VOLTA FINANCE LIMITED

HALF-YEARLY FINANCIAL REPORT
FOR THE PERIOD 1 AUGUST 2020 TO 31 JANUARY 2021

CONTENTS

FORWARD-LOOKING STATEMENTS

This report includes statements that are, or may be considered, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "plans", "expects", "targets", "aims", "intends", "may", "will", "can", "can achieve", "would" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report, including in the Chairman's Statement. They include statements regarding the intentions, beliefs or expectations of the Company or the Investment Manager concerning, among other things, the investment objectives and investment policies, financing strategies, investment performance, results of operations, financial condition, liquidity prospects, dividend policy and targeted dividend levels of the Company, the development of its financing strategies and the development of the markets in which it, directly and through special purpose vehicles, will invest and issue securities and other instruments. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments of the Company and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause differences include, but are not limited to: changes in economic conditions generally and in the structured finance and credit markets particularly; fluctuations in interest and currency exchange rates, as well as the degree of success of the Company's hedging strategies in relation to such changes and fluctuations; changes in the liquidity or volatility of the markets for the Company's investments; declines in the value or quality of the collateral supporting any of the Company's investments; legislative and regulatory changes and judicial interpretations; changes in taxation; the Company's continued ability to invest its cash in suitable investments on a timely basis; the availability and cost of capital for future investments; the availability of suitable financing; the continued provision of services by the Investment Manager and the Investment Manager's ability to attract and retain suitably qualified personnel; and competition within the markets relevant to the Company.

These forward-looking statements speak only as at the date of this report. Subject to its legal and regulatory obligations (including under the rules of Euronext Amsterdam, the UK Listing Authority and the London Stock Exchange) the Company expressly disclaims any obligations to update or revise any forward-looking statement (whether attributed to it or any other person) contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all such forward-looking statements by these cautionary statements. Please keep these cautionary statements in mind while reading this report.

VOLTA AT A GLANCE

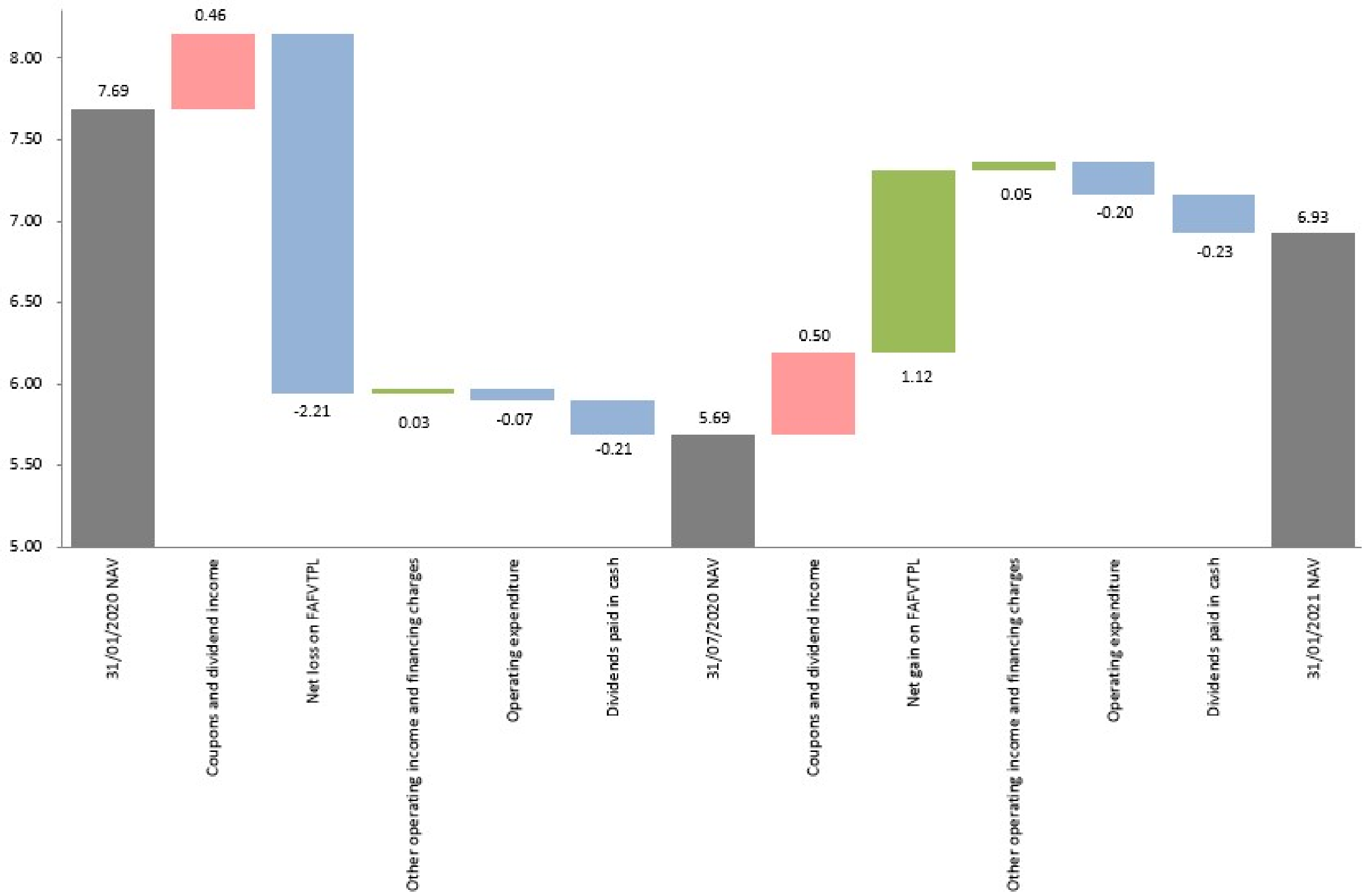
The investment objectives of the Company are to preserve its capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends that it expects to distribute on a quarterly basis. Volta seeks to achieve its investment objectives by pursuing a diversified investment strategy across structured finance assets. Volta measures and reports its performance in Euro.

Key performance indicators

26.1%	35.4%[2]	8.1%[2]
NAV Total Return[1] (with dividends re- invested at NAV) for the six months to 31 January 2021	Share Price Total Return[1] (dividends re-invested) for the six months to 31 January 2021	Annualised share price performance (dividends re-invested) from inception to 31 January 2021
13.3%	**7.8%[2]**	**(18.6)%[2]**
Projected Portfolio IRR[1] (under standard market assumptions)	Dividend Yield[1] based on the share price as at 31 January 2021	Discount[1] between share price and NAV per share as at 31 January 2021

[1] Please see the glossary on pages 40 to 41 for an explanation of the terms used above and elsewhere within this Half-Yearly Financial Report.
[2] Source: Bloomberg – Euronext Amsterdam

NAV performance analysis for the periods ended 31 January 2021 and 31 July 2020 – contributions to NAV change (Euro per share)



CHAIRMAN'S STATEMENT

Dear Shareholder

I am pleased to be able to report to you on a much more positive period than in my prior report last autumn. Over the six months to 31st January 2021, Volta's net asset value (NAV) total return per share rose by a very strong 26.1% and the share price total return rose by an even more remarkable 35.4%. The net asset value (NAV) total return for the calendar year 2020, was however negative at (5.7)%. The recovery in the Company's NAV and share price is, of course, not unique to Volta. However, recent outperformance means that it has caught up with other asset classes against which it had lagged in the early stages of the recovery from the market lows last March. By way of comparison, the S&P500 rose by 17.0% over the same 6 month period.

In my last report I had hoped that some of the embedded value in the portfolio might begin to be recognised. The announcements of a number of vaccine approvals in the late autumn proved to be the catalyst for this. That said, despite the accelerating roll-out of vaccines and the continued exceptional fiscal and monetary support, the economic outlook remains uncertain: much less progress has been made in returning to "normality" than had been anticipated even 6 months ago. That "normality" now feels within touching distance but it seems likely that the transition away from exceptional governmental supports, such as furlough, will see economic volatility. Further, the debate has now moved on to whether the extraordinary stimuli seen from central banks and governments may risk a resurgence of inflationary pressures. That inflation will rise during the rest of 2021 seems certain; whether that higher inflation will be transient or become structural is less clear. The latter seems a distinct possibility to me but such siren calls have been heard many times before over the last decade and many investors have been wrecked on the rocks as a result. It would be a brave investor to bet everything on inflation and, compounding the issue, most inflation hedges look over-priced.

Volta seems, though, to offer some distinct advantages against the backdrop of these uncertainties. Longer term interest rates are showing some signs of rising. Should short term rates eventually follow, then the largely floating-rate characteristics of Volta's portfolio will provide protection that will be sadly lacking in most credit assets. In addition, an inherent characteristic of most loans and CLOs is that rates are "floored". So if, on the contrary, economies should falter and interest rates are forced lower and negative in the US, then Volta will offer protection against this. Despite the weakening of many investor protections in loans such as covenants, floors at or just above zero seem likely to persist. At the same time, the recovery of credit markets has been so astonishing that the possibility of resets and refinancing of a number of the CLOs held by Volta means that enhanced returns should follow regardless.

I am sometimes asked by prospective shareholders why they should buy Volta rather than other structured finance vehicles. One of the points I make is that the Company is managed by AXA IM in Paris who are the largest structured finance manager in Europe. Size doesn't always confer benefits in investment, but in this market it does. AXA IM can choose to take controlling positions in CLOs and this means that they can ensure that resets and refinancings can take place at the optimum time for their investors – such as the shareholders in Volta. AXA IM has a strong track record of material outperformance against the CLO universe and this ability to take a controlling position is one of the numerous reasons for that outperformance. This has real value for this Company's shareholders. As the Investment Manager outlines in their report, resets and refinancings could enhance Volta's overall returns by 1-1.5% per annum for several years. This is a very meaningful return uplift.

Whilst the recovery in the NAV has been dramatic, the 31st January 2021 NAV of €6.93 per share is still some way from the cyclical peak seen in 2017/18 of well over €8 per share. The Company has continued with the policy of paying a quarterly dividend at an annualised rate of approximately 8% of NAV. As the NAV has risen, so too have the latest quarterly dividends in cents per share continued to increase. Alongside this rising distribution of cash, our cash flows remain strong and this has left excess cash to reinvest at attractive rates. However, the continued compression of credit spreads means that this window of opportunity to reinvest for outsized returns is closing. As AXA IM note in their report, there is reason to be optimistic that the NAV per share will continue to grow over the medium term, even with a continued annual dividend of 8% per annum. That provides the prospect of further attractive returns but it will be a stretch to get back above €8 per share. To achieve that hurdle would require the continued and consistent delivery of alpha by AXA IM over a sustained period. Much too will turn on the future path for loan defaults. The outlook for defaults is improving and default expectations by the large ratings agencies have been falling consistently over recent months. However, defaults are likely to remain elevated above historical averages for several years. Nonetheless, it appears that such defaults are likely to be at levels that should not see impairment to cash flows from the equity tranches of CLOs that we hold and which now comprise around 58.3% of the Company's assets. As at 31st January 2021, the predicted IRR yield of the portfolio remained at an attractive 13.3%.

From the perspective of the board, the six months to 31st January 2021 represented a welcome return to some normality after the extreme events of the prior months, even if meetings were often held remotely via video conference. In my last report in October, I noted the board changes. Paul Varotsis does not intend to stand for re-election at the Company's Annual general Meeting later this year and the recruitment of his successor has commenced. That process is now well underway through a structured search process using both Women on Boards and Nurole. We have received an exceptional level of interest from a range of very well qualified candidates and we anticipate being able to make an announcement by the early summer.

CHAIRMAN’S STATEMENT (CONTINUED)

The conclusion of my last report was an expectation that the considerable embedded value in Volta’s portfolio might gradually be recognised. That has proven to be the case, and rather more swiftly than I had dared anticipate. This time around the market environment has been exceptionally strong and it is certainly possible to make an argument that markets have run ahead of the economic outlook. At the very least, the opportunity for mis-steps over the coming year has increased. However, I am not disheartened for the medium term outlook for Volta. As I have so often emphasised, Volta’s characteristics of strong cash flows from its investments and its inherent broad diversification , managed by one of Europe’s premier experts in the field remains as important and compelling as ever.

AXA IM and the Company will continue to seek to spread that word and, as always, I welcome the opportunity to speak and meet with shareholders and prospective shareholders. Who knows? It may even soon be possible to do that in person once again. In the meantime, I thank you for your continued support and look forward to reporting to you again in the autumn.

Paul Meader
Chairman
7 April 2021

INVESTMENT MANAGER'S REPORT

At the invitation of the Board, this commentary has been provided by AXA Investment Managers ("AXA IM") Paris as Investment Manager of Volta. This commentary is not intended to, nor should be construed as, providing investment advice. Potential investors in the Company should seek independent financial advice and should not rely on this communication in evaluating the merits of investing in the Company. The commentary is provided as a source of information for Shareholders of the Company but is not attributable to the Company.

KEY MESSAGES FROM THE INVESTMENT MANAGER

At the time of this writing, Volta has significantly recovered from the spike of volatility experienced during the COVID-19 crisis in 2020.

Though the volatility seen over 2020 was high, it has been in some ways a positive experience for structured finance assets, especially for CLOs. Contrary to 12 years ago with the Global Financial Crisis ("GFC"), structured finance assets behaved "normally".

When considering the CLO market, which represents more than 80% of Volta's assets, the impact on the primary CLO market was short lived. The US CLO market was closed for just three weeks (six weeks in Europe) at the end of March with trading volumes in the secondary market breaching record highs in 2020.

One mantra for Volta has always been to invest in assets incorporating macro risks while aiming to avoid idiosyncratic risks. CLO tranches are the perfect embodiment of such a philosophy given that each and every CLO encapsulates 150 to 300 corporate credits coming from almost every industry (except notably banking and insurance).

As a result, Volta suffered from some market volatility (especially in March 2020) but did not suffer dramatic losses through the crisis. We've always advocated that CLO tranches are built to resist some stress. A broad exposure to the economy helps when things take a turn for the worst as governments and central banks, when supporting the overall economy, are indirectly supporting our positions. As an example, rating agencies were at one point forecasting 12-14% annual default rates in 2021 for US loans. We ended 2020 with just 4.6% defaults and since the end of 2020 it has been declining. Current forecasts, post global fiscal and monetary support, are generally between 2% and 4% for 2021.

