank syndicated loans use Term SOFR as a reference rate, while a minority of bank syndicated loans use as their reference rate 6-month USD LIBOR or synthetic USD LIBOR.
<b>MLP (Master Limited Partnership)</b>	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.
<b>Morningstar LSTA U.S. Leveraged Loan 100 Index</b>	The Morningstar LSTA U.S. Leveraged Loan 100 Index is designed to reflect the performance of the largest facilities in the leveraged loan market.
<b>S&amp;P BDC Index</b>	This index is designed to track leading business development companies that trade on major U.S. exchanges.
<b>S&amp;P 500 Index</b>	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.
<b>Senior Secured Loans</b>	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.
<b>Sharpe Ratio</b>	Measure of an investment's historical returns adjusted for risk or volatility.
<b>SOFR</b>	The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.
<b>Standard Deviation</b>	Measures the volatility of an investment return. The larger the standard deviation, the larger the potential movement – up or down – of an investment return.
<b>Tranche</b>	Related securities that are portions of a deal or structured financing, but have different risks, return potential and/or maturities.

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# Considerations and Risks

Investment in the Fund involves risk considerations, which are summarized below. Investing involves risk, including the possible loss of your entire investment. There is no guarantee the Fund's investment objective will be achieved. Investing in interval funds may be speculative, involve a high degree of risk, and provide limited liquidity. The Fund does not currently intend to list its shares for trading on any national securities exchange and does not expect any secondary trading market in the shares to develop. The shares are, therefore, not readily marketable.

Each risk noted below is considered a principal risk of the Fund, regardless of the order in which it appears. The significance of each risk factor may change over time, and you should review each risk factor carefully. These and other risk considerations are described in more detail in the Fund's prospectus and SAI, each of which can be found on the SEC's website at [www.sec.gov](http://www.sec.gov) or the Fund's web page at [www.xainvestments.com/OCTIX](http://www.xainvestments.com/OCTIX). Investors should carefully review the prospectus and consider potential risks before investing.

**Investment and Market Risk.** An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in the Fund also represents an indirect investment in any underlying investment of the Fund. The value of the Fund or an underlying investment company, like other market investments, may move up or down, sometimes rapidly and unpredictably, and an investment in the Fund at any point in time may be worth less than the original investment, even after taking into account any reinvestment of dividends and distributions.

**Management Risk.** The Fund is an actively managed portfolio, and the value of the Fund may be reduced if the Adviser pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers in which the Fund invests.

**Credit Risk.** If debt obligations held by the Fund are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline and the Fund's share value and the dividends paid by the Fund may be reduced.

**Distributions.** The Fund intends to pay substantially all of its net investment income, if any, to shareholders through periodic distributions and to distribute any net realized long-term capital gains to shareholders at least annually. The Fund intends to pay monthly distributions to Shareholders. However, there is no assurance the Fund will pay regular monthly distributions or that it will do so at a particular rate. Distributions may be paid by the Fund from any permitted source and, from time to time, all or a portion of a distribution may be a return of capital.

**Interest Rate Risk.** When interest rates increase, the value of the Fund's credit investments may decline and the Fund's share value may be reduced. The prices of longer-term securities fluctuate more than prices of shorter-term securities as interest rates change. The Fund will invest 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.

**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 Fund's shares and distributions can decline. In addition, during any period of rising inflation, interest rates on borrowings would likely increase, which would tend to further reduce returns to a shareholder. 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 Fund's portfolio.

**Below Investment Grade/High Yield Securities Risk.** Debt obligations that are rated below investment grade and unrated obligations of similar credit quality (commonly referred to as "junk" or "high yield" bonds) may have a substantial risk of loss. These obligations are generally considered to be speculative with respect to the issuer's ability to pay interest and principal when due. These obligations may be subject to greater price volatility than investment grade obligations, and their prices may decline significantly in periods of general economic difficulty or in response to adverse publicity, changes in investor perceptions or other factors. They may also be subject to greater liquidity risk.

**Collateralized Loan Obligations (CLOs) Risk.** The Fund invests in CLO securities. The underlying obligations of the CLOs in which the Fund invests will include subordinated loans; (ii) debt tranches of other CLOs; and (iii) equity securities incidental to investments in senior loans. CLOs are typically privately offered and sold and may be thinly traded or have a limited trading market. As a result, investments in CLOs may be characterized by the Fund as illiquid securities.

**CLO Equity Risk.** The Fund may invest in CLO Equity, which are subordinated notes issued by a CLO (often referred to as the "residual," "equity" or "subordinated" tranche), 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, CLO Equity generally do not benefit from any creditors' rights or ability to exercise remedies under the indenture governing the notes. CLO Equity are not guaranteed by another party. CLO Equity are subject to greater risk than the senior CLO Debt issued by the CLO. CLOs are typically highly levered, utilizing up to approximately 10 times leverage, and therefore CLO Equity are subject to a higher risk of total loss. There can be no assurance that distributions on the assets held by the CLO will be sufficient to make any distributions or that the yield on the CLO Equity will meet the Fund's expectations.

