VOLTA FINANCE LIMITED

HALF-YEARLY FINANCIAL REPORT

FOR THE PERIOD 1 AUGUST 2021 TO 31 JANUARY 2022

CONTENTS

VOLTA AT A GLANCE

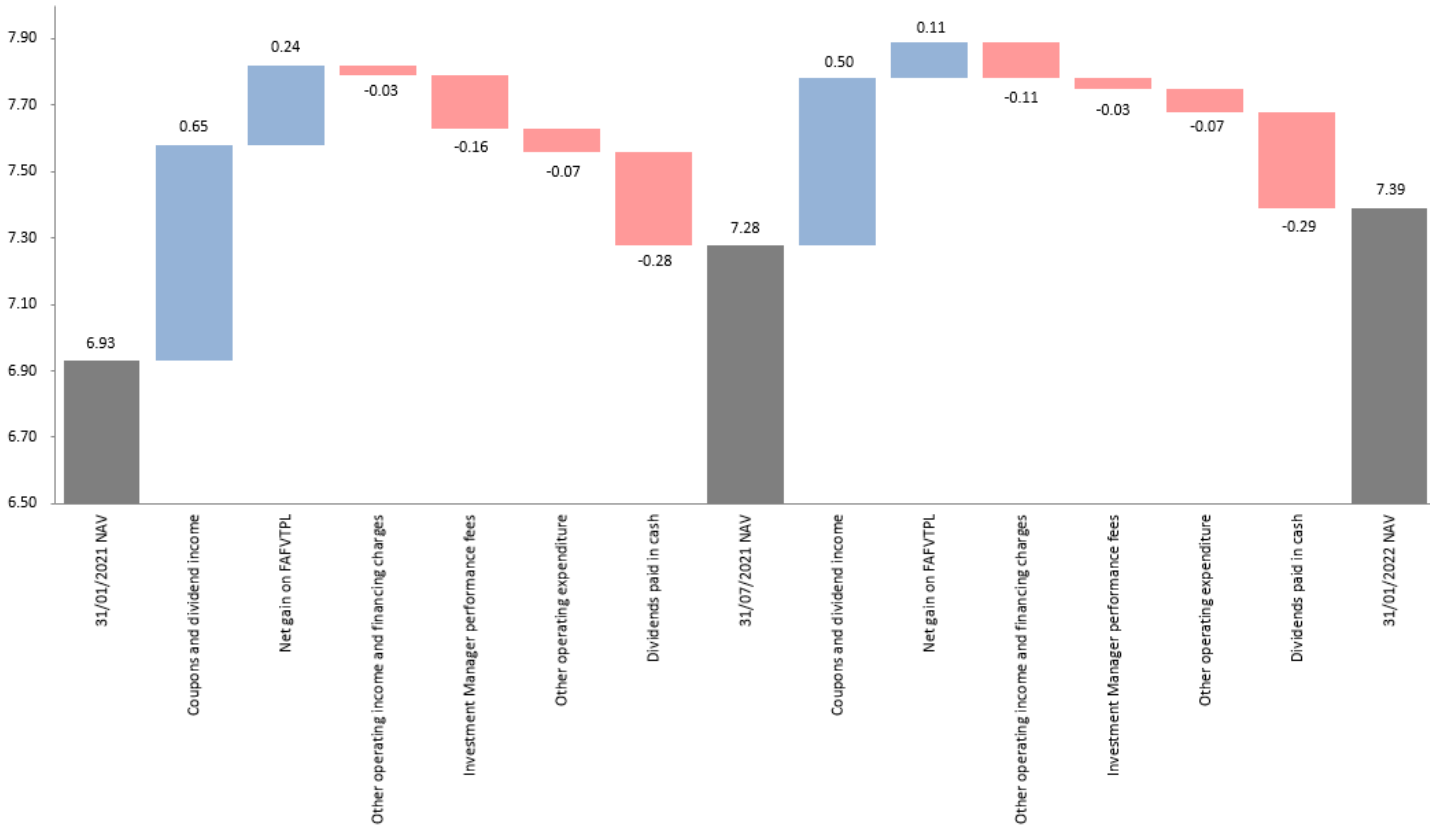
The investment objectives of the Company are to preserve its capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends that it expects to distribute on a quarterly basis. Volta currently seeks to achieve its investment objectives by pursuing exposure predominantly to CLO's and similar asset classes. A more diversified investment strategy across structured finance assets may be pursued opportunistically. Volta measures and reports its performance in Euro.

- NAV per share as at 31 January 2022: € 7.3918
- Dividend per share for the six months to 31 January 2022: €0.29
- Share price as at 31 January 2022: €6.20

Key performance indicators

5.6%	7.8%	1.9%
NAV Total Return[1] (with dividends re- invested at NAV) for the six months to 31 January 2022	Share Price Total Return[1,3] (with dividends re-invested at Share Price) for the six months to 31 January 2022	Annualised ongoing charges[2] ratio for the six months to 31 January 2022
12.4%	9.7%	(16.1)%
Projected Portfolio IRR[1] (under standard AXA IM scenarios)	Dividend Yield[1] based on the share price as at 31 January 2022	Discount[1] between share price and NAV per share as at 31 January 2022

NAV performance analysis for the periods ended 31 January 2022 and 31 July 2021 – contributions to NAV change (Euro per share)



[1] Refer to the glossary on pages 39 to 40 for an explanation of the terms used above and elsewhere within this report.
[2] The Company's annualised ongoing charges are calculated according to the methodology outlined on page 37 and differ to the costs disclosed within the Company's KIDs which follow the methodology prescribed by the EU PRIIPs rules. The Company's most current KIDs are available on the Company' website.
[3] Source: Bloomberg

CHAIRMAN'S STATEMENT

Dear Shareholder

I am pleased to be able to report further positive returns for Volta's shareholders over the six month period to 31 January 2022. Perhaps inevitably, returns were more muted than the heady gains seen during the last full financial year. Nonetheless, the Net Asset Value ("NAV") total return grew by a creditable 5.6% during the six month period and the share price total return was 7.8%.