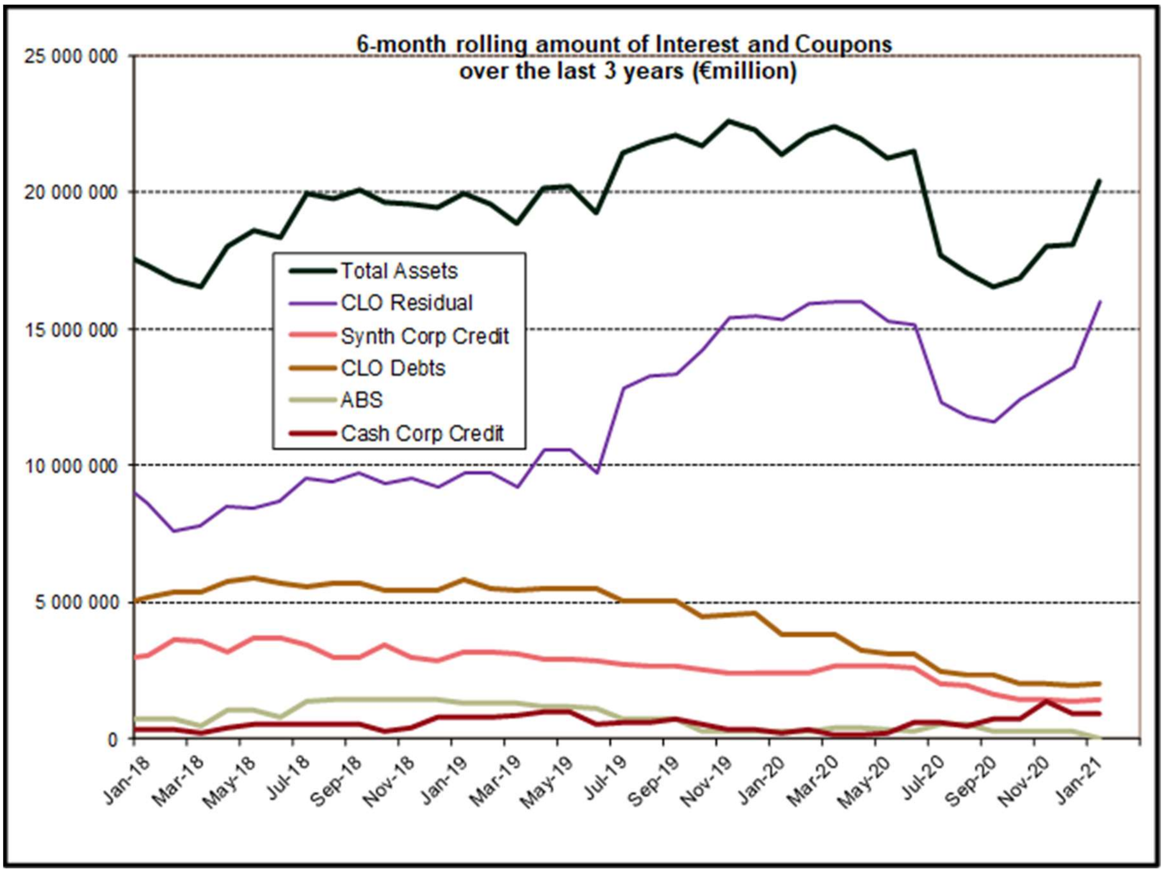
When considering 2021 our views are the following:

- Spreads for the most senior CLO tranches are almost back to historical lows. This should mean that the vast majority of Volta CLO Equity positions would benefit from the possibility to refinance their leverage (the overall cost of CLO debt tranches) at a lower level, allowing the fund to lock in a better arbitrage for longer
- On the asset side, default rates are already far lower than what has been feared several months ago. We expect some defaults to continue materializing (this year and next year) in relation to the COVID-19 crisis but at a pace that is manageable for CLOs. This situation may prevent loan spreads from tightening too much or too rapidly so that CLO Equity arbitrage may continue to be attractive
- When considering the rest of the portfolio, mainly bank balance sheet transactions, the COVID-19 crisis caused minor losses (only few positions suffered some credit losses inside their underlying portfolios). We expect this portion of the portfolio to perform almost in line with original assumptions; final IRR on the existing book might be only one or two points lower than initial expectations.

Considering the overall financial environment, we note that investors are generally questioning the future path of interest rates. In some ways, we are back to years 2016/2017 when market scrutiny surrounded the timing and magnitude of monetary policy normalization, among other things. This period was very favourable to our asset classes. While yields were still, historically speaking, relatively low, investors were looking to escape from the consequences of potential yield increases on fixed rate instruments. A higher demand materialized for loans/CLOs creating a favourable environment for the companies that needed to refinance (limiting default rates).

Regarding the amount of interest and coupons Volta is receiving from its assets, we mechanically suffered in Q2 and Q3 2020 from technical effects (the decrease of US Libor rates/the election for almost half of European loans to pay their coupon on a six month basis instead of 3 month) that were expected to partially revert in the following periods. More importantly, none of our CLO Equity positions suffered a diversion of cash flow due to a breach of the reinvestment test (the test that protects CLO debt holders by diverting cashflow due to the equity tranche to purchase more assets in order to increase the subordination that protects debt holders).

As a result, as at the end of January 2021, cash flows have already rebounded significantly and we expect this to continue:



Source: AXA IM as at 31 January 2021

MATERIALIZING THE CALL OPTION AT THE BENEFIT OF CLO EQUITIES

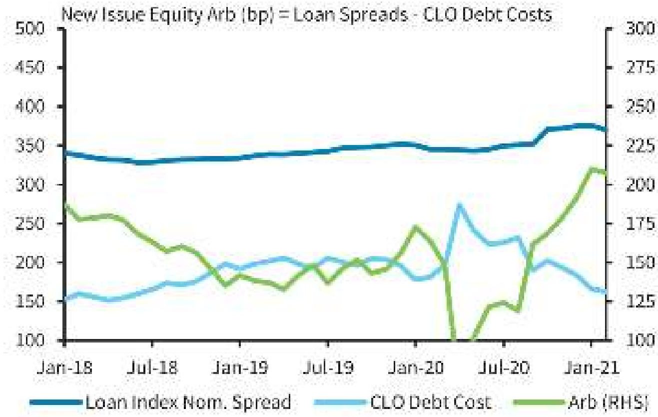
A key reason why we decided to accumulate CLO Equity positions during the last two years and continued doing so during the COVID-19 crisis was to benefit from the optionality that may benefit CLO Equity.

A CLO Equity position is expected to suffer the first losses that occur in the underlying loan pool. In exchange for taking on this risk:

- CLO Equity receive double-digit annual payments (generally between 13% and 18% depending on the quality of the arbitrage) for several years (in normal market conditions)
- CLO Equity may benefit from some stress in the underlying loan markets: where CLOs are able to reinvest in loans at discount (increasing the principal amount of the loan pool) and/or in loans with higher spreads (increasing the annual cash flows that are expected)
- CLO Equity may benefit from lower spreads on CLO debts, thus having the right to decide to call all (a "Reset") or a portion (a "Refi") of the CLO debt to re-issue these tranches with a lower spread (increasing the annual cash flows that are expected for the Equity). In case of a Reset, generally the reinvestment period of the CLO is extended so that a better arbitrage for the CLO Equity should last longer.

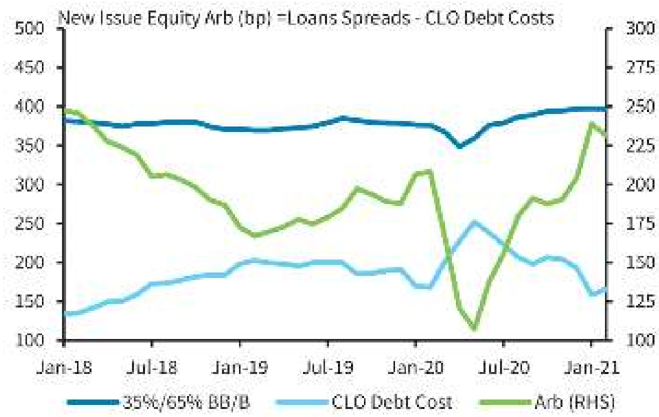
INVESTMENT MANAGER'S REPORT (CONTINUED)

As outlined earlier in this report, CLO debt tranche spreads are almost (for the most senior tranches being the ones that count more for the quality of the CLO Equity arbitrage) back to historically low levels, while loans are still trading at spreads that are higher than pre-COVID levels. As a result, the arbitrage for CLO Equity positions is currently the best seen for several years, as illustrated below:



Note: Arb is ex-deal fees.

Source: S&P LCD, Intex, Barclays Research



Note: Arb is ex-deal fees.

Source: S&P LCD, Intex, Barclays Research

When considering Refi/Reset of CLO debt for the benefit of the Equity position, three scenarios can be considered:

- A simple "Refi": The structure of the CLO is unchanged, only the most senior tranches (AAA/AA/A generally) are refinanced at a lower spread, WAL test of the structure is prolonged so that a better arbitrage is locked-in for longer
- A simple "Reset": All debt are called, and a new structure is put in place. All CLO debt are re-issued, and the deal is prolonged with a better arbitrage and payments of capital gains to the equity can be crystallised
- A Reset with inclusion of a single B rated tranche ("B tranche"): In this situation, a CLO was originated when the CLO debt was relatively costly but underlying loans were purchased at discount. These CLOs were issued, on purpose, without a B tranche in the structure. A reset may permit the inclusion of a B tranche. On top of having a better arbitrage for longer, all or part of the capital provided by the B tranche, and all or part of the pull-to-par gain on loans could be paid to the equity with this form of reset

An example of such reset operated in April 2018 in Volta, for Cordatus VI European CLO. A B tranche was issued and as the subordination of the overall deal was enough, the amount provided by the B tranche was directly paid to our Equity position. Including the benefit of the arbitrage for this period, an unusual 34.2% of par payment was made to Volta CLO Equity position.

When considering end of January CLO Equity positions for Volta, we have the following:

- Two USD positions are amortizing, and no Refi/Reset can be considered
- Two USD positions have an overall very low cost of debt
- Nine USD positions are candidates for Refi/Reset. For six of them the gain on the overall cost of debt can be from 20 to 40bp and for three of them the gain can be even higher. There is the possibility to include a B tranche in the structure to receive an extra payment
- 15 European positions have been issued with a B tranche (the norm in Europe is to have a B tranche); 10 of which are good candidates for a Refi or a Reset with a gain on the cost of debt from 20 to 50bp.
- Three European positions have on purpose been issued without a B tranche. A B tranche can be issued, and the amount raised can be paid to our Equity position and the gain in terms of cost of debt can be in the area of 40bp.

To simplify, when considering classic CLOs, the CLO debt provides between nine and 10 times the long-term leverage to Equity. Ceteris paribus, a 20bp gain on the cost of debt means an increase of 1.8% - 2.0% on the annual payment to Equity (if the equity was receiving 14% p.a, it will become 16%, for a 10 time leverage).

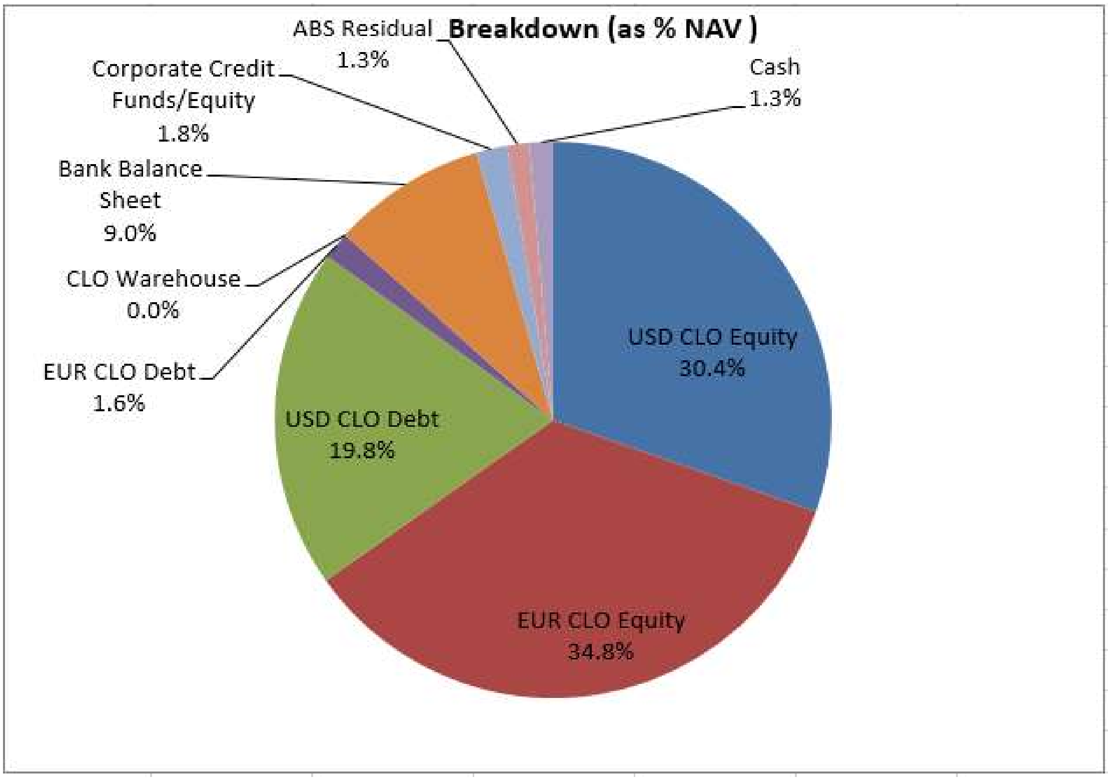
Overall, two thirds of our CLO Equity positions are expected to be Refi or Reset in the coming 12 months.

At the time of writing this report, two resets, concerning two USD positions are already under way.