**Interval Fund; Repurchase Offer Risk.** Closed-end interval funds differ from open-end fund (commonly known as mutual funds) in that investors in an interval fund do not have the right to redeem their shares on a daily basis. Quarterly repurchases by the Fund of its shares typically are funded from available cash or sales of portfolio securities. The sale of securities to fund repurchases could reduce the market price of those securities, which in turn would reduce the Fund's NAV. The Fund does not intend to list its shares for trading on any securities exchange, and does not expect a secondary market to develop for the shares.

**Structured Credit Investments 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. The Fund typically will have the right to receive payments only from the issuer of the structured credit instrument, and generally would not have direct rights against the issuer of or entity that sold the underlying assets. The Fund may invest in structured credit instruments collateralized by low grade or defaulted loans or securities. Investments in such structured credit instruments are subject to the risks associated with below investment grade securities. The payment of cash flows from underlying assets to senior classes of structured credit investments take precedence over those of subordinated classes, and therefore subordinated classes are subject to greater risk.

# Considerations and Risks (cont.)

**Corporate Debt Risk.** Corporate debt instruments pay fixed, variable or floating rates of interest. Some debt securities, such as zero coupon bonds, do not make regular interest payments but are issued at a discount to their principal or maturity value. The value of fixed-income securities in which the Fund 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).

**Loan Risk.** Investments in loans are generally subject to the same risks as investments in other types of debt obligations. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. This means loans are often subject to significant credit risks, including a greater possibility that the borrower will be adversely affected by changes in market or economic conditions and may default or enter bankruptcy. This risk of default will increase in the event of an economic downturn or a substantial increase in interest rates.

**Illiquid Investments Risk.** The Fund may invest in restricted, as well as thinly traded, instruments and securities (including privately placed securities and instruments that are subject to Rule 144A). There may be no trading market for these securities and instruments, and the Fund might only be able to liquidate these positions, if at all, at disadvantageous prices. The Fund may be required to sell, distribute in kind or otherwise dispose of investments at a disadvantageous time as a result of any such dissolution.

**No Operating History Risk.** The Fund is a newly organized, diversified, closed-end management investment company with no operating history.

**Non-Diversification Risk.** The Fund will be classified as "non-diversified," which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers.

**Repayment Risk.** The prices of certain debt securities may drop because of the failure of borrowers to repay their loans, poor management, or the inability to obtain financing either on favorable terms or at all. If the assets underlying certain debt securities do not generate sufficient income to meet operating expenses, including, where applicable, debt service, lease payments, and other capital expenditures, the income and ability of the issuers of such securities to make payments of interest and principal on their loans will be adversely affected.

**Credit Risk.** Credit risk is the risk that an issuer of securities in which the Fund invests or an asset underlying a CLO in which the Fund invests 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. This is broadly gauged by the credit ratings of the securities in which the Fund invests. Furthermore, the Fund's investments may not be rated by any rating agency or may be below investment grade. A default, downgrade or credit impairment could result in significant or total loss of an investment.

**SOFR Risk.** The Secured Overnight Financing Rate ("SOFR") is intended to be a broad measure of the cost of borrowing funds overnight in transactions that are collateralized by U.S. Treasury securities. SOFR is calculated based on transaction-level data collected from various sources. For each trading day, SOFR is calculated as a volume-weighted median rate derived from such data. SOFR is calculated and published by the Federal Reserve Bank of New York ("FRBNY"). If data from a given source required by the FRBNY to calculate SOFR is unavailable for any day, then the most recently available data for that segment will be used, with certain adjustments. If errors are discovered in the transaction data or the calculations underlying SOFR after its initial publication on a given day, SOFR may be republished at a later time that day. Rate revisions will be effected only on the day of initial publication and will be republished only if the change in the rate exceeds one basis point.

**Market, Economic and Social Developments Risk.** Periods of market volatility remain, and may continue to occur in the future, in response to various political, social and economic events both within and outside the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Fund, including by making valuation of some of the Fund's securities uncertain and/or result in sudden and significant valuation increases or declines in the Fund's holdings.

**Past performance does not guarantee future results. There is no assurance that the investment process will consistently lead to successful investing. The investment objective of the Fund is to provide high income and total return. There can be no assurance that the Fund will achieve its investment objective, and you could lose some or all of your investment. An investment in this Fund presents a number of risks and is not suitable for all investors. Investors should carefully review the prospectus and consider potential risks before investing. These and other risk considerations are described in more detail in the Fund's prospectus and SAI, each of which can be found on the SEC's website at [www.sec.gov](http://www.sec.gov) or the Fund's web page at [xainvestments.com/OCTIX](http://xainvestments.com/OCTIX).**

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