In my report to you last October, I commented that financial markets had enjoyed extraordinary policy tailwinds since COVID-19 first emerged but that these were likely to veer around and become headwinds. Fiscal stimulus was likely to wane and monetary policy likely to tighten. So it has proven, and more swiftly than I had suspected, as expectations around inflationary pressures have shifted from being "transitory" to being altogether more concerning. Amplified more recently by the invasion of Ukraine, the consequence has been a very sharp fall in the prices of government bonds and considerable volatility in equities. There have been few safe-havens for investors.

Against this backdrop, Volta produced robust returns and acted as a diversifier to other credit assets. By way of comparison, the S&P500 equity index in the United States generated a total return of 3.1% during the same six month period. More significantly, Volta has not succumbed unduly to the recent volatility in equities. I am hesitant to predict that this will continue because Volta is as vulnerable to the vagaries of market sentiment as any other quoted investment. However, it does seem possible that our strong underlying fundamentals are asserting themselves and, to some extent anyway, overcoming the worries that have beset other assets. Specifically, default rates remain at almost record lows and this is a key determinant of our medium term returns. Rolling 12 month default rates ended 2021 at just 0.3% in the US and 0.6% in Europe. These default rates will, undoubtedly, rise from here but AXA IM do not forecast default rates rising above long term averages over the coming few years. Therefore, it seems relatively unlikely that defaults will present a notable threat to Volta's cash flows. Furthermore, there are a number of other factors that provide confidence that our cash flows should remain robust:

- the collateral cushion has been rebuilt in most of our CLOs since the COVID-19 crisis two years ago;
- underlying economic performance remains sound in most sectors, even if growth estimates in economies are reducing from prior heady predictions. Many borrowers are prospering;
- the covenant-lite structure of most underlying loans means that fewer companies are likely to face material issues in the coming few years (although we must remember that the consequence may be lower recoveries when things do go wrong);
- finally, the last two years of easy policy conditions have enabled many borrowers to refinance at attractive terms, pushing out the risks associated with the "refinancing wall" well into the future. This means that any adverse conditions in the short term are much less likely to impact underlying borrowers and their ability to refinance.

The implication of all of this is that our cash flows, already at around record levels, are unlikely to reduce materially in the medium term. Over the 6 month period under review, our cash flow yield was 13.5%. Those cash flows are the key underpin to our shareholder returns.

In addition, Volta's assets are overwhelmingly floating rate in nature. So we have avoided much of the adverse sentiment in the fixed interest markets as interest rate expectations have accelerated. At the same time, the "CLO arbitrage" (in simple terms the difference between the interest received by a CLO from the underlying loans and the interest cost of the CLO debt) has remained intact. Volta's significant allocation to CLO equity positions, which accounted for 61.3% of our NAV at 31 January 2022, has, therefore, proven beneficial. As noted in my last report, our investment manager, AXA IM Paris ("AXA"), believes that CLOs continue to offer the most attractive opportunities in the structured finance universe. Since the period end, the portfolio has further orientated towards CLOs, which now account in total (across debt and equity) for 90.6% of NAV as at 28 February 2022.

The benefit of all of this to shareholders has been both ongoing positive returns and a rebuilt dividend stream since COVID-19 struck. Some years ago, the board set a dividend policy to seek to pay quarterly dividends totalling 8% (on an annualised basis) of NAV and we have continued to implement this policy. During the six month period, we declared two dividends totalling €0.29 per share, up from €0.23 per share during the same period a year ago. Given the ongoing discount of the share price to the NAV, this equates to an attractive dividend yield of 9.4% on the share price of €6.20 at 31 January 2022.

At the moment, there is war on our doorstep, inflationary pressures are building and investors are jittery. It is easy to be negative about the outlook for the world and for investment markets. But AXA forecast an expected IRR from our current portfolio of 12.4%. We are, of course, subject to the buffeting of market sentiment and Volta is a higher risk investment: short term returns can be volatile. But, absent catastrophe, our underlying cash flows should assert themselves, keeping our dividend well covered and our NAV per share rising in the longer term from the period-end level of €7.39. That, in turn, should mean that future shareholder returns remain attractive.

As always, if you have any queries, please contact me via the Company Secretary at guernsey.bp2s.volta.cosec@bnpparibas.com.

Paul Meader
Chairman
6 April 2022

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

During the semi-annual period, Volta continued investing in both debt and equity CLO tranches as we continue to see attractive opportunities in this area. Cash flows coming from the asset base decreased for technical issues, but it is still on a growing phase on a medium term horizon.