INVESTMENT MANAGER'S REPORT (CONTINUED)

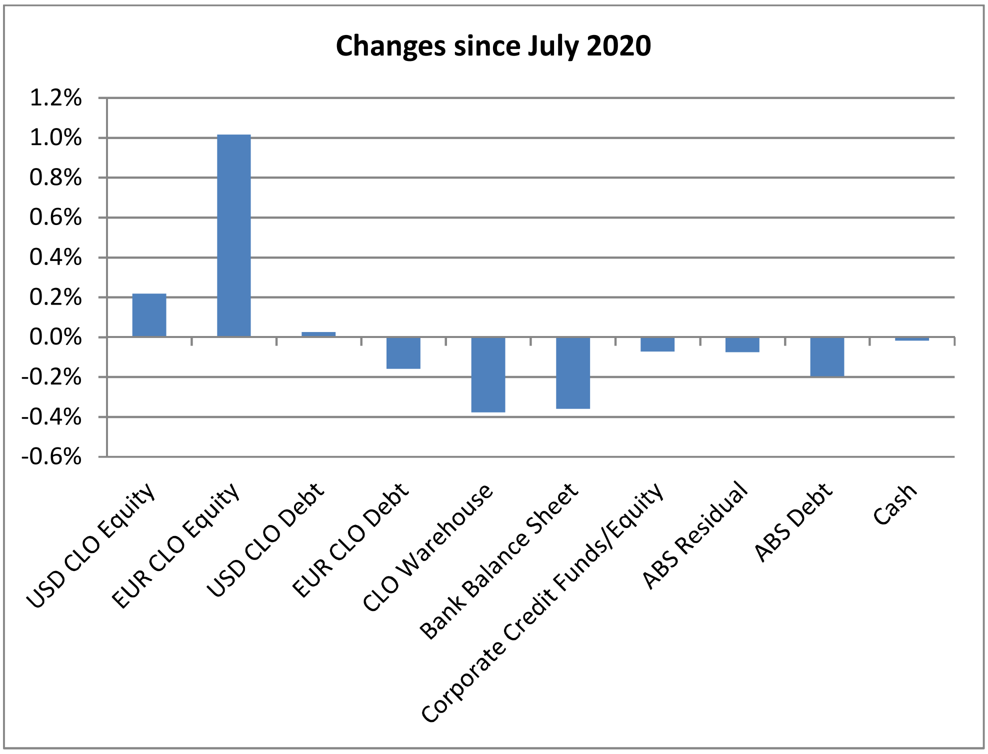
PORTFOLIO POSITIONING AND CHANGES

As at the end of January 2021, Volta's portfolio breakdown is presented below:



Source: AXA IM

The below chart shows the following changes in the overall asset allocation for the semi-annual period under review:



Source: AXA IM

INVESTMENT MANAGER'S REPORT (CONTINUED)

As previously outlined, the main strategy consisted in increasing our exposure to CLO Equity tranches to benefit from the positive optionality that these investments can provide.

The CLO warehouse that was opened has successfully transformed into a new CLO position. We have let the bank balance sheet transactions amortize.

Regarding the split between European and US CLO Equity positions, we are almost even. This means in market terms (the US CLO market is more than four times the size of the European CLO market), Volta is overweight European CLO Equity. For the last few years the arbitrage has been better for European CLO Equity (cost of CLO debt is significantly lower in Europe relative to the US) but the size and liquidity of the US loan market gives US CLO managers better capacity to re-arrange portfolios (when needed) as well as the ability to provide more dynamic and tactical portfolio rotation. Hence there is higher cash flows from European CLO Equity positions but less ability to manoeuvre when needed. The COVID-19 crisis provided some strong evidence of this. Although the shock was higher for US loans (far more downgrades than in Europe), six to nine months after the wave of downgrades, US CLO managers have been able to rearrange portfolios so that the difference in statistics between US CLOs and European CLOs has lowered month on month.

For the same reasons (greater ability to rearrange portfolio and absorb shocks) we also significantly prefer US CLO debt relative to European CLO debt.

When considering the whole portfolio, as at the end of January, using market standard and reasonable assumptions the projected yield of the assets is in the area of 13.3%:

Main Asset Class	Sub asset Class	%GAV	Projected IRR	Projected WAL
CLO	USD CLO Equity	27.0%	15.8%	4.4
	USD CLO Debt	19.3%	10.4%	3.5
	EUR CLO Equity	31.3%	13.6%	4.0
	EUR CLO Debt	1.6%	6.4%	4.5
	CMV	5.2%	14.7%	4.5
BBS	Bank Balance Sheet Transactions	8.7%	9.3%	3.0
Corporate Credit	Cash Corporate Credit Equity	1.8%	8.0%	2.0
ABS	ABS Residual/lease	1.2%	10.0%	2.5
	Average		13.3%	3.9

Source: AXA IM

These projected, and already attractive looking, IRRs do not take into account any improvement that may come from Refi/Reset operations for CLO Equity positions. We expect to be able to Refi or Reset roughly two thirds of Volta CLO Equity positions. Overall, the instantaneous gain, considering several situations for which an extra principle payment can be materialized following the Reset may correspond to 1.5% to 2% of Volta NAV. On a more long term basis, the increase in projected cash flows (thanks to better and longer arbitrage) may represent between 1% and 1.5% of overall projected IRR.

CURRENCY EXPOSURE

For many years (since the GFC) we have limited our exposure to margin calls that might come from hedging non-EUR currency risk. Structurally, we have been selling forward USD against EUR to limit Volta's USD exposure despite having circa 60% of our assets in USD.

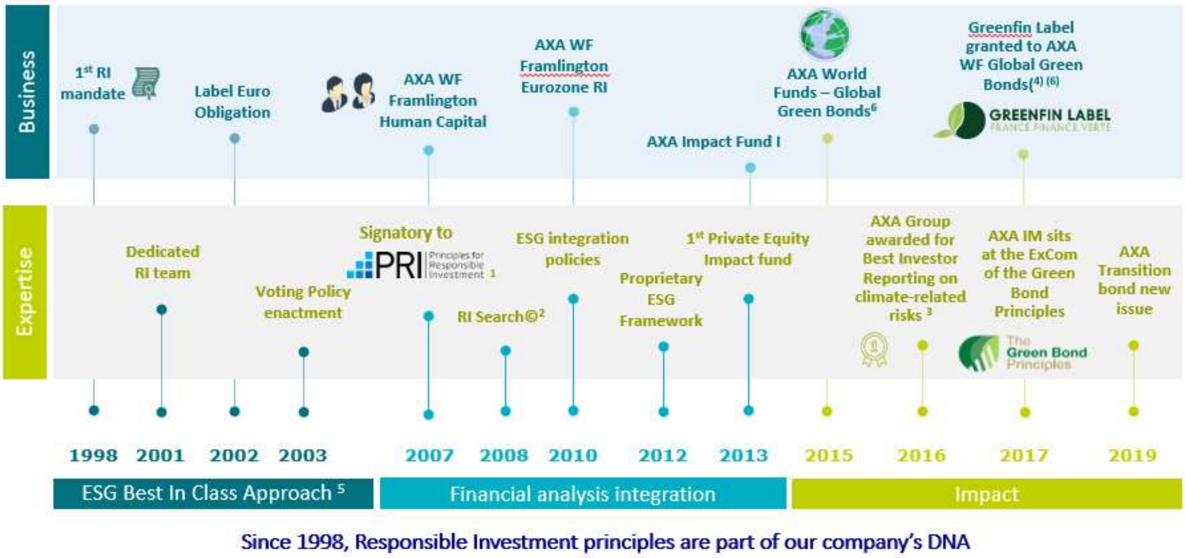
As a result, for years Volta was roughly hedging half of its currency exposure coming from USD assets. During March/April 2020 USD/EUR was very volatile. To avoid taking the risk of being forced sellers due to margin calls through our currency hedges, we reduced the volume of currency hedging so that, roughly, only one third of the currency risk coming from the USD assets was hedged.

Our view has always been that being fully hedged means being forced to maintain a significant amount of cash to face potential margin calls. This has its cost. Since Volta's inception, more than 13 years ago, despite some volatility in EUR/USD, the currency remains at similar levels. We were right accepting some volatility from currency exposure instead of suffering from cash drag on a long-term basis.

INVESTMENT MANAGER'S REPORT (CONTINUED)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

AXA IM has been engaged in Responsible Investment for over two decades:

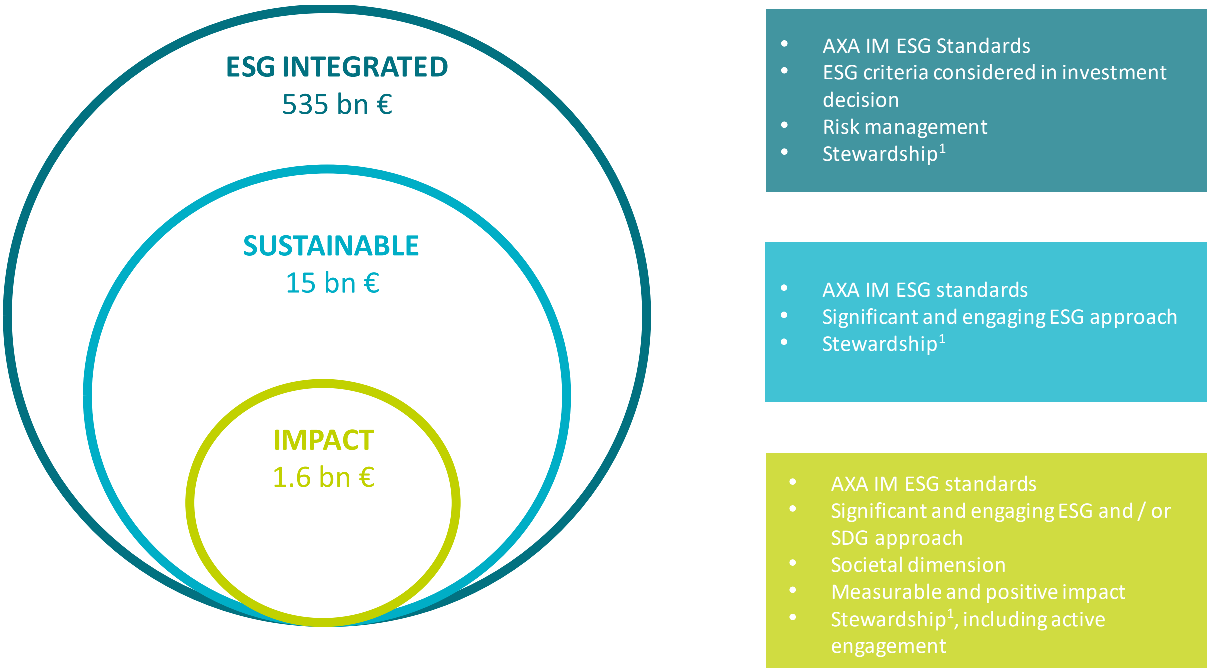


Source: AXA IM as at 31/12/2019. (1) Principle for Responsible Investment. RI = Responsible Investment ESG = Environmental, Social, Governance (2) In-house RI Platform (3) awarded by the Environmental French Ministry in 2016. References to league tables and awards are not an indicator of future rankings in league tables or awards. (4) Source Novethic Launched at the end of 2015 following the COP21 by the French Ministry of the Environment, Energy and the Sea, the "Transition Energétique et Ecologique pour le Climat" label (Energy and Ecological Transition for Climate) helps to comply and fulfil a fund's commitment to financing the green economy. The Environment Ministry sets out the share of green activities to be held to claim the label. references to league tables and awards are not an indicator of future rankings in league tables or awards. Information contained in this document may be updated from time to time and may vary from previous or future published versions of this document (5) based on AXA IM's methodology, (6) before the 3rd of August 2018, its name was AXA World Funds-Planet Bonds fund

AXA IM has once again received the highest score (A+) following a full review from UN PRI in 2020.

AXA IM is also classified as best-in-class ("Avant-Gardist rank") by H&K Responsible Investment Brand (2020) recognizing that both our commitments and the architecture that is in place are amongst the best.

Year after year, Responsible Investment is concerning a growing share of AXA IM's AUM:



Source: AXA IM as at 30 September 2020

Regarding Volta investments we are making good progress year after year.

The first step has been to systematically ask CLO managers we invested with in the primary market to exclude some areas of investment in line with the exclusion policy determined internally (and applied to all our direct investments). Typically we asked for inclusion of the following wording in our CLO documentation: "will not invest in companies whose principal business is directly derived from the production or marketing of controversial weapons (including antipersonnel landmines, cluster weapons, chemical, and biological weapons); development of nuclear weapon programs or production of nuclear weapons and thermal coal production".

As of the end of January 2021, slightly more than 17% of our investments in CLO tranches including a wording regarding the exclusion of some businesses in line with our demand.

AXA IM through being a direct investor in loans and managing its own CLOs, has been producing ESG scoring on most of the European and USD loans we purchased in the primary market over the last two years. The effort has been amplified in 2020 so that almost 60% of the loans in AXA IM CLOs have an ESG scoring. We are not yet at a stage at which we can pursue a minimum score or specific target when building a CLO loan pool, but it is something that we have on our radar for 2021/2022.

Our ambition for 2021 is to continue exercising pressure on external CLO managers. In December 2020, we sent questionnaires relative to ESG practices to CLO managers. We are currently in the process of fact-checking how the CLO managers answered so that we will be able (in the near future) to exclude CLO managers which, are not aligned to our principles and standard in considering ESG and responsible Investments.

Regarding the rest of the portfolio (non-CLO), considerations of both financial and non-financial criteria in our investment decisions have always been integrated regarding sourcing of Bank Balance sheet transactions. Non-financial criteria include sustainability risks as well as environmental, that may have a material impact on investment performance as well as economic, social and governance (ESG) factors. Both the Originating Bank, as a corporate and as the underwriter, as well as the underlying portfolio are assessed through ESG questionnaires through internal and external data providers. It has also been mentioned that the main investment of Volta in a loan fund (representing slightly more than 1% NAV) is managed by a manager (Crescent) that has for years put responsible investment at the core of its investment processes.

There is not yet any significant research to demonstrate that for credit/loan investments being a responsible investor provides superior returns. It will however be surprising if credit investments do not demonstrate the same type of positive returns evidenced by common equities.

Despite the complexities involved, AXA IM is at the forefront of the promotion of ESG considerations into structured finance and is actively supporting the transformation of the industry.

AXA INVESTMENT MANAGERS PARIS
7 April 2021

EXECUTIVE SUMMARY

Introduction
This Executive Summary is designed to provide information about the Company's business and results for the six month period ended 31 January 2021. It should be read in conjunction with the Chairman's Statement on page 2 and the Investment Manager's Report on pages 4 to 10 which give a detailed review of investment activities for the period and an outlook for the future.

Company Summary
The Company is a limited liability company registered in Guernsey under the Companies (Guernsey) Law 2008 (as amended) with registered number 45747. The registered office of the Company is BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA, Channel Islands.

The Company is an authorised closed-ended collective investment scheme in Guernsey, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended). The Company's Ordinary shares are listed on Euronext Amsterdam and on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the Main Market of the London Stock Exchange. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the Netherlands Authority for the Financial Markets, being the financial markets supervisor in the Netherlands.

Purpose, investment objectives and strategy
The Company exists to provide Shareholders with access to a broad range of structured credit investments actively managed by AXA IM. Through harnessing AXA IM's expertise, the Company invests in a diversified portfolio of structured credit assets with the objective of providing Shareholders with a regular and high level of income and the prospect of modest capital gains over the investment cycle.

The Company's investment objectives are to seek to preserve capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends that it expects to distribute on a quarterly basis.

Subject to the risk factors that are described in the 'Principal and Emerging Risk Factors' section and in Note 19, the Company seeks to attain its investment objectives predominantly through investment in a diversified portfolio of structured finance assets. The Company's investment strategy focuses on direct and indirect investments in, and exposures to, a variety of assets selected for the purpose of generating cash flows for the Company. The assets that the Company may invest in either directly or indirectly include, but are not limited to, corporate credits; sovereign and quasi-sovereign debt; residential mortgage loans; commercial mortgage loans; automobile loans; student loans; credit card receivables; leases; and debt and equity interests in infrastructure projects.