This investment strategy facilitated

- increased dividend payments to shareholders (€0.29 per share paid during this 6-month periods against €0.23 per share for the same period a year ago)
- increasing the NAV of the company from €266.3m (€7.28 per share) to €270.4m (€7.39 per share)

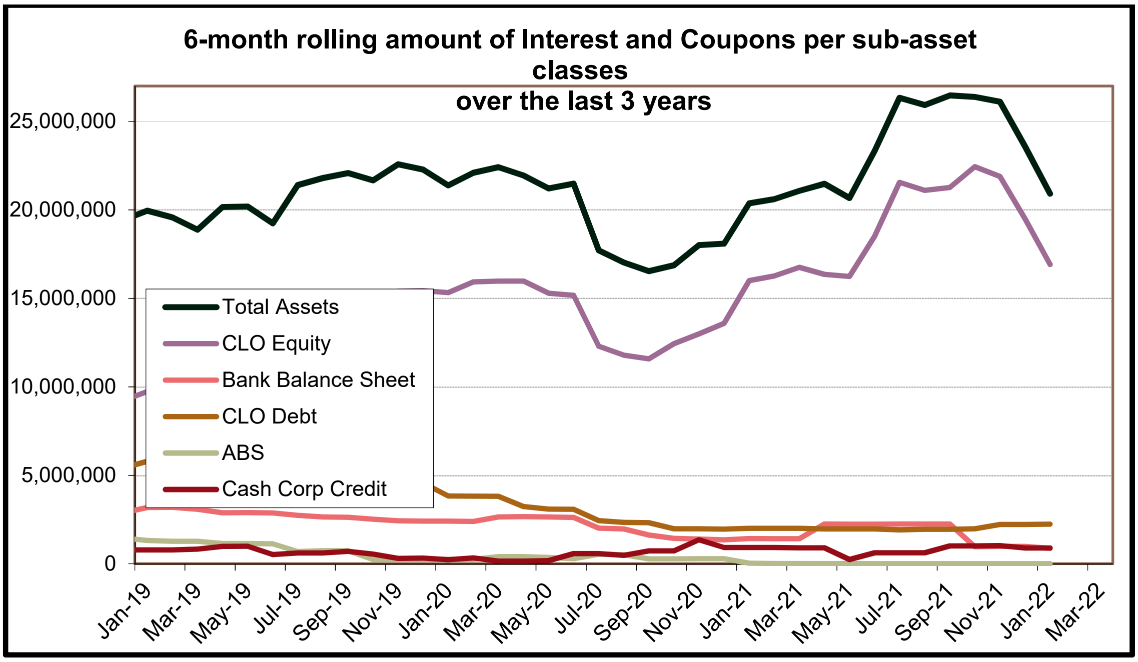
Volta continues to pivot towards pure CLO investments and the strong cash flows associated with a larger CLO Equity bucket. We view this strategy as a way to gain simplicity and transparency for our shareholders relative to an allocation mixing different and sometime less transparent asset classes.

In this difficult environment in which there is one dominating factor – inflation, our view is that this will likely stay higher for some time. Being invested in floating instruments is certainly a positive characteristic of Volta's investment proposition.

GENERATION OF CASH FLOWS

Volta's assets generated €18.3 million of interest or coupons over the semi-annual period (an annualised 13.5% of the beginning of period NAV).

After a significant increase for the last 3 years, the latest semi-annual period performance exhibits a modest decrease relative to the previous 6-month period. The recent decrease is partially due to some positions that did not pay in January due to a Reset in the previous period (going to pay a larger coupon in April for a longer period):



Under a market standard scenarios, Volta should continue to receive a significant amount of interest and coupons relative to its NAV in the upcoming annual period. Our intention is to continue increasing the share of Volta's portfolio allocated to CLO equity so we may reasonably expect this amount to continue growing in the coming periods. During the last 12 months, the average annual payment we received from the CLO equity bucket (considering only interest and excluding some principal payments) was 22.5% (the rest of the portfolio, including cash, paying on average 9.4%).

A significant portion of the non-CLO positions are Bank Balance sheet positions that are, for the vast majority, leveraged first loss positions, like CLO equity. AXA IM aims to replace such leveraged credit positions with CLO equities that exhibits a more front-loaded cash flow profile but with the potential for higher volatility.

INVESTMENT MANAGER'S REPORT (CONTINUED)

INFLATION

Inflation is very often at the centre of many calls we have with shareholders who are trying to understand the consequences this may have in terms of performance and risks.

The first thing to note is that CLO debts is floating rate. Through the last calendar year, CLO BB/B debt (the type of CLO debt in which Volta invests) significantly outperformed traditional credit instruments including High Yield bonds which exhibit low sensitivity to changes in interest rates. For CLO equity, our performance depends on the quality of the CLO equity arbitrage (the difference every quarter between interest collected from the underlying loan pool and payments to the CLO liabilities, both sides being floating rate instruments) and losses that may occur in the underlying loan pool. In this case, the performance does not depend on the mark to market of loans or bonds so interest rate moves do not significantly matter.

In relation to default rates for loans, our view is that inflation per se is not the driving factor and we will likely see a clear illustration of that in the coming quarters. In summary, "COVID-19 Inflation" is a totally different animal than potential "Ukrainian crisis inflation". The first type was caused not only by some bottlenecks in supply chains but also by the billions distributed by governments to companies and households during the COVID-19 crisis. Companies were able to increase selling prices because their clients (companies or households) were globally solvent. A good illustration of that comes from the comparison of U.S. Q4 2021 macro figures (from the Bureau of Economic Analytics) to Q4 2019 figures. Over those 2 years, many measures are up 10% or more including: GDP, disposable income, average hourly wages, household debt and non-financial corporate debt (which is closer to 12%). The economy has basically shifted 10% higher. The two main parameters that are not 10% higher are government debt (30% higher) and non-financial corporate profits, up 22%. Under this type of inflation CLOs are performing. The most direct measure to showcase this is the 2021 loan default rate (0.3% for US loans, 0.6% for European loans) at historically low levels.