The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such Underlying Assets. In this regard, the Company reviews the investment strategy adopted by AXA IM on a quarterly basis. The current investment strategy is to concentrate on the following asset classes: CLO (Debt/Equity/Warehouses); Synthetic Corporate Credit; Cash Corporate Credit; and ABS. There can be no assurance that the Company will achieve its investment objectives.

Director interests
The Board comprises four Directors, all of whom are independent: Graham Harrison, Stephen Le Page, Paul Meader and Paul Varotsis. All the Directors are members of the Risk Committee, Nomination Committee, Management Engagement Committee and Remuneration Committee. All of the Directors, with the exception of Paul Meader, are members of the Audit Committee.

Information on the Directors' remuneration is detailed in note 6.

As at 31 January 2021, the Directors held the following number of Ordinary Shares in the Company:

Director	Director holdings in the Company Ordinary Shares
Graham Harrison	20,150
Stephen Le Page	36,297
Paul Meader	41,832*
Paul Varotsis	208,394

** 10,200 and 25,903 Ordinary Shares are held by persons closely associated to Paul Meader*.

No Director has any other material interest in any contract to which the Company is a party. Information on each Director is shown on pages 37 and 38.

Principal and Emerging risks and uncertainties
When considering the total return of the Company, the Directors take account of the risks that have been taken in order to achieve that return. The Directors have carried out a robust assessment of the principal risks facing the Company including those which would threaten its business model, future performance, solvency or liquidity.

The following risk factors have been identified:

Default risk
- The risk that underlying loans or financial assets within the investment portfolio default, leading to investment losses, a reduction in cash flows receivable and a fall in the Company's NAV; and
- The risk that a counterparty defaults leading to a financial loss for the Company.

Market risk
- The impact of movements in market prices, interest rates and foreign exchange rates on cash flows receivable and the Company's NAV;
- The risk of severe market disruption leading to impairment of the market value and/or liquidity of the Company's investment portfolio; and
- When Repo arrangements are in place, the market value of the collateral required to be posted by the Company, is significantly higher than the amount of the Repo, due to the application of haircuts. In the event of market disruption, the amount of collateral that would be required could increase significantly and a failure to provide such additional collateral may result in forced sales.

Re-investment risk
- The ability to re-invest in investments that maintain the targeted level of returns at an acceptable level of risk.

Liquidity and going concern risk
- The risk that the Company is unable to meet its payment obligations and is unable to continue as a going concern for the next twelve months.

Operational risk
- The risk that the Company, through its service providers, fails to meet its contractual and/or legal or regulatory reporting obligations, resulting in sanctions, financial penalties and/or reputational damage.

Valuation of assets
- The risk that the Company's assets are incorrectly valued.

Investment Manager risk
- The risk that the Investment Manager may execute its investment strategy poorly.

Key person risk
- The risk that the Investment Manager resigns, goes out of business or exits the Company's asset classes.

Legal and regulatory risk
- The risk that changes in the legal and regulatory environment, including changes in tax rules or interpretation, might adversely affect the Company, such as changes in regulations governing asset classes that could impair the Company's ability to hold or re-invest in appropriate assets and lead to impairment in value and or performance of the Company.

Brexit
- Risks arising from credit deteriorations of UK-based credits following the departure of the United Kingdom from the European Union.

COVID-19
- The risk that service providers will be disrupted by partial or full lockdown measures.
- The risk that the negative impact of lockdown measures on global economic activity and supply chains, will cause increased volatility in financial markets, severe credit impairments to particular sectors (e.g. airlines) and a reduction in the liquidity of portfolio assets.

The impact, tolerance and controls on these risks and how they are managed are detailed in the Annual Report and financial statements for the year ended 31 July 2020. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the current financial year as they were in the six months under review.

To mitigate these risks, the Investment Manager continues to perform regular ongoing reviews on the Company's portfolio on an issuer by issuer basis and to conduct portfolio stress tests.

The following emerging risk factor has been identified during the six months ended 31 January 2021:

ESG
- The risk that the company or its service providers do not achieve the required ESG standards, legislation and regulatory requirements
- The risk that underlying loans or financial assets do not meet the evolving ESG standards expected by investors.

EXECUTIVE SUMMARY (CONTINUED)

The Investment Manager
AXA IM is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management, which has a team of experts concentrating on the structured finance markets. AXA IM is one of the largest European-based asset managers with €858 billion in assets under management as at 31 December 2020.

AXA IM is authorised by the AMF as an investment management company and its activities are governed by Article L. 532-9 of the French Code Monétaire et Financier. AXA IM was appointed as the Company's AIFM in accordance with the EU AIFMD on 22 July 2014.

Performance measurement and Key Performance Indicators
The Directors meet regularly to review performance and risk against a number of key measures.

Total return
The Board regularly reviews NAV and NAV total return, the performance of the portfolio as well as income received and share price of the Company. The Directors regard the Company's NAV total return as being the overall measure of value delivered to Shareholders over the long term. NAV total return is calculated based on NAV growth of the Company with dividends reinvested at NAV.

NAV, on a total return basis, was 26.1% for the period ended 31 January 2021. Please refer to page 1 for NAV and share price total return analysis.

Concentration
The Board reviews the asset diversification of the investment portfolio to ensure that holdings are in line with the investment guidelines and also to monitor the concentration risk of the investment portfolio.

Refer to pages 55 to 57 of the Prospectus for further information regarding investment guidelines in place.

Refer to the Investment Manager's Report for analysis of Volta's portfolio position as at 31 January 2021. The Company publishes its portfolio composition on its website on a monthly basis.

Ongoing charges
The ongoing charges are a measure of the total recurring expenses incurred by the Company expressed as a percentage of the average Shareholders' funds over the year. The Board regularly reviews the ongoing charges and monitors all Company expenses.

Premium / discount
The Directors review the trading prices of the Company's Ordinary shares and compare them against their NAV to assess quantum and volatility in the discount of the Ordinary share prices to their NAVs during the year. Please refer to page 1 for further analysis.

Environmental, social and governance issues
The Company itself has only a very small footprint in the local community and only a very small direct impact on the environment. However, the Board acknowledges that it is imperative that everyone contributes to local and global sustainability. The nature of the Company's investments is such that they do not provide a direct route to influence investees in ESG matters in many areas, but the Board and the Investment Manager work together to ensure that such factors are carefully considered and reflected in investment decisions, as outlined elsewhere in these financial statements.

Board members do travel, partly to meetings in Guernsey, and partly elsewhere on Company business, including for the annual due diligence visits to AXA IM in Paris and to BNPP in Jersey. The Board considers this essential in overseeing service providers and safeguarding stakeholder interests. During the COVID-19 pandemic, the Board was unable to travel for board meetings or to carry out due diligence visits to their key service providers but have used video conference facilities for board meetings, which has greatly reduced the need to travel. The Board will continue to seek to minimise travel by the use of conference calls whenever good governance permits.

For further information regarding the Company's approach to environmental, social and governance issues, please refer to the ESG Section within the Investment Manager's Report on page 4.

Life of the Company
The Company has a perpetual life.

Future strategy
The Board continues to believe that the investment strategy and policy adopted is appropriate for and is capable of meeting the Company's objectives. The overall strategy remains unchanged and it is the Board's assessment that the Investment Manager's resources are appropriate to properly manage the Company's investment portfolio in the current and anticipated investment environment. Refer to the Investment Manager's report on pages 4 to 10 for details regarding performance to date of the investment portfolio and the main trends and factors likely to affect those investments.

Going Concern
Under the Listing Rules, the AIC Code and applicable regulation the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties to the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

EXECUTIVE SUMMARY (CONTINUED)

The Directors have considered the state of financial market conditions at the period end date and subsequently. The COVID-19 pandemic resulted in considerable volatility in financial markets generally in the spring of 2020, but these markets have subsequently recovered most of their losses from that time. Nevertheless, there remains a negative impact on the market value of the Company's underlying investments. However, the impact on the net cash flows of the Company has been minimal. This is because the Investment Manager took appropriate steps to minimise cash out flows through margin calls and other commitments, the Board decided to reduce the absolute level of dividend payments and cash receipts from underlying investments have remained robust.

It is of course not possible to accurately predict future cash inflows – the incidence and impact of defaults in the Underlying Assets is impossible to predict, although it should be noted that current default levels are far below those originally forecast in the first months of the pandemic. However, the Directors have concluded that any reasonably foreseeable fall in cash inflows would not have a material impact on the Company's ability to meet its liabilities as they fall due. Therefore, after making appropriate enquiries, the Directors are of the opinion that the Company remains a going concern and are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the Company's financial statements.

Events after the reporting date

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached condensed financial statements under note 22.

RELATED PARTIES

Refer to note 20 for information on related party transactions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that to the best of their knowledge:

- the condensed financial statements contained within the Half-Yearly Financial Report have been prepared in accordance with IAS 34 - *Interim Financial Reporting* as required by the Financial Conduct Authority ("FCA") through the Disclosure Guidance and Transparency Rule ("DTR") 4.2.4R;

- the combination of the Chairman's Statement, Investment Manager's Report, the Executive Summary and notes to the condensed financial statements includes a fair review of the information required by:

(a) Section 5:25d of the Financial Supervision Act of the Netherlands;

(b) DTR 4.2.7R of the DTR, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(c) DTR 4.2.8R of the DTR, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Company during that period; and any changes in the related party transactions described in the last Annual Financial Report that could do so.

This Statement of Directors' Responsibilities was approved by the Board of Directors on 7 April 2021 and was signed on its behalf by:

Paul Meader
Chairman
7 April 2021

Stephen Le Page
Chairman of the Audit Committee

Footnote:
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of the Company's condensed interim and annual financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 JANUARY 2021

	Notes	1 August 2020 to 31 January 2021 (Unaudited) €	1 August 2019 to 31 January 2020 (Unaudited) €
Operating income and financing charges			
Net gain on financial assets at fair value through profit or loss	5	59,213,093	8,444,292
Net foreign exchange gain/(loss), including net gain/(loss) on foreign exchange derivatives, but excluding net foreign exchange gain/(loss) on financial assets at fair value through profit or loss		1,571,396	(2,531,480)
Net gain on interest rate derivatives		-	1,264
Interest expense on repurchase agreement	12	-	(649,370)
Net bank interest (expense)/income		(16,315)	18,146
		60,768,174	**5,282,852**
Operating expenditure			
Investment Manager management fees	20	(1,485,500)	(1,973,621)
Investment Manager performance fees	20	(5,122,745)	-
Directors' remuneration and expenses	6	(165,000)	(255,419)
Legal fees		(20,445)	(69,213)
Administration fees	7	(136,374)	(149,417)
Audit fees		(98,027)	(54,933)
Insurance fees		(4,367)	(18,531)
Depositary fees		(33,053)	(27,951)
Portfolio valuation and administration fees		-	(11,668)
Other operating expenses		(105,380)	(126,151)
		(7,170,891)	**(2,686,904)**
Comprehensive income		**53,597,283**	**2,595,948**
Basic and diluted earnings per Ordinary share	9	**€1.4652**	**€0.0710**

Other comprehensive income
There were no items of other comprehensive income in the current period or prior period.

The notes on pages 20 to 36 form part of these condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2021

	Notes	31 January 2021 (Unaudited) €	31 July 2020 (Audited) €
ASSETS			
Financial assets at fair value through profit or loss	11	249,916,663	201,660,400
Derivatives at fair value through profit or loss	13	2,557,733	2,769,541
Trade and other receivables	14	271,173	21,640
Cash and cash equivalents		9,875,753	9,734,631
TOTAL ASSETS		**262,621,322**	**214,186,212**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	-	-
Share premium	17	35,808,120	35,808,120
Other distributable reserves	18	50,853,076	59,253,288
Accumulated gain	18	166,732,205	113,134,922
TOTAL SHAREHOLDERS' EQUITY		**253,393,401**	**208,196,330**
LIABILITIES			
Derivatives at fair value through profit or loss	13	2,381,788	2,831,457
Trade and other payables	15	6,846,133	3,158,425
TOTAL LIABILITIES		**9,227,921**	**5,989,882**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**262,621,322**	**214,186,212**
NAV per Ordinary Share	10	**€6.9270**	**€5.6914**

These condensed financial statements on pages 16 to 36 were approved by the Board of Directors on 7 April 2021 and were signed on 7 April 2021 on its behalf by:

Paul Meader
Chairman
7 April 2021

Stephen Le Page
Chairman of the Audit Committee

The notes on pages 20 to 36 form part of these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2021

	Notes	Share premium €	Other distributable reserves €	Accumulated gain €	Total €
Balance at 31 July 2020 (Audited)		**35,808,120**	**59,253,288**	**113,134,922**	**208,196,330**
Total comprehensive income for the period		-	-	53,597,283	53,597,283
Realised gain on Director shares purchased at a discount to NAV	18	-	16,007	-	16,007
Dividends paid in cash	8, 18	-	(8,416,219)	-	(8,416,219)
Balance at 31 January 2021 (Unaudited)		**35,808,120**	**50,853,076**	**166,732,205**	**253,393,401**

	Notes	Share premium €	Other distributable reserves €	Accumulated gain €	Total €
Balance at 31 July 2019 (Audited)		**35,808,120**	**78,623,648**	**176,158,135**	**290,589,903**
Total comprehensive income for the period		-	-	2,595,948	2,595,948
Realised gain on Director shares purchased at a discount to NAV		-	9,229	-	9,229
Dividends paid in cash	8	-	(11,710,408)	-	(11,710,408)
Balance at 31 January 2020 (Unaudited)		**35,808,120**	**66,922,469**	**178,754,083**	**281,484,672**

The notes on pages 20 to 36 form part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2021

	1 August 2020 to 31 January 2021 (Unaudited) €	1 August 2019 to 31 January 2020 (Unaudited) €
Cash flows used in operating activities		
Comprehensive income	53,597,283	2,595,948
Adjustments for:		
Net gain on financial assets at fair value through profit or loss	(59,213,093)	(8,444,292)
Net movement in unrealised gain on revaluation of derivatives	(237,861)	(143,956)
Interest expense on repurchase agreement	-	649,370
Foreign exchange loss on retranslation of repurchase agreement	-	131,190
Realised gain on Director shares purchased at a discount to NAV	16,007	9,229
Decrease/(increase) in trade and other receivables, excluding amounts due from brokers and interest receivable	(10,789)	3,186,441
Increase/(decrease) in trade and other payables, excluding amounts due to brokers	4,637,708	(404,166)
Net cash used in operating activities	**(1,210,745)**	**(2,420,236)**
Cash flows generated from investing activities		
Coupons and dividends received	18,174,912	22,987,748
Purchases of financial assets at fair value through profit or loss	(27,074,335)	(47,768,513)
Proceeds from sales and redemptions of financial assets at fair value through profit or loss	18,667,509	51,799,331
Net cash generated from investing activities	**9,768,086**	**27,018,566**
Cash flows used in financing activities		
Dividends paid to Shareholders	(8,416,219)	(11,710,408)
Repayment of loan financing under repurchase agreement	-	(4,496,656)
Interest paid on repurchase agreement	-	(692,090)
Net cash used in financing activities	**(8,416,219)**	**(16,899,154)**
Net increase in cash and cash equivalents	141,122	7,699,176
Cash and cash equivalents at the beginning of the period	9,734,631	14,498,626
Cash and cash equivalents at the end of the period	**9,875,753**	**22,197,802**

The notes on pages 20 to 36 form part of these condensed financial statements.