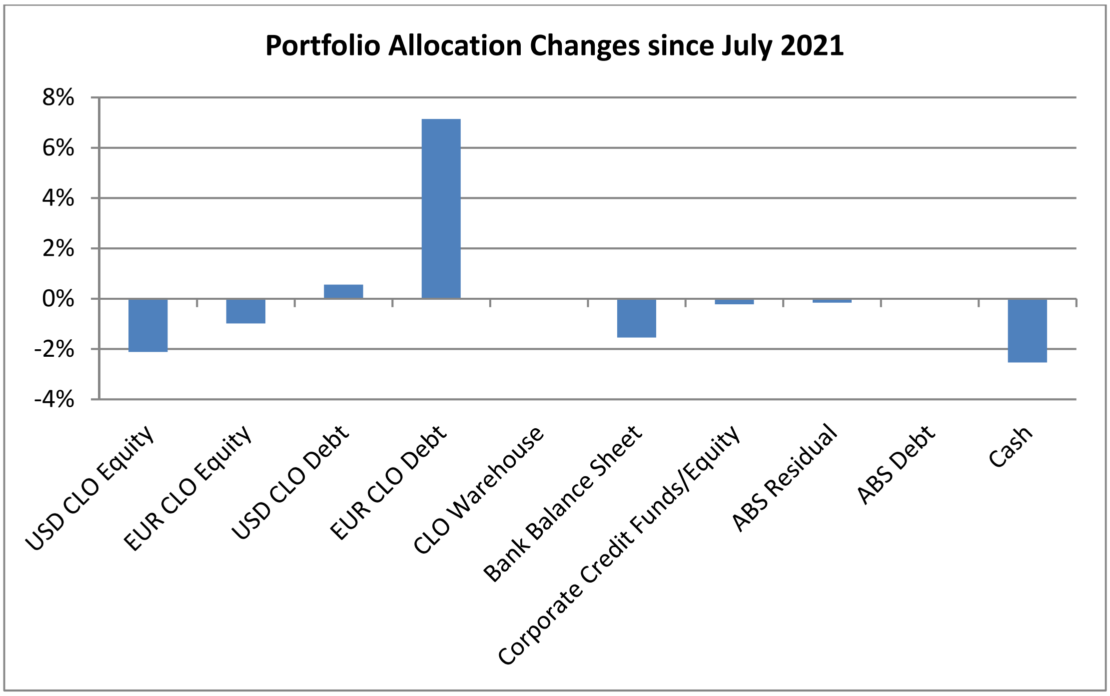
This 'COVID-19 inflation chock', where buyers stay solvent, definitely increases debt erosion. As a result, it facilitates loan refinancing (rolling €/$1bn loans every 4 to 5 years when revenue or EBITDA are growing 5%-10% a year is far easier than with a 2%-3% revenue/EBITDA increase per year). Increasing rates by 1% or 2% should not materially change such a trajectory.

An inflation shock coming from commodity prices is different animal. It involves a huge transfer of money from commodity consumers to commodity producers, deteriorating solvency of the vast majority of buyers (except the few commodity producers). This 'Commodity-led inflation' incorporates recession risk and should weaken the creditworthiness of some loan issuers.

From what we can observe at the time of writing, with loan prices down roughly 2% both in the US and in Europe, the impact on loan issuers of this kind of deterioration is expected to be manageable. As such, this shouldn't significantly erode Volta's long-term performance and may indeed offer some reinvestment opportunities. We are entering a period of uncertainty (the length of the commodity crisis, the level of inflation, the trajectory for rates) that may well result in higher credit spreads (including loans) for some time which is often a positive outcome for CLO equity holders (thanks to reinvestments in underlying loan pools).

PORTFOLIO REBALANCING

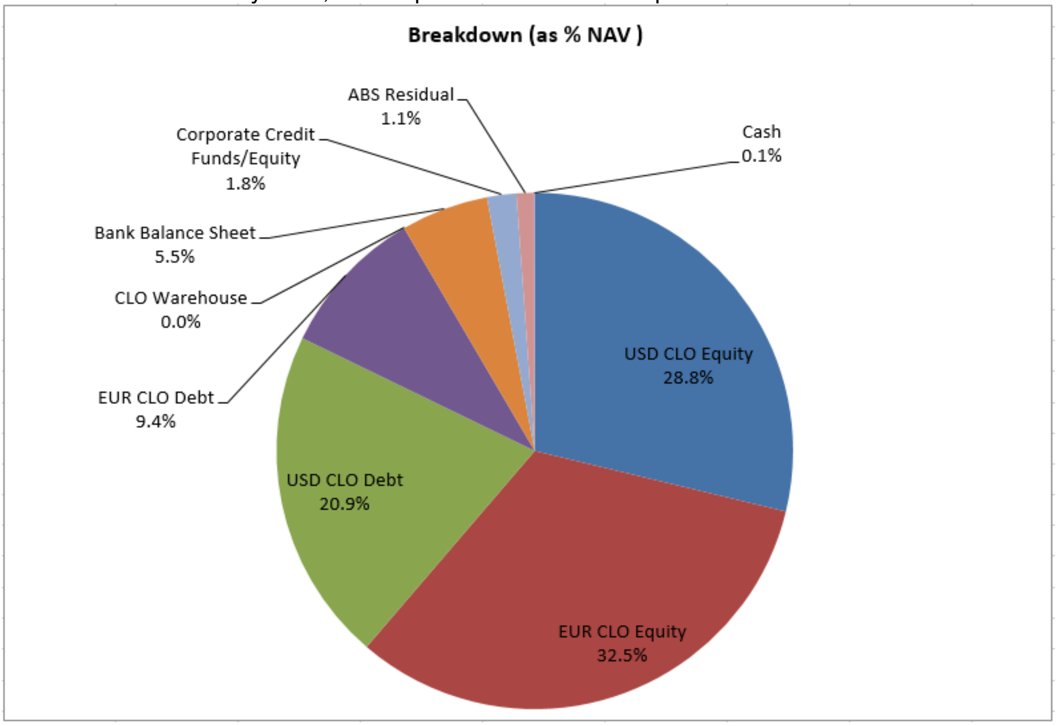
The main change during the semi-annual period consisted of increasing the EUR CLO debt bucket and reducing modestly the CLO equity bucket, especially in USD, as we anticipated some volatility derived from interest rate hikes in the US:



INVESTMENT MANAGER'S REPORT (CONTINUED)

With the Ukrainian situation we have some room to rotate the portfolio out of CLO debt into CLO equity positions when we will find suitable opportunities to do so.

As at the end of January 2022, Volta's portfolio breakdown is presented below:



We continue to prefer USD CLO debt relative to EUR CLO debt as US loan portfolios are more diversified and liquid so that on a long-term basis USD CLO debt tend to be of a higher quality than EUR CLO debt. We clearly saw this during the COVID-19 crisis: the ability of US CLO managers to rearrange portfolios, after the initial shock, was superior to European CLO managers. Regarding CLO equity, the arbitrage is slightly better in Europe so that this lower manoeuvrability is roughly compensated by higher cash flows.

CRYSTALLISING THE CALL OPTION TO THE BENEFIT OF CLO EQUITY HOLDERS

During FY 2021, we were able to Refi (simple refinancing of some of the CLO debts) or Reset (reshaping all the CLO debt structure, extending the reinvestment period and in some cases upsizing deals) many deals in which we were investing at the equity position.

In the six-month period under review, 5 positions benefited from such reshaping with a 29bps gain on CLO cost of debt. Considering that CLO equities are approximately 10 times leveraged instruments, a 29bps gain on the cost of debt corresponded to 2.9% higher cash flows for the equity, ceteris paribus.

Deal	Position	Gain in Cost of debt (not taking into account the B tranche when added)	Comment
Bilbao 2	€15m	34.7bp	Issuance of a B tranche and capital flush led to 19% payment on two instalments
Vibrant 11	$17.325m	24.7bp	Classic Refi with WAL extension
Redding Ridge € 5	€5m	17.5bp	Deal was upsized, we get €2m more equity at 81.50% (pre-reset the deal was priced 105%)
Symphony 23	$5m	38.9bp	Classic Refi with WAL extension
Dryden € 79	€16.7m	31.7bp	Deal was upsized by 40% without adding capital to the CLO equity, a B tranche was issued

The last transaction (Dryden 79) merits some comment. This CLO was sourced in the second half of 2020, with the portfolio being formed of many loans being purchased at a discount during the COVID-19 crisis. As a result, when resetting this position, we could have elected to receive an extra payment in the area of 40% of the invested amount (corresponding to the extra-collateralization of the CLO debts). However, we elected to increase the size of the CLO by 40% without injecting any capital at the CLO equity level so that, in the future, our position would benefit from the arbitrage on a portfolio that is 40% larger (with a lower cost of debt as well).

INVESTMENT MANAGER'S REPORT (CONTINUED)

Through time, being able to generate this kind of added value was one of the reasons why we decided to accumulate CLO equity positions during the last three years and continued doing so during and after the COVID-19 crisis.

A CLO equity position is one that is expected to suffer the losses that occur in the underlying loan pool. In exchange for this risk:

- CLO equity receives double-digit annual payments (generally between 13% -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 a 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 debt, 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 the 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.

CURRENCY EXPOSURE

For many years (since the GFC) we have limited our exposure to margin calls that might come from hedging non-Euro currency risk. Structurally, we have been selling forward USD against Euro 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 2022, 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 USD assets were hedged.

Our view has always been that being fully hedged would force us 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 volatility in EUR/USD, the currency remains at similar levels. We believe that we were right to accept some volatility coming from the remaining currency exposure instead of suffering from the cash drag on a long-term basis.

OVERALL OUTLOOK

Our intention is clearly to continue simplifying Volta by reinvesting in CLO debt and equity positions.

We clearly entered into a more volatile environment in which part of the uncertainty depends on interest rate trajectory. It was clearly seen, both in the US and in Europe, through 2021, in such environment there is a solid demand for high quality floating rate instruments like CLO senior tranches. It led to very attractive cash flows being received from CLO equity positions due to a relatively low cost of debt (the CLO liabilities) and a still attractive spread on loans.

Default rates being at historical lows at the beginning of 2022, we clearly expect more defaults to materialise in 2022/2023 but to stay well below historical average default rates (close to 3% per annum). As a result we continue to have a constructive view on CLO equity performances as, historically speaking, 3 fourths of CLO equity performance depends on the ongoing cash flows paid to the equity position and only 1 fourth depends on the last principal payments (that depends on cumulative losses),

Depending on market volatility we may find as well opportunities to generate alpha by rotating between CLO debt and CLO equity.