1. GENERAL INFORMATION

Information regarding the Company and its activities is provided in the Executive Summary section on page 11.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The Half-Yearly Financial Report has been prepared in accordance with Section 5.25d of the Financial Supervision Act of the Netherlands, the Disclosure Guidance and Transparency Rules ("DTR") of the Financial Conduct Authority ("FCA") and IAS 34 – *Interim Financial Reporting*. The Half-Yearly Financial Report has also been prepared using the same accounting policies applied for the Annual Financial Report for the year ended 31 July 2020, which was prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee and applicable law. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Directors have considered the state of financial market conditions at the half yearly period-end date and subsequently and have concluded that any reasonably foreseeable fall in cash inflows would not have a material impact on the Company's ability to meet its liabilities as they fall due. After making appropriate enquiries, the Directors are therefore of the opinion that the Company remains a going concern and are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the Company's condensed financial statements.

There have been no changes in accounting policies during the period.

2.2 New standards, amendments and interpretations issued and effective for the financial year beginning 1 August 2020

Definition of Material (Amendments to IAS 1 and IAS 8)

The International Accounting Standards Board has redefined its definition of material, issued practical guidance on applying the concept of materiality and issued proposals focused on the application of materiality to disclosure of other accounting policies. The amendments do not have a material impact on the Company's financial statements.

A number of amendments and interpretations to existing standards have been issued during the period ended 31 January 2021 that are not relevant to the Company's operations and therefore have no impact on the Company's condensed financial statements.

3. SEGMENTAL REPORTING

The Directors view the operations of the Company as one operating segment, being investment in a diversified portfolio of structured finance assets. All significant operating decisions are based upon analysis of the Company's investments as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole, which are evaluated regularly by the chief operating decision-maker (the Board with insight from the Investment Manager).

4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair values for financial assets which have been determined based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in note 11.

Where securities have been purchased less than one month prior to the relevant reporting date and up-to-date market prices are otherwise unavailable, such securities will be valued at cost plus accrued interest, if applicable. The valuation methodologies applied, which includes the consideration of the impact of COVID-19 on valuations as applicable, to the Company's financial assets other than recently purchased securities for which up-to-date market prices are unavailable are as follows:

- CLO Equity and Debt securities are valued using prices obtained from an independent pricing source, JP Morgan PricingDirect. The prices obtained from JP Morgan PricingDirect are derived from observed traded prices where these are available, but may be based upon non-binding quoted prices received by JP Morgan PricingDirect from arranging banks or other market participants, or a combination thereof, where observed traded prices are unavailable.
- Fund investments are valued at net asset value.
- Warehouse transactions are valued at the lower of: (i) the principal amount invested plus accrued income net of financing costs; and (ii) the mark-to-market value of the relevant proportion of the underlying portfolio, taking into account the buffer provided by the gross arranger fee compared to the net arranger fee commonly paid in the market, plus accrued income net of financing costs.
- The majority of other investments including CMV are valued on a mark-to-model basis using discounted projected cash flow valuations.

Regarding non-binding quoted prices, it is likely that the arranging bank or market participant determines the valuation based on pricing models, which may or may not produce values that correspond to the prices that the Company could obtain if it sought to liquidate such positions. Such valuations generally involve subjective judgements on key model inputs, particularly default and recovery rates, and may not be uniform. Banks and other market participants may be unwilling to disclose all or any of the key model inputs or discount rates that have been used to produce such valuations and it is currently standard market practice to withhold such information. In such circumstances, the valuation continues to be sourced from such arranging bank, or other market participant, despite the lack of information on valuation assumptions.

4. DETERMINATION OF FAIR VALUES (CONTINUED)

The Investment Manager reviews the market prices received from third parties for reasonableness against its own valuation models and may adjust the prices where such prices are not considered to represent a reliable estimation of fair value. Such adjustments are very rare, are only made after investigating the reasons underlying any differences identified and are also subject to approval by the Investment Manager's internal risk function. No such adjustments were made to prices as at 31 January 2021. The Investment Manager's fair value calculations for the residual and debt tranche investments in securitisation vehicles are sensitive to the following key model inputs: default rates; recovery rates; prepayment rates; and reinvestment profiles. The Investment Manager's initial model assumptions are reviewed on a regular basis with reference to both current and projected data. In the case of a material change in the actual key model inputs, the model assumptions will be adjusted accordingly. The discount rate used by the Investment Manager when reviewing the fair value of the Company's portfolio is subject to similar review and adjustment in light of actual experience.

For certain investments targeted by the Company, the secondary trading market may be illiquid or may sometimes become illiquid. As a result, at such times there may be no regularly reported market prices for these investments. In addition, there may not be an agreed industry standard methodology for valuing the investments (e.g. in the case of residual income positions of asset-backed securitisations). In the absence of an active market for an investment and where a financial asset does not involve an arranging bank, or another market participant that is willing to provide valuations on a monthly basis, or if an arranging bank is unwilling to provide valuations, a mark-to-model approach has been adopted by the Investment Manager to determine the valuation. Such pricing models generally involve a number of valuation assumptions, many of which are based on subjective judgements. Key model inputs include (but are not limited to): asset spreads; expected defaults; expected recovery rates; and the price of uncertainty or liquidity through the interest rate at which expected cash flows are discounted. These inputs are derived by reference to a variety of market sources. The method of valuation depends on the nature of the asset.

JP Morgan PricingDirect provide pricing for directly held CLO Debt and CLO Equity tranches, which in aggregate represented 79.7% as at 31 January 2021 (31 July 2020: 71.4%) of the Company's financial assets at fair value through profit or loss.

The Company's policy is to publish its NAV on a timely basis in order to provide Shareholders with appropriately up-to-date NAV information. However, the underlying NAVs as at the relevant month-end date for the fund investments held by the Company are normally available only after the Company's NAV has already been published. Consequently, such investments are valued using the most recently available NAV.

As at the date of publication of the Company's NAV as at 31 January 2021, approximately 3.1% (31 July 2020: 10.2%) of the Company's financial assets at fair value through profit or loss comprised investments for which the relevant NAVs as at the month-end date were not yet available.

4. DETERMINATION OF FAIR VALUES (CONTINUED)

In accordance with the Company's valuation policy, the Company's financial assets at fair value through profit or loss as at 31 January 2021 was calculated using prices received from JP Morgan PricingDirect for all assets except for those assets noted below:

Asset classes	% of financial assets at fair value through profit or loss as at 31 January 2021 (Unaudited)	% of financial assets at fair value through profit or loss as at 31 July 2020 (Audited)	Valuation methodology
SCC BBS	6.1%	8.0%	Discounted projected cash flow model-based valuation using discount rates within a range of 8.0% to 12.0% (31 July 2020: 8.0% to 12.0%), constant default rates within a range of 0.3% to 3.0% (31 July 2020: 0.3% to 3.0%), prepayment rates within a range of 0.0% to 25.0% (31 July 2020: 0.0% to 25.0%) and recovery rates within a range of 51.0% to 63.0% (31 July 2020: 51.0% to 63.0%).
Investments in funds (includes ABS Debt, CCC Equity and SCC BBS positons)	3.1%	6.6%	Valued using the most recent valuation statements, or capital account statements where applicable, provided by the respective underlying fund administrators, as adjusted for any cash flows received/paid between that date and 31 January 2021 in respect of distributions/calls respectively.
SSC REO	1.7%	2.9%	Discounted projected cash-flow model-based valuation using a yield of 13.0% (31 July 2020: 10.8%). Each month, forward cash-flows are updated, sold properties and promissory sales are forced to their sales prices, all based on the latest investor reports and internal hypothesis. The hypothesis used includes (i) Forward HPI (31 January 2021: Y1 HPI as per initial forecast, Y2-Y5: 0%) (ii) Timing (31 January 2021: Initial Business Plan timing plus six-month additional delay for properties not sold, but that should have been, under initial Business Plan).
Recently purchased assets	2.8%	0.5%	Being purchased within less than one month of the relevant reporting date, these assets were valued at cost.
CLO Warehouse	0.0%	4.0%	Warehouse transactions are valued at the lower of: (i) the principal amount invested plus accrued income net of financing costs; and (ii) the mark-to-market value of the relevant proportion of the underlying portfolio, taking into account the buffer provided by the gross arranger fee compared to the net arranger fee commonly paid in the market, plus accrued income net of financing costs.
ABS Residual	1.2%	2.1%	Discounted projected cash flow model-based valuation using a discount rate of 9.0% on the weighted average life of contractual cash flows (31 July 2020: 9.0%) for Fintake European Leasing DAC.
CLO – CMV	5.4%	4.5%	CLO notes are valued using a discounted cash flow model based on cash flow projection considering market and comparable transactions parameters.
Total	**20.3%**	**28.6%**	

5. PUBLISHED NAV RECONCILIATION AND NAV PERFORMANCE ANALYSIS

The table below shows reconciliation between the Company NAV published as at 31 January 2021 and 31 July 2020 that contained in these condensed financial statements.

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Published NAV	**253,470,557**	**208,196,330**
Adjustments:		
– Accruals for expenses not taken into account in the published NAV	(77,156)	-
NAV per Condensed Statement of Financial Position	**253,393,401**	**208,196,330**

The following table represents an analysis of NAV performance for the following periods:

		1 August 2020 to 31 January 2021 € (Unaudited)		1 August 2019 to 31 July 2020 € (Audited)
NAV as at the beginning of the period		208,196,330		290,589,903
Coupon and dividend income	18,174,912		39,354,931	
Realised gain/(loss) on sales and redemptions on financial assets at fair value through profit or loss	1,294,114		(7,002,936)	
Unrealised gain/(loss) on financial assets at fair value through profit or loss	39,744,067		(87,858,925)	
Net gain/(loss) on financial assets at fair value through profit or loss		59,213,093		(55,506,930)
Other operating income and financing charges		1,555,081		(2,193,391)
Operating expenditure		(7,170,891)		(5,322,892)
Profit and total comprehensive income		53,597,283		(63,023,213)
Realised gain on Director shares purchased at a discount to NAV		16,007		22,006
Dividends paid in cash		(8,416,219)		(19,392,366)
NAV as at the end of the period		**253,393,401**		**208,196,330**

5. PUBLISHED NAV RECONCILIATION AND NAV PERFORMANCE ANALYSIS (CONTINUED)

The following table represents the net gain on financial assets at fair value through profit or loss by asset class for the period from 1 August 2020 to 31 January 2021:

	Realised loss on sales and redemptions on financial assets at fair value through profit or loss € (Unaudited)	Unrealised loss on financial assets at fair value through profit or loss € (Unaudited)	Coupon and dividend income € (Unaudited)	Net gain on financial assets at fair value through profit or loss € (Unaudited)
CLO – USD Equity	-	13,197,457	7,528,352	20,725,809
CLO – EUR Equity	39,375	16,764,470	6,497,709	23,301,554
CLO – USD Debt	-	10,149,571	1,802,844	11,952,415
CLO – EUR Debt	330,600	122,904	189,351	642,855
CLO – CMV	-	2,770,074	761,265	3,531,339
CLO Warehouse	590,557	(30,043)	-	560,514
SCC BBS	-	(2,066,189)	1,107,208	(958,981)
CCC Equity	(17,551)	23,587	267,474	273,510
ABS Residual	-	(984,400)	-	(984,400)
ABS Debt	351,133	(203,364)	20,709	168,478
	1,294,114	**39,744,067**	**18,174,912**	**59,213,093**

The following table represents the net gain on financial assets at fair value through profit or loss by asset class for the period from 1 August 2019 to 31 January 2020:

	Realised loss on sales and redemptions on financial assets at fair value through profit or loss € (Unaudited)	Unrealised loss on financial assets at fair value through profit or loss € (Unaudited)	Coupon and dividend income € (Unaudited)	Net gain on financial assets at fair value through profit or loss € (Unaudited)
CLO – USD Equity	(278,988)	(6,483,111)	8,397,764	1,635,665
CLO – EUR Equity	13,915	(5,248,759)	5,999,156	764,312
CLO – USD Debt	(43,908)	(1,240,399)	4,290,653	3,006,346
CLO – EUR Debt	49,606	(60,492)	90,268	79,382
CLO – CMV	-	350,014	740,945	1,090,959
CLO Warehouse	-	50,530	-	50,530
SCC BBS	44,654	(548,752)	2,580,998	2,076,900
CCC Equity	-	(858,219)	239,994	(618,225)
ABS Residual	-	917	135,877	136,794
ABS Debt	-	221,629	-	221,629
	(214,721)	**(13,816,642)**	**22,475,655**	**8,444,292**

6. DIRECTORS' REMUNERATION AND EXPENSES

	1 August 2020 to 31 January 2021 € (Unaudited)	1 August 2019 to 31 January 2020 € (Unaudited)
Directors' fees (cash element)	115,500	175,525
Directors' fees (equity element, settled during the period)	24,750	37,613
Directors' fees (equity element, settled after the period end)	24,750	37,613
Directors' expenses	-	4,668
	165,000	**255,419**

7. ADMINISTRATION FEES

On 31 October 2018, the Company signed an agreement with BNP Paribas Securities Services S.C.A., Guernsey Branch (the "Administrator") to provide administrative, compliance oversight and company secretarial services to the Company. Under the administration agreement, the Administrator will be entitled to a minimum annual fixed fee for fund administration services and company secretarial and compliance services. These fees are paid monthly in arrears. Ad hoc other administration services are chargeable on a time cost basis. In addition, the Company will reimburse the Administrator for any out of pocket expenses.

During the six months ended 31 January 2021, Administration fees incurred were €136,374 (six months ended 31 January 2020: €149,417).