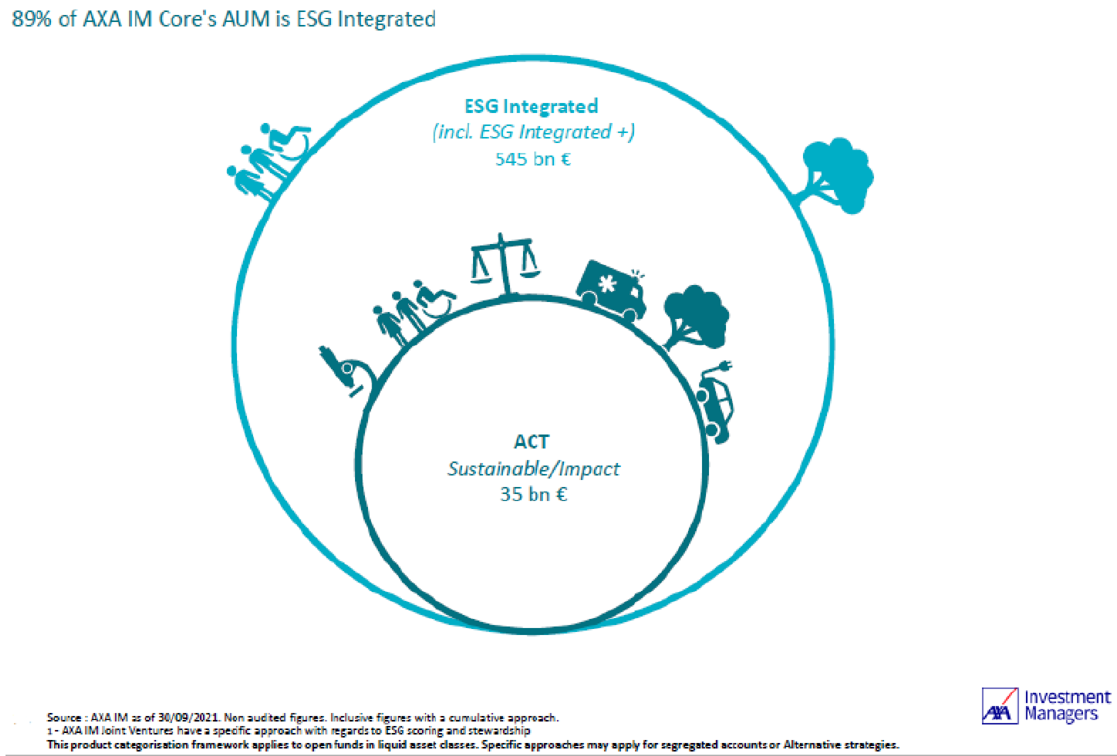
ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

AXA IM has been engaged in Responsible Investment for over two decades joining and being an active member of various initiatives:

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) recognising that both our commitments and the architecture that is in place are industry leading.

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



INVESTMENT MANAGER’S REPORT (CONTINUED)

In relation to Volta investments, we are making good progress year after year.

We are systematically pushing for some industry exclusions when investing in new CLO positions. In order to have a pragmatic approach we separated our exclusion list in two. A first list of exclusions we impose to all deals (Controversial Weapons, Thermal Coal, Oil Sands, Arctic Oil, Non-certified Palm oil, Soft-Commodity trading, Land Use & Biodiversity and UNGC violations), while a second list represents preferences (Predatory/Pay-Day Lending, Tobacco/Opioid, Banned Pesticides/hazardous Chemicals, Pornography/Prostitutions and Weapons). It is fair to recognise that we have no difficulties imposing the first list and a significant portion of the second list to European CLO managers although, despite significant improvements, is still challenging gain acceptance from US CLO managers for such exclusions.

Since the beginning of 2021, all new CLOs we have been investing in have incorporated some industry exclusions, so that, as at period end January 2022 29% of Volta’s assets are incorporating ESG rules (at least a significant portion of AXA IM exclusions; not all of them as this list is evolving every +-6 months).

At the same point in time we are conducting meetings with CLO managers in order to update our understanding of their practices regarding ESG/Responsible Investment practices. The objective being to cover 80% of our overall CLO AUM by year end.

Through these meetings and the pressure we are exercising on third-party CLO managers, we are not only promoting what we consider best practices, but we are also trying to limit downside risks for our investors. While there is obviously some disagreement regarding what can be considered as ‘best practices’ we can testify that all the CLO managers that we work with share our view that selecting credits with non-financial sustainability risks need to be incorporated in the process. Lending money to companies that may find difficulties in financing their businesses in the coming years is something to avoid. On top of the traditional financial measures of profitability/growth, CLO managers have developed tools/processes in order to avoid lending to companies that may be at the centre of future controversies. It is now fully part of our usual risk-management processes.

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
6 April 2022

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 2022. It should be read in conjunction with the Chairman's Statement on page 2 and the Investment Manager's Report on pages 3 to 8 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, 2020 (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 AFM, 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 and is actively managed by AXA IM. Harnessing AXA IM's expertise, the Company currently invests predominantly in CLOs and similar asset classes 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. A more diversified strategy across structured finance assets may be pursued opportunistically.

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 described in the 'Principal and Emerging Risk Factors' section and in Note 17 of the Company's Audited Annual Financial Statements for the year ended 31 July 2021, the Company currently seeks to attain its investment objectives by pursuing exposure predominantly through investment in CLOs and similar 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 CLO Investments (Debt/Equity/Warehouses). 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 Dagmar Kershaw. 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.

As at 31 January 2022, the Directors held the following number of Ordinary Shares in the Company:

Director	Director holdings in the Company Ordinary Shares
Graham Harrison	24,080
Stephen Le Page	40,787
Paul Meader	47,113*
Dagmar Kershaw	1,729

** 10,200 and 34,845 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 33 and 34.

Mr Paul Varotsis retired as a Director on the 8 December 2021.

EXECUTIVE SUMMARY (CONTINUED)

Director interests (Continued)
At a Nomination Committee meeting held on 14 September 2021, a recommendation was made to the Board regarding the chairmanship of the various committees of the Board. The Board agreed the following changes to the committee chairs to take effect immediately after the 2021 AGM held on 8 December 2021:

Mr Harrison took on the chairmanship of the Remuneration Committee and the Management Engagement Committee
Ms Kershaw took on chairmanship of the Risk Committee from Mr Harrison
Mr Le Page become Senior Independent Director from Mr Varotsis and remained Chairman of the Audit Committee
Mr Meader remained as Chairman of the Board and of the Nominations Committee

Table of Directors Remuneration

Component	Director	Fee entitlement to 8 December 2021 (€)	Fee entitlement from 8 December 2021 (€)	Purpose of reward
Annual fee	Chairman of the Board:			
	Paul Meader	€100,000	€100,000	For commitments as non-executive Directors
	All other Directors:			
	Graham Harrison	€70,000	€70,000	
	Dagmar Kershaw	€70,000	€70,000	
	Stephen Le Page	€70,000	€70,000	
	Paul Varotsis	€70,000	-	
Additional annual fee	Stephen Le Page (Chairman of the Audit Committee)	€15,000	€15,000	For additional responsibilities and time commitment
	Graham Harrison (Chairman of the Risk Committee)	€5,000	-	
	Dagmar Kershaw (Chairman of the Risk Committee)	-	€5,000	
	Paul Varotsis (Senior Independent Director)	None	-	
	Stephen Le Page (Senior Independent Director)	-	None	

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

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 and emerging risks facing the Company including those which would threaten its business model, future performance, solvency or liquidity.

The following risk factors have been identified:

<u>Strategic risks</u>
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.

<u>Preventable risks</u>
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.

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

EXECUTIVE SUMMARY (CONTINUED)

Principal and Emerging risks and uncertainties (Continued)
Preventable risks (Continued)
Investment Manager risk
- The risk that the Investment Manager may execute its investment strategy poorly. The risk that the Investment Manager resigns, goes out of business or exits the Company's asset classes.

Key person risk
- The risk that senior investment professionals of the Investment Manager resign and are not replaced by personnel of an equal calibre and experience.

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.

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.
- The risk that service providers will be disrupted by factors outside of their control such as lockdowns, outages or other widespread unforeseen events.

Emerging risks
Climate change/ESG risk
- Climate change may impact individual borrowers adversely and may also have adverse macroeconomic impacts such as higher inflation. There is also the possibility of distortions to capital flows.
- The risk that the Company, through AXA IM, does not engage sufficiently with managers around ESG factors, and invests in managers and assets which fail to meet contractual, legal and/or reporting standards around ESG factors. Such assets could be deemed ineligible in their CLO funds, and suffer reductions in market value.

LIBOR transition to SOFR
- The transition from LIBOR to SOFR raises potential risks around asset pricing and cash flows. However, the impact on valuation is expected to be modest and transitory.

Sanctions risk
The Board and the IM have considered the potential impact of sanctions on the Company and do not believe that current sanctions would have a material impact on the Company. The IM has confirmed to the Board that no underlying investments are directly subject to sanctions. The IM also considered stress tests, in relation to the impact of sanctions, on underlying investments and believes that the overall effect will not be notable.

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 2,460 professionals and €887 billion in assets under management as at the end of December 2021.

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 total return was 5.6% for the six month period ended 31 January 2022. Please refer to page 1 for NAV and share price total return analyses.

Annualised ongoing charges
The annualised ongoing charges are a measure of the annualised 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.
Refer to page 37 for methodology of calculation.

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.

EXECUTIVE SUMMARY (CONTINUED)

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. Due to 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 during the period ended 31 January 2022 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 6 and 8.

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 3 to 8 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.

The Directors have considered the state of financial market conditions at the period end date and subsequently. Whilst the negative impacts on the market value of the Company's underlying investments arising from the global COVID-19 pandemic have now largely passed, the war in Ukraine has added to geopolitical and macro-economic uncertainty. However, the impact on the Company's cash flows is not expected to be material and appropriate steps, as outlined in previous reports, can be taken to minimise cash out flows.

The incidence and impact of defaults in the Underlying Assets is hard to predict but are likely to rise, although it should be noted that recent default levels are far below those originally forecast and also below those used in the Investment Managers' models. 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 war in Ukraine has introduced additional geopolitical and macro-economic uncertainty. At this stage it is not possible, to determine with certainty, how this may impact the Company but defaults are likely to be higher than would otherwise have occurred. Directors are not aware of any other 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 20.