8. DIVIDENDS

The following dividends have been declared and paid during the six month period ended 31 January 2021 and during the prior year ended 31 July 2020:

Paid and declared during the six month period ended 31 January 2021:

Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share €
08/12/2020	17/12/2020	22/01/2021	0.12
21/09/2020	01/10/2020	29/10/2020	0.11

Paid and declared during the year ended 31 July 2020:

Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share €
30/06/2020	09/07/2020	29/07/2020	0.11
11/05/2020	21/05/2020	16/06/2020	0.10
21/11/2019	28/11/2019	27/12/2019	0.16
28/08/2019	05/09/2019	26/09/2019	0.16

The Directors consider recommendation of a dividend having regard to various considerations, including the financial position of the Company and the solvency test as required by the Companies (Guernsey) Law 2008 (as amended). Subject to compliance with Section 304 of that law, the Board may at any time declare and pay dividends.

9. BASIC AND DILUTED EARNINGS/(LOSSES) PER ORDINARY SHARE ("EPS")

	1 August 2020 to 31 January 2021 € (Unaudited)	1 August 2019 to 31 January 2020 € (Unaudited)
Total comprehensive income for the period	53,597,283	2,595,948
Basic and diluted earnings per Ordinary Share	1.4652	0.0710

	Number	Number
Weighted average number of Ordinary Shares during the period	**36,580,580**	**36,580,580**

10. NAV PER ORDINARY SHARE

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Net asset value	253,393,401	208,196,330
Net asset value per Ordinary share	6.9270	5.6914

	Number	Number
Number of Ordinary Shares at period end	36,580,580	36,580,580

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in the Condensed Statement of Comprehensive Income.

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Fair value brought forward	**201,660,400**	**325,525,887**
Purchases	26,124,335	52,334,211
Sale and redemption proceeds	(18,906,253)	(81,337,837)
Net gain/(loss) on financial assets at fair value through profit or loss	41,038,181	(94,861,861)
Fair value carried forward	**249,916,663**	**201,660,400**

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Realised gain on sales and redemptions on financial assets at fair value through profit or loss	1,311,664	1,749,298
Realised loss on sales and redemptions on financial assets at fair value through profit or loss	(17,551)	(8,752,234)
Unrealised gain on financial assets at fair value through profit or loss	44,404,393	2,155,196
Unrealised loss on financial assets at fair value through profit or loss	(4,660,325)	(90,014,121)
Net gain/(loss) on financial assets at fair value through profit or loss	**41,038,181**	**(94,861,861)**

Investments subject to restrictions due to being pledged as security under the repurchase agreement, as further detailed below:

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Pledged assets	-	-
Unpledged assets	249,916,663	201,660,400
Fair value carried forward	**249,916,663**	**201,660,400**

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Fair value hierarchy

IFRS 13 - *Fair Value Measurement* requires an analysis of investments valued at fair value based on the reliability and significance of information used to measure their fair value.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities. Investments, whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include active listed equities. The quoted price for these instruments is not adjusted;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes “observable” requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following tables analyse, within the fair value hierarchy, the Company’s financial assets and liabilities (by class, excluding cash and cash equivalents, trade and other receivables and trade and other payables) measured at fair value at 31 January 2021 and 31 July 2020:

				31 January 2021
	Level 1	**Level 2**	**Level 3**	**Total**
	€	**€**	**€**	**€**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Financial assets at fair value through profit or loss: – Securities	-	-	249,916,663	249,916,663
Financial assets at fair value through profit or loss: – Derivatives	-	2,557,733	-	2,557,733
Financial liabilities at fair value through profit or loss: – Derivatives	-	(2,381,788)	-	(2,381,788)
	-	**175,945**	**249,916,663**	**250,092,608**

				31 July 2020
	Level 1	**Level 2**	**Level 3**	**Total**
	€	**€**	**€**	**€**
	(Audited)	**(Audited)**	**(Audited)**	**(Audited)**
Financial assets at fair value through profit or loss: – Securities	-	-	201,660,400	201,660,400
Financial assets at fair value through profit or loss: – Derivatives	-	2,769,541	-	2,769,541
Financial liabilities at fair value through profit or loss: – Derivatives	-	(2,831,457)	-	(2,831,457)
	-	**(61,916)**	**201,660,400**	**201,598,484**

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Fair value hierarchy (continued)

All of the Company's investments are classified within Level 3 as they have significant unobservable inputs and they may trade infrequently. The Company has determined the fair values of its investments as described in note 4. The sources of these fair values are not considered to be publicly available information. The Company's foreign exchange derivatives held as at the reporting date (open foreign exchange swaps and options positions) are classified within Level 2 as their prices are not publicly available but are derived from information that is publicly available. No interest rate derivative positions were held as at 31 January 2021 (31 July 2020: no interest rate derivative held).

Financial assets at fair value through profit or loss reconciliation

The following table represents the movement in Level 3 instruments for the period ended 31 January 2021:

	€ (Unaudited)
Fair value at 1 August 2020	**201,660,400**
Purchases	26,124,335
Sale and redemption proceeds	(18,906,253)
Realised gain on sales and redemptions on financial assets at fair value through profit or loss	1,294,114
Unrealised gain on financial assets at fair value through profit or loss	39,744,067
Fair value at 31 January 2021	**249,916,663**

The following table represents the movement in Level 3 instruments for the year ended 31 July 2020:

	€ (Audited)
Fair value at 1 August 2019	**325,525,887**
Purchases	52,334,211
Sale and redemption proceeds	(81,337,837)
Realised loss on sales and redemptions on financial assets at fair value through profit or loss	(7,002,936)
Unrealised loss on financial assets at fair value through profit or loss	(87,858,925)
Fair value at 31 July 2020	**201,660,400**

The appropriate fair value classification level is reviewed for each of the Company's investments at each period end. Any transfers into or out of a particular fair value classification level are recognised at the beginning of the period following such re-classification at the fair value as at the date of re-classification. There were no such transfers between fair value classification levels during the period or during the prior year.

Sensitivity analysis

In the opinion of the Directors, the following analysis gives an approximation of the sensitivity of the different asset classes to market risk as at 31 January 2021 that is reasonable considering the current market environment and the nature of the main risks underlying the Company's assets. This sensitivity analysis presents an approximation of the potential effects of events that could have been reasonably expected to occur as at the reporting date. Where valuations were based upon prices received from arranging banks or other market participants, or on a NAV provided by the underlying fund administrator, the sensitivity analyses are not necessarily based upon the assumptions used by such sources as these are not made available to the Company, as explained in note 4.

The sensitivity of the fair values of most of the assets held by the Company to the traditional risk variables is not the most relevant in the current environment. For example, the sensitivity to interest rates is interdependent with other, more significant, market variables. This analysis reflects the sensitivity to some of the most relevant determinants of the risks associated with each asset class. While every effort has been made to assess the pertinent risk factors, there is no assurance that all the risk factors have been considered. Other risk factors could become large determinants of the fair value.

CLO tranches

Two of the main risks associated with CLO tranches are the occurrence of defaults and prepayments in the underlying portfolio.

The Directors believe it is reasonable to test the sensitivity of these assets to the following reasonably plausible changes to the base case scenarios, which have been derived from historically observed default rates and prepayment rates:

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)
Sensitivity analysis (continued)
CLO tranches (continued)
The rate of occurrence of defaults at the underlying loan portfolio level.
The base case scenario is to project the rate of occurrence of defaults at the underlying loan portfolio level at 2.0% per year which was assumed to approximate the market consensus projected default rate as at 31 January 2021, with an exception for newly issued (less than 12 months) deals for which we set a default rate at zero (base case scenario as at 31 July 2020: 6.0% for the first 12 months, then 3.0% for the following 6 months and then 2.0% per year). A reasonably plausible change in the default rate is considered to be an increase to 1.5 times the base case default rate (a decrease to 0.5 times the base case default rate would have approximately an equal and opposite impact, so this is not presented in the table below). For further information, the projected impact of a change in the default rate to 2.0 times the base case default rate is also presented in the table below.

The rate of occurrence of prepayments is measured by the CPR at the underlying loan portfolio level.
The base case scenario is to project a CPR at circa 20% per year for the US and Europe. The Directors consider that reasonably plausible changes in the CPR would be a decrease in the CPR of the underlying loan portfolios from 20% to 10% for the US and Europe. The impact of the CPR is approximately linear, so the impact of an opposite test would be likely to result in an equal and opposite impact. The projected impact of a decrease in CPR from 20% to 10% for the US and Europe is detailed in the below table:

The increase in default rate and the decrease in CPR is combined with an increase in discount margin (DM) at which projected cash flows might be discounted in such scenario. In the below table DM (both for CLO debt and CLO Equity positions) has been widened by 300 bps with the increase in default rate to 1.5 times base case scenario, 500 bps for the second scenario concerning WARF and CCC level, and 150 bps for the stress scenario concerning CPR.

As at 31 January 2021

		Impact of an increase in default rate to 1.5x base case scenario		Impact of an increase in default rate to 2.0x base case scenario		Decrease in CPR from 20% to 10% for US and Europe	
Asset class	**% of NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**	**Price Impact**	**Impact on NAV**
USD CLO Equity	27.3%	(26.0)%	(7.1)%	(58.9)%	(16.1)%	(4.3)%	(1.2)%
EUR CLO Equity	31.3%	(26.4)%	(8.3)%	(63.2)%	(19.8)%	(5.9)%	(1.9)%
USD CLO Debt	19.7%	(8.5)%	(1.7)%	(36.3)%	(7.2)%	(4.4)%	(0.9)%
EUR CLO Debt	1.6%	(10.8)%	(0.2)%	(33.5)%	(0.5)%	(5.6)%	(0.1)%
All CLO tranches	**79.9%**		**(17.2)%**		**(43.5)%**		**(4.0)%**

As at 31 July 2020

		Impact of an increase in default rate to 1.5x base case scenario		Impact of an increase in default rate to 2.0x base case scenario		Decrease in CPR from 20% to 10% for US and Europe	
Asset class	**% of NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**	**Price Impact**	**Impact on NAV**
USD CLO Equity	25.4%	(42.0)%	(10.7)%	(74.2)%	(18.8)%	(8.1)%	(2.1)%
EUR CLO Equity	21.2%	(41.8)%	(8.8)%	(73.7)%	(15.6)%	(7.3)%	(1.5)%
USD CLO Debt	19.0%	(10.9)%	(2.1)%	(18.9)%	(3.6)%	(3.7)%	(0.7)%
EUR CLO Debt	3.2%	(13.2)%	(0.4)%	(21.0)%	(0.7)%	(4.6)%	(0.1)%
All CLO tranches	**68.8%**		**(22.0)%**		**(38.7)%**		**(4.5)%**

As presented above, a reasonably plausible increase in the default rate in the underlying loan portfolios would have a negative impact on both the debt and equity tranches of CLO. A decrease in the CPR would have a negative impact on the debt tranches (as principal payment will occur later) and would negatively impact equity tranches as shown above (in such an event excess cash flows to the equity tranches would last longer).

As the CMV is holding CLO Equities in US and Europe, sensitivity of the CMV position should be inferred from US and European CLO Equity sensitivity analysis.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)
Sensitivity analysis (continued)
CLO tranches (continued)

Synthetic Corporate Credit Bank Balance Sheet transactions
The investments within this asset class (representing 8.9% (31 July 2020: 12.2%) of the NAV) are first-loss exposures to diversified portfolios of investment grade and sub-investment grade corporate credits. The Directors consider a reasonably plausible change in then currently assumed default rate to be a decrease to 0.5 times or an increase of 1.5 times. Such a change in defaults would be likely to lead to a 3.0% increase or 8.4% decrease respectively in the average prices of these assets, thereby leading to a 0.3% increase or 0.7% decrease respectively in the NAV (31 July 2020: decrease in historical default rate to 0.5x with a price impact of 6.2% with a 0.8% increase in the NAV; increase in default rate to 1.5x with a price impact of (6.7)% with a (0.8)% decrease in the NAV).

As at 31 January 2021

		Impact of a decrease in assumed default rate to 0.5x		Impact of an increase in assumed default rate to 1.5x	
Asset class	**% of NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**
SCC – BBS	**8.9%**	**3.0%**	**0.3%**	**(8.4)%**	**(0.7)%**

As at 31 July 2020

		Impact of a decrease in assumed default rate to 0.5x		Impact of an increase in assumed default rate to 1.5x	
Asset class	**% of NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**
SCC – BBS	**12.2%**	**6.2%**	**0.8%**	**(6.7)%**	**(0.8)%**

Synthetic Credit – Real Estate Owned Transactions
The Portuguese REO investment comprises residential properties through the country, gathered by the bank through the resolution of its NPL processes and then sold on a portfolio basis. The investment is levered through a financing facility. The investment was initially underwritten with a cumulative 4.8% House Price Index (“HPI”). Should the Portuguese HPI drop by 5%, the NAV of the Company would go down by 29bps. Should the HPI increase by 5%, the NAV of the Company would increase by 29bps.

Cash Corporate Credit Equity transactions
As at 31 January 2021, the Company held two investments in this asset class (Tennenbaum Opportunities Fund V and Crescent European Specialty Lending Fund, representing 0.7% and 1.1% of the NAV, respectively) (31 July 2020: Tennenbaum Opportunities Fund V and Crescent European Specialty Lending Fund, representing 0.9% and 1.7% of the NAV, respectively). These assets have exposures to diversified portfolios of investment grade and sub-investment grade corporate credits. The Directors consider that the main risks associated with these assets are the occurrence of defaults in the underlying portfolio and/or the severity of any such defaults.

Tennenbaum Opportunities Fund V has a short remaining life, given that the fund is due to mature during October 2021 with more than 76.0% of its current portfolio comprises unlisted equities (the largest equity representing 36.5% of the fund) while the remainder comprises corporate debt positions. A sensitivity analysis is difficult to model as most of the value may be derived from the exit price the Investment Manager may be able to achieve for the assets. As such, the value of this investment is dependent on default rates the Tennenbaum Opportunities Fund V investment manager may be able to achieve for the underlying assets. As such, the value of this investment is dependent on default rates and discount rates applied to the corporate debt assets and revenue and EBITDA multiples applied to the equity assets. An increase in default or discount rates may decrease the value of the investment while an increase in revenue and EBITDA multiples may increase the value of the investment.

Crescent European Specialty Lending Fund is fully drawn down and in its amortising period. As the largest investment represents circa 9.4% of its current portfolio, a default of this investment with a 60% recovery rate would lead to a 4 basis points drop in the Company’s NAV.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)
Sensitivity analysis (continued)

ABS Residual positions
As at 31 January 2021, the Company held one investment in this asset class (Fintake European Leasing DAC, representing 1.3% of the NAV) (31 July 2020: representing 2.0% of the NAV).

For Fintake European Leasing DAC, the main risk associated with this position is considered to be the level of credit losses in the underlying French leases collateral.

ABS Debt positions
During the period ended 31 January 2021 the Company redeemed its investment in St Bernard Opportunity Fund I.

As at 31 January 2021, the Company did not hold any investment in ABS Debt position (31 July 2020: one, i.e. St Bernard Opportunity Fund I, representing 2.0% of the NAV).

12. LOAN FINANCING RECEIVED UNDER REPURCHASE AGREEMENT

	31 January 2021 € (Unaudited)	**31 July 2020 € (Audited)**
Loan financing received under repurchase agreement, opening	**-**	**35,945,363**
Loan financing repaid	-	(36,837,437)
Foreign exchange movement	-	892,074
Loan financing received under repurchase agreement, ending	**-**	**-**

During the year ended 31 July 2019 the Company entered into a repurchase agreement under the terms of which the counterparty SG, provided the Company with finance through the purchase of a portfolio of USD CLO Debt securities which were subject to repurchase each quarter. Interest was payable on amounts drawn under the Repo at the relevant three-month USD Libor rate plus a margin of 1.50%. The Company had a Repo drawdown balance of $40.0 million as at 31 July 2019. On 13 December 2019, the Company reduced the loan financing under the Repo from $40.0 million to $35.0 million. As a consequence of market uncertainties, mainly due to COVID-19, the Company sought to mitigate its liquidity risk by reducing the Repo drawdown balance to €nil. On the 8 May 2020, the loan financing under the Repo was fully repaid and terminated as such there was no further collateral delivered by the Company.

During the period ended 31 January 2021, the Company was not a party to any repurchase agreements.

Interest incurred under the Repo during the period ended 31 January 2021 amounted to €nil (31 January 2020: €649,370).

13. DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS

Foreign exchange swaps and options are held to hedge some of the currency exposure generated by US Dollar assets held by the Company (see note 19). The hedge has been structured taking into account the fact that derivative positions, such as simple foreign exchange swaps, could cause the Company to require cash to fund margin calls on those positions. Considering this, the Company decided to use foreign exchange call and put options for some exposure to limit the liquidity risk that could be created in the event of significant margin calls. As a consequence of this limitation, there is no certainty that hedging some of the currency exposure generated by US Dollar assets could continue to be performed in the future in case of high volatility in the US Dollar/Euro cross rate. Foreign exchange derivatives are entered into with Crédit Agricole, Merrill Lynch and Citibank, with a margin requirement being applicable upon revaluation of such transactions, as outlined in the applicable master offset agreements. The balance on the margin account is included within the total value of the foreign exchange derivative transactions open as at the period-end as presented in the Condensed Statement of Financial Position. Interest rate derivatives may be entered into with Goldman Sachs.

As at 31 January 2021, there were six (31 July 2020: four) forward foreign exchange positions and fourteen (31 July 2020: fourteen) foreign exchange option positions.

13. DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Revaluation of foreign exchange forward and option positions:		
– Crédit Agricole – asset	684,839	1,905,225
– Crédit Agricole – (liability)	(1,391,788)	(1,388,932)
– Merrill Lynch – asset	-	864,316
– Merrill Lynch – (liability)	-	(112,525)
– Citibank – asset	1,072,894	-
– Citibank – (liability)	-	-
Net margin amount as at the period end:		
– Crédit Agricole	800,000	(600,000)
– Merrill Lynch	-	(730,000)
– Citibank	(990,000)	-
Derivatives at fair value through profit or loss - Asset	**2,557,733**	**2,769,541**
Derivatives at fair value through profit or loss - Liability	**(2,381,788)**	**(2,831,457)**

14. TRADE AND OTHER RECEIVABLES

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Prepayments and other receivables	32,429	21,640
Amounts due from brokers	238,744	-
	271,173	**21,640**

15. TRADE AND OTHER PAYABLES

	31 January 2021 € (Unaudited)	31 July 2020 € (Audited)
Investment Manager management fees	1,485,500	1,976,356
Investment Manager performance fees	5,122,745	-
Directors’ fees (cash payable)	57,750	-
Directors’ fees (shares payable)	24,750	37,612
Amounts due to brokers	-	950,000
Accrued expenses and other payables	155,388	194,457
	6,846,133	**3,158,425**

16. SHARE CAPITAL

Authorised	31 January 2021 Number of Shares (Unaudited)	31 July 2020 Number of Shares (Audited)
Ordinary Shares of no par value each	Unlimited	Unlimited
Class B convertible Ordinary Share of no par value	1	1
Class C non-voting convertible Ordinary Shares of no par value each	Unlimited	Unlimited

With respect to voting rights at general meetings of the Company, the Ordinary Shares and Class B share confer on the holder of such shares the right to one vote for each share held, while the holders of Class C shares do not have the right to vote. Each class of share ranks pari passu with each other with respect to participation in the profits and losses of the Company.

The Class B share is identical in all respects to the Company's Ordinary Shares, except that it entitles the holder of the Class B share (an affiliate of AXA S.A.) to elect a single Director to the Company's Board of Directors. At such time as the holdings of the AXA Group investors decline to less than 5% of the Company's equity capitalisation (with the Class B share and the other issued and outstanding Ordinary Shares and Class C shares taken together), the Class B share shall be converted to an Ordinary Share.

There are no Class C shares currently in issue and there is currently no mechanism by which any Class C shares can be issued in the future (31 July 2020: Nil Class C shares in issue).

Issued and fully paid

	Number of Ordinary Shares in issue	Number of Class B shares in issue	Number of Class C shares in issue	Total number of shares in issue	Warrants: potential number of shares
Balance at 31 July 2019 (Audited)	**36,580,580**	**1**	**-**	**36,580,581**	**-**
Issued to Directors during the year	-	-	-	-	-
Balance at 31 July 2020 (Audited)	**36,580,580**	**1**	**-**	**36,580,581**	**-**
Issued to Directors during the period	-	-	-	-	-
Balance at 31 January 2021 (Unaudited)	**36,580,580**	**1**	**-**	**36,580,581**	**-**

The Directors of the Company receive 30 percent of his or her Director's fee in the form of shares purchased on the secondary market The Company purchased the following ordinary shares on the secondary market during the half-year ended 31 January 2021:

- 4 August 2020: 6,407 Ordinary shares at an average price of €4.65 per share.
- 4 November 2020: 4,071 Ordinary shares at an average price of €4.05 per share.

Ordinary shares purchased on the secondary market during the year ended 31 July 2020:
- 1 August 2019: 4,760 Ordinary shares at an average price of €7.02 per share.
- 1 November 2019: 4,891 Ordinary shares at an average price of €6.64 per share.
- 3 February 2020: 4,942 Ordinary shares at an average price of €6.60 per share.
- 1 May 2020: 7,433 Ordinary shares at an average price of €4.00 per share.

As at 31 January 2021 and 31 July 2020, the Company held no treasury shares. Please refer to page 11 for information on Director holdings in the Company's Ordinary Shares.

17. SHARE PREMIUM

	Ordinary Shares €	Class B share €	Class C shares €	Total €
Balance at 31 July 2019 (Audited)	**35,808,120**	**-**	**-**	**35,808,120**
Issued to Directors during the year	-	-	-	-
Balance at 31 July 2020 (Audited)	**35,808,120**	**-**	**-**	**35,808,120**
Issued to Directors during the period	-	-	-	-
Balance at 31 January 2021 (Unaudited)	**35,808,120**	**-**	**-**	**35,808,120**

The share premium account represents the issue proceeds received from, or value attributed to, the issue of share capital, except for the share premium amount of €285,001,174 arising from the Company's initial issue of share capital upon its IPO, which was transferred to other distributable reserves on 26 January 2007, following approval by the Royal Court of Guernsey (see note 18).

18. RESERVES

	Other distributable reserves €	Accumulated gain €
At 31 July 2019 (Audited)	**78,623,648**	**176,158,135**
Total comprehensive loss for the year	-	(63,023,213)
Realised gain on Director shares purchased at a discount to NAV	22,006	-
Dividends paid in cash	(19,392,366)	-
At 31 July 2020 (Audited)	**59,253,288**	**113,134,922**
Total comprehensive income for the period	-	53,597,283
Realised gain on Director shares purchased at a discount to NAV	16,007	-
Dividends paid in cash	(8,416,219)	-
At 31 January 2021 (Unaudited)	**50,853,076**	**166,732,205**

Other distributable reserves represent the balance transferred from the share premium account on 26 January 2007, less dividends paid. The initial purpose of this reserve was to create a reserve from which dividend payments could be paid under the law prevailing at that time and the Company's Articles. However, the Companies (Guernsey) Law 2008 (as amended) became effective from 1 July 2008. Under this law, dividends may now be paid from any source, provided that a company satisfies the relevant solvency test as prescribed under the law and the Directors make the appropriate solvency declaration.

The accumulated gain reserve represents all profits and losses recognised through the Statement of Comprehensive Income to date.

19. FINANCIAL RISK MANAGEMENT

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Company's capital is represented by the Ordinary Shares, share premium account, other distributable reserves and accumulated gain reserve. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objectives. The Company seeks to attain its investment objectives by pursuing a multi-asset-class investment strategy. The investment strategy focuses on direct and indirect investments in, and exposures to, a variety of assets selected for the purpose of generating cash flows for the Company. The Board of Directors also monitors the level of dividends to Ordinary Shareholders.

The Company's other financial risk management objectives and policies are consistent with those disclosed in the Company's Audited Annual Financial Statements for the year ended 31 July 2020.

20. RELATED PARTIES DISCLOSURE

Transactions with Directors

For disclosure of Directors' remuneration, please see note 6. As at the period ended 31 January 2021, Directors' fees to be paid in cash of €57,750 (31 July 2020: €nil) had been accrued but not paid. Directors' fees to be paid in shares of €24,750 (31 July 2020: €37,612) had been accrued, but not paid and Directors' expenses of €nil (31 July 2020: €nil) had been accrued but not paid.

As at 31 January 2021, the Directors of the Company owned 0.84% (31 July 2020: 0.86%) of the voting shares of the Company.

Transactions with the Investment Manager

As announced on 2 October 2017, the Company agreed a revised Management Fee and Performance Fee basis with its Investment Manager, under an amended and restated Investment Management Agreement ("IMA") which is effective from 1 August 2017.

Under the revised fee basis, AXA IM is entitled to receive from the Company an investment manager fee equal to the aggregate of:

a. an amount equal to 1.5% of the lower of NAV and €300 million; and
b. if the NAV is greater than €300 million, an amount equal to 1.0% of the amount by which the NAV of the Company exceeds €300 million.

The investment management fee is calculated for each six-month period ending on 31 July and 31 January of each year on the basis of the Company's NAV as of the end of the preceding period and payable semi-annually in arrears. The investment management fee payable to AXA IM is subject to reduction for investments in AXA IM Managed Products as set out in the Company's Investment Guidelines. During the six month period ended 31 January 2021, the investment management fees earned were €1,485,500 (six month period ended 31 January 2020: €1,973,621). Investment management fees accrued but unpaid as at 31 January 2021 were €1,485,500 (31 July 2020: €1,976,356).

Under the amended and restated IMA, the Investment Manager is also entitled to receive a performance fee of 20% of any NAV outperformance over an 8% hurdle on an annualised basis, subject to a high-water mark and adjustments for dividends paid, share issuances, redemptions and buybacks. The performance fee will be calculated and paid annually in respect of each twelve-month month period ending on 31 July (each an "Incentive Period"). Notwithstanding the foregoing, performance fees payable to AXA IM in respect of any Incentive Period shall not exceed 4.99% of the NAV at the end of such Incentive Period.

The performance fees accrued for the period ended 31 January 2021 were €5,122,745 (six month period ended 31 January 2020: €nil).

The Investment Manager also acts as investment manager for the following of the Company's investments held as at the year-end which together represented 5.2% of NAV as at 31 January 2021: Adagio V CLO DAC Subordinated Notes; Adagio VI CLO DAC Subordinated Notes; Adagio VII CLO DAC Subordinated Notes; Adagio VIII CLO DAC Subordinated Notes; Bank Capital Opportunity Fund and Bank Deleveraging Opportunity Fund. (31 July 2020: 8.0% of NAV: Adagio V CLO DAC Subordinated Notes; Adagio VI CLO DAC Subordinated Notes; Adagio VII CLO DAC Subordinated Notes; Adagio VIII CLO DAC Subordinated Notes; Bank Capital Opportunity Fund; Bank Deleveraging Opportunity Fund and St Bernard Opportunity Fund I (Series 6)).

The investments in Bank Capital Opportunity Fund and Bank Deleveraging Opportunity Fund are classified as AXA IM Managed Products and the investments in Adagio V CLO DAC Subordinated Notes, Adagio VI CLO DAC Subordinated Notes, Adagio VII CLO DAC Subordinated Notes and Adagio VIII CLO DAC Subordinated Notes are classified as Restricted AXA IM Managed Products.

The Investment Manager earns investment management fees, including incentive fees where applicable, directly from each of the above investment vehicles, in addition to its investment management fees earned from the Company. However, with respect to AXA IM Managed Products, there is no duplication of investment management fees as adjustment for these investments is made in the calculation of the investment management fees payable by the Company such that AXA IM earns investment management fees only at the level of the Company.

Due to the fact that the Company's investments in Adagio V CLO DAC Subordinated Notes, Adagio VI CLO DAC Subordinated Notes and Adagio VII CLO DAC Subordinated Notes are classified as Restricted AXA IM Managed Products, AXA IM earns investment management fees at the level of the Restricted AXA IM Managed Product rather than at the Company level. It is, however, possible for AXA IM to earn incentive fees at the level of both the Restricted AXA IM Managed Product and the Company.

Except for the Company's Restricted AXA IM Managed Products and AXA IM Managed Products, (as detailed above), all other investments in products managed by the Investment Manager were made by way of secondary market purchases on a bona fide arm's length basis from parties unaffiliated with the Investment Manager. Therefore, the Company pays investment management fees with respect to these investments calculated in the same way as if the investment manager of these deals were an independent third party.

AXA group held 30.23% (31 July 2020: 30.23%) of the voting shares in the Company as at 31 January 2021 and 30.23% as at the date of approval of this report.

21. COMMITMENTS

As at 31 January 2021, the Company had the following uncalled commitments outstanding:

a. CMV – $910,118 (31 July 2020: $2,976,785) remaining commitment from an original commitment of $20,000,000;

b. Crescent European Specialty Lending Fund (a Cash Corporate Credit Equity transaction exposed to sub-investment grade corporate credits) – €2,241,839 (31 July 2020: €2,295,788) remaining commitment from an original commitment of €7,500,000; and

c. REO transaction 2019-1 – €2,868,961 (31 July 2020: €2,868,961) remaining commitment from a revised commitment of €8,805,075 (31 July 2020: €8,805,075).

Refer to note 22 for post period end movements.