RELATED PARTIES
Refer to note 18 for information on related party transactions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that to the best of their knowledge:

➢ the unaudited 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 6 April 2022 and was signed on its behalf by:

Paul Meader
Chairman
6 April 2022

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 jurisdiction

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 JANUARY 2022

	Notes	1 August 2021 to 31 January 2022 (Unaudited) €	1 August 2020 to 31 January 2021 (Unaudited) €
Operating income and financing charges			
Net gain on financial assets at fair value through profit or loss	5	22,287,253	59,213,093
Net foreign exchange (loss)/gain including net (loss)/gain on foreign exchange derivatives, but excluding net foreign exchange (loss)/gain on financial assets at fair value through profit or loss		(4,224,312)	1,571,396
Net gain on interest rate derivatives		40,847	-
Net bank interest income/(expense)		281,850	(16,315)
		18,385,638	60,768,174
Operating expenditure			
Investment Manager management fees	18	(1,957,193)	(1,485,500)
Investment Manager performance fees	18	(1,153,791)	(5,122,745)
Operating expenses	6	(603,327)	(562,646)
		(3,714,311)	(7,170,891)
Comprehensive income		14,671,327	53,597,283
Basic and diluted earnings per Ordinary Share	8	€0.4011	€1.4652

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

The notes on pages 18 to 32 form part of these condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2022

	Notes	31 January 2022 (Unaudited) €	31 July 2021 (Audited) €
ASSETS			
Financial assets at fair value through profit or loss	10	270,280,936	259,049,217
Derivatives at fair value through profit or loss	11	3,784,460	2,848,528
Trade and other receivables	12	329,962	2,468,082
Cash and cash equivalents		14,393,470	18,219,413
TOTAL ASSETS		**288,788,828**	**282,585,240**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	-	-
Share premium	15	35,808,120	35,808,120
Other distributable reserves	16	30,003,538	40,611,183
Accumulated gain	16	204,584,144	189,912,817
TOTAL SHAREHOLDERS' EQUITY		**270,395,802**	**266,332,120**
LIABILITIES			
Derivatives at fair value through profit or loss	11	3,598,273	1,369,125
Trade and other payables	13	14,794,753	14,883,995
TOTAL LIABILITIES		**18,393,026**	**16,253,120**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**288,788,828**	**282,585,240**
NAV per Ordinary Share	9	€7.3918	€7.2807

These condensed financial statements on pages 14 to 32 were approved by the Board of Directors on 6 April 2022 and were signed on 6 April 2022 on its behalf by:

Paul Meader
Chairman
6 April 2022

Stephen Le Page
Chairman of the Audit Committee

The notes on pages 18 to 32 form part of these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2022

	Notes	Share premium €	Other distributable reserves €	Accumulated gain €	Total €
Balance at 31 July 2021 (Audited)		**35,808,120**	**40,611,183**	**189,912,817**	**266,332,120**
Total comprehensive income for the period		-	-	14,671,327	14,671,327
Net settlement of Director fees share based payments at a discount to NAV	16	-	7,550	-	7,550
Dividends paid in cash	7, 16	-	(10,615,195)	-	(10,615,195)
Balance at 31 January 2022 (Unaudited)		**35,808,120**	**30,003,538**	**204,584,144**	**270,395,802**

	Note	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
Net settlement of Director fees share based payments at a discount to NAV		-	16,007	-	16,007
Dividends paid in cash	7	-	(8,416,219)	-	(8,416,219)
Balance at 31 January 2021 (Unaudited)		**35,808,120**	**50,853,076**	**166,732,205**	**253,393,401**

The notes on pages 18 to 32 form part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2022

	Notes	1 August 2021 to 31 January 2022 (Unaudited) €	1 August 2020 to 31 January 2021 (Unaudited) €
Cash flows used in operating activities			
Comprehensive income		14,671,327	53,597,283
Adjustments for:			
Net gain on financial assets at fair value through profit or loss	5	(22,287,253)	(59,213,093)
Net movement in unrealised loss/(gain) on revaluation of derivatives		1,293,216	(237,861)
Net settlement of Director fees share based payments	16	7,550	16,007
Coupon and dividends received	5, 12	19,474,542	18,174,912
Decrease in trade and other receivables, excluding amounts due from brokers and interest receivable	12	(102,657)	(10,789)
Increase in trade and other payables, excluding amounts due to brokers		1,850,758	4,637,708
Net cash generated from operating activities		14,907,483	16,964,167
Cash flows generated from investing activities			
Purchases of financial assets at fair value through profit or loss	10, 13	(39,271,326)	(27,074,335)
Proceeds from sales and redemptions of financial assets at fair value through profit or loss	10, 12	31,153,096	18,667,509
Net cash (used)/generated from investing activities		(8,118,230)	8,406,826
Cash flows used in financing activities			
Dividends paid to Shareholders	7, 16	(10,615,195)	(8,416,219)
Net cash used in financing activities		(10,615,195)	(8,416,219)
Net (decrease)/increase in cash and cash equivalents		(3,825,943)	141,122
Cash and cash equivalents at the beginning of the period		18,219,413	9,734,631
Cash and cash equivalents at the end of the period		14,393,470	9,875,753

The notes on pages 18 to 32 form part of these condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2022

1. GENERAL INFORMATION
Information regarding the Company and its activities is provided in the Executive Summary section on page 9.

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 2021, 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 2021

Interest Rate Benchmark Reform – Phase 2
These amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

Change in basis for determining cash flows
The amendments require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

As at 31 January 2022, the Company held financial assets at fair value through profit or loss that are subject to