22. SUBSEQUENT EVENTS

Management has evaluated subsequent events for the Company from 1 February 2021 to 7 April 2021, the date the condensed financial statements were available to be issued, and has concluded that the material events listed below do not require adjustment of the condensed financial statements:

On 3 February 2021, the Company purchased 3,710 ordinary shares of no par value in the Company at an average price of €5.88 per share. These ordinary shares purchased in the secondary market, were transferred to the Directors as part payment of their Directors' fees, as allocated below:

Graham Harrison - 843 ordinary shares
Stephen Le Page - 956 ordinary shares
Paul Meader - 1,124 ordinary shares
Paul Varotsis - 787 ordinary shares

On 5 February 2021, the Company paid the last outstanding commitment ($910,118) to CMV.

On 3 March 2021, the Company paid a further €22,458 commitment to Crescent European Specialty Lending Fund (Remaining commitment €2,219,381).

In March 2021, the Company made a commitment of $2,000,000 in a warehouse transaction (Neuberger 42) – Remaining uncalled commitment outstanding as 7 April 2021 was $1,700,000.

On 2 March 2021, Mr Paul Meader transferred 2,358 shares in the Company to a person closely associated. Following this transaction the total interests in the Company of Mr Meader (and his Closely Associated Persons) remain unchanged at 42,956 shares.

On 17 March 2021, the Company declared a quarterly interim dividend of €0.14 per share amounting to approximately €5.12 million. The ex-dividend date was 1 April 2021 with a record date of 6 April 2021 and a payment date on 29 April 2021.

BOARD OF DIRECTORS
FOR THE PERIOD ENDED 31 JANUARY 2021

BOARD OF DIRECTORS (CONTINUED)
FOR THE PERIOD ENDED 31 JANUARY 2021

01. Graham Harrison
Independent Director - appointed 19 October 2015
Mr Harrison is co-founder and Group Managing Director of ARC Group Limited, a specialist investment advisory and research company. ARC was established in 1995 and provides investment advice to ultra-high net worth families, complex trust structures, charities and similar institutions. Mr Harrison has fund board experience spanning a wide range of asset classes including hedge funds, commodities, property, structured finance, equities, bonds and money market funds. Prior to setting up ARC, he worked for HSBC in its corporate finance division, specialising in financial engineering. Mr Harrison is a Chartered Wealth Manager and a Chartered Fellow of the Chartered Institute of Securities and Investment. He holds a BA in Economics from the University of Exeter and an MSc in Economics from the London School of Economics.

02. Stephen Le Page
Independent Director - appointed 16 October 2014
Mr Le Page was a partner with PricewaterhouseCoopers in the Channel Islands from 1994 until September 2013. During his career with that firm he worked with many different types of financial organisation as both auditor and advisor, and he also served as the senior partner of the firm, effectively carrying out the role of chief executive and leading considerable growth in the business. Mr Le Page is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Tax Advisor. He is a past president of the Guernsey Society of Chartered and Certified Accountants and a past Chairman of the Guernsey International Business Association. Mr Le Page holds a number of other non-executive roles.

03. Paul Meader
Chairman and Independent Director - appointed 15 May 2014
Mr Meader is an independent director of investment companies, insurers and investment funds. Until the autumn of 2012 he was Head of Portfolio Management for Canaccord Genuity, based in Guernsey, prior to which he was Chief Executive of Corazon Capital, Guernsey. He has over 30 years' experience in financial markets in London, Dublin and Guernsey, holding senior positions in portfolio management and trading. Prior to joining Corazon Capital he was Managing Director of Rothschild's Swiss private banking subsidiary in Guernsey. Mr Meader is a Chartered Fellow of the Chartered Institute of Securities & Investments, a past Commissioner of the Guernsey Financial Services Commission and past Chairman of the Guernsey International Business Association. He is a graduate of Hertford College, Oxford.

04. Paul Varotsis
Senior Independent Director - appointed 19 October 2006
Mr Varotsis was a partner at Reoch Credit Partners LLP until March 2011 where he worked as a consultant for financial institutions and advised investors, asset managers, intermediaries and software vendors on structured credit solutions. Mr Varotsis was Director of CDOs at Barclays Capital from 2002 to 2004. Prior to that, he was Executive Director, Structured Credit Trading, at Lehman Brothers from 2000 to 2002 and spent approximately ten years (1991 to 2000) at Chase Manhattan Bank and its predecessors; his last position at Chase was Head of Credit and Capital Management (Europe, Africa, Middle East). He was European Chairman of the ISDA committee that participated in the drafting of the 2003 Credit Derivatives Definitions and advised the Bank of England and other regulators on the appropriate framework for the market's development. Mr Varotsis holds an MBA from the Stanford Graduate School of Business, a diplôme from the Institut d'Études Politiques de Paris and a diplôme from the Institut Supérieur de Gestion.

COMPANY INFORMATION

Volta Finance Limited
Company registration number: 45747
(Guernsey, Channel Islands)

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Administrator and Company Secretary
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Corporate Broker and Corporate Finance Advisor
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[1] BNP Paribas Securities Services S.C.A. Guernsey Branch is regulated by the Guernsey Financial Services Commission.

Listing Information
The Company's Ordinary shares are listed on Euronext Amsterdam and the premium segment of the London Stock Exchange's Main Market for listed securities. The ISIN number of the Company's listed shares is GG00B1GHHH78 and the tickers for the relevant markets are listed below:
- Euronext Amsterdam Stock Exchange, Euro quote: VTA.NA
- London Stock Exchange, Euro quote: VTA.LN
- London Stock Exchange, Sterling quote: VTAS.LN

GLOSSARY

Definitions and explanations of methodologies used:

Terms	Definitions
ABS	Asset-backed securities.
ABS Residual positions	Residual income positions, which are a sub-classification of ABS, being backed by any of the following: residential mortgage loans; commercial mortgage loans; automobile loans; student loans; credit card receivables; or leases.
AIC	the Association of Investment Companies, of which the Company is a member.
AIC Code	the AIC Code of Corporate Governance effective from 1 January 2019.
AIFM	Alternative Investment Fund Manager, appointed in accordance with the AIFMD (refer below).
AIFMD	the Alternative Investment Fund Managers Directive.
APM	Alternative performance measure.
Articles	the Articles of Incorporation of the Company.
AXA IM, Investment Manager or Manager	AXA Investment Managers Paris S.A.
Bank Balance Sheet transactions	Synthetic transactions that permit banks to transfer part of their exposures such as exposures to corporate loans, mortgage loans, counterparty risks, trade finance loans or any classic and recurrent risks banks take in conducting their core business.
Board	the Board of Directors of the Company.
CCC or Cash Corporate Credit	Deals structured credit positions predominantly exposed to corporate credit risks by direct investments in cash instruments (loans and/or bonds).
CCC Equity	Cash Corporate Credit Equity.
CLOs or CLO	Collateralised Loan Obligations.
Company or Volta	Volta Finance Limited, a limited liability company registered in Guernsey under the Companies (Guernsey) Law 2008 (as amended) with registered number 45747.
CMV or Capitalised Manager Vehicle	a CMV is a long-term closed-ended structure which is established to act as a CLO manager and to also provide capital in order to meet risk retention obligations when issuing a CLO and also to provide warehousing capabilities.
CPR	Constant prepayment rate.
DAC	Designated Activity Company.
Discount - APM	Calculated as the NAV per share as at 31 January 2021 less Volta's closing share price on Euronext Amsterdam as at that date, divided by the NAV per share as at that date.
Dividend Yield - APM	Total dividends paid during the twelve month period ended 31 January 2021 and 31 July 2020 divided by the share price as at 31 January 2021 and 31 July 2020 respectively.
DM	Discount Margin.
ESP	Earnings per share.
ESG	Environmental, social and governance.
Euronext Amsterdam	Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V.
EU	European Union.
Financial period	The period from 1 August 2020 to 31 January 2021.
Financial year	The period from 1 August 2019 to 31 July 2020.
GAV	Gross asset value.
GFC	Global Financial Crisis 2008.
Half-yearly periods	The period from 1 August 2020 to 31 January 2021 and/or the period from 1 February 2020 to 31 July 2020.
HPI	House price index.
IMA	Investment Management Agreement.
IRR	Internal rate of return.
JP Morgan PricingDirect	An independent valuation service which is a wholly-owned subsidiary of JPMorgan Chase & Co.
LSE	London Stock Exchange.

GLOSSARY (CONTINUED)

NAV	Net asset value.
NAV Total Return - APM	NAV total return per share as at period end 31 January 2021 is calculated as the movement in the NAV per share plus the total dividends paid per share during the financial period / financial year, with such dividends paid being re-invested at NAV, as a percentage of the opening NAV per share.
NPL	Non-performing loan.
Ordinary shares	Ordinary shares of no par value in the share capital of the Company.
Projected portfolio IRR	Calculated as the gross projected future return on Volta's investment portfolio as at 31 January 2021 under standard market assumptions.
Prospectus	Final prospectus dated 4 December 2006.
REO	Real Estate Owned.
Repo	Repurchase agreement entered into with Société Générale.
SCC BBS	Synthetic Corporate Credit Bank Balance Sheet.
SG	Société Générale S.A.
Share or Shares	All classes of the shares of the Company in issue.
Shareholder	Any Ordinary Shareholder.
Share Price Total Return - APM	The percentage increase or decrease in the share price on Euronext Amsterdam plus the total dividends paid per share during the reference period, with such dividends re-invested in the shares. Obtained from Bloomberg using the TRA function.
SOFP	Statement of Financial Position.
SCC or Synthetic Corporate Credit	Structured credit positions predominantly exposed to corporate credit risks by synthetic contracts.
Underlying Assets	The underlying assets principally targeted for direct and indirect investment (collectively, the "Underlying Assets") consist of corporate credits (investment grade, sub-investment grade and unrated); sovereign and quasi-sovereign debt; residential mortgage loans; commercial mortgage loans; automobile loans; student loans; credit card receivables; and leases.
US	United States.
Warehouse	a Warehouse is a short-term structure put in place before a CLO happens in order to accumulate assets in order to facilitate the issue of the CLO. A Warehouse is leveraged and can be marked to market.
WAL	Weighted average life.

ALTERNATIVE PERFORMANCE MEASURES DISCLOSURES
FOR THE PERIOD ENDED 31 JANUARY 2021

Alternative performance measures disclosure
In accordance with ESMA Guidelines on APMs the Board has considered what APMs are included in the Annual Financial Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the financial statements, which are unaudited and outside the scope of IFRS, are deemed to be as follows:

NAV to market price discount / premium
The NAV per share is the value of all the Company's assets, less any liabilities it has, divided by the total number of Ordinary Shares. However, because the Company's Ordinary shares are traded on the Euronext Amsterdam and London Stock Exchange, the share price may be lower or higher than the NAV. The difference is known as a discount or premium. The Company's discount / premium to NAV is calculated by expressing the difference between the share price (closing price)[1] and the NAV per share on the same day compared to the NAV per share on the same day.

The discount or premium per Ordinary share is a key indicator of the discrepancy between the market value and the intrinsic value of the Company.

At 31 January 2021, the Company's Ordinary shares traded at €5.64 on the Euronext Amsterdam (31 July 2020: €4.38). The Ordinary shares traded at a discount of 18.6% (31 July 2020: discount of 23.0%) to the NAV per Ordinary share of €6.9270 (31 July 2020: €5.6914).

Internal Rate of Return
The Internal Rate of Return is calculated as the gross projected future return on Volta's investment portfolio as at 31 January 2021 under standard market assumptions. As at 31 January 2021 the IRR is 13.3% (31 July 2020: 17.7%).

The Board consider IRR of overall Company investment portfolio when determined using sustainability of dividends as well as on a quarterly basis prior to declaring any dividend.

The IRR is calculated using projected cash flows and a DCF model from the investment portfolio, which are consistent with the Company's accounting policies.

[1] - Source: Bloomberg

Alternative performance measures disclosure (continued)
Dividend yield
Total dividends paid during the twelve month period ended 31 January 2021 and 31 July 2020 divided by the share price as at 31 January 2021 and 31 July 2020 respectively.

Dividend yield is calculated to measure the Company's distribution of dividends to the Company's Ordinary Shareholders relative to share price to allow comparability to other companies in the market.

Dividend yield is calculated as follows:

	31 January 2021
Dividends declared and paid for the quarter ended 30 April 2020	0.10
Dividends declared and paid for the quarter ended 31 July 2020	0.11
Dividends declared and paid for the quarter ended 30 September 2020	0.11
Dividends declared and paid for the quarter ended 31 December 2020	0.12
Total dividends declared in respect of the 12 month period ended 31 January 2021	0.44
Share price as at 31 January 2021	5.64
Dividend Yield	7.8%

	31 July 2020
Dividends declared and paid for the quarter ended 30 September 2020	0.16
Dividends declared and paid for the quarter ended 31 December 2020	0.16
Dividends declared and paid for the quarter ended 30 April 2020	0.10
Dividends declared and paid for the quarter ended 31 July 2020	0.11
Total dividends declared in respect of the 12 month period ended 31 July 2020	0.53
Share price as at 31 July 2020	4.38
Dividend Yield	12.1%

NAV total return
NAV total return per share is calculated as the movement in the NAV per share plus the total dividends paid per share during the period, with such dividends paid being re-invested at NAV, as a percentage of the NAV per share as at period end.

The six months period NAV total return is calculated over the period 1 August 2020 to 31 January 2021.

NAV total return summarises the Company's true growth over time while taking into account both capital appreciation and dividend yield.

NAV total return per share has been calculated as follows:

	1 August 2020 to 31 January 2021 €	**1 August 2019 to 31 January 2020 €**
Opening NAV per share as disclosed in the SOFP	5.6914	7.9438
Closing NAV per share as disclosed in the SOFP	6.9270	7.6949
	1.2356	(0.2489)
Capital return per share (%)	**21.7%**	**(3.1)%**
Dividends paid during the year as disclosed above	0.2300	0.3200
Impact of dividend re-investment (%)	**4.4%**	**4.0%**
NAV total return per share	1.4656	0.0711
NAV total return per share (%)	**26.1%**	**0.9%**

Share Price total return
Share price performance is calculated as the movement in the share price plus the total dividends paid per share during the financial year, with such dividends paid being re-invested at the share price, as a percentage of the share price as at year end.

Share Price total return per share has been calculated as follows:

	1 August 2020 to 31 January 2021 €	**1 August 2019 to 31 January 2020 €**
Opening share price per Euronext	4.38	7.00
Closing share price per Euronext	5.64	6.56
	1.26	(0.44)
Share price movement (%)	**28.8%**	**(6.3)%**
Dividends paid during the year as disclosed above	0.23	0.32
Impact of dividend re-investment (%)	**6.6%**	**4.6%**
Share Price total return	1.49	(0.12)
Share Price total return (%)	**35.4%**	**(1.7)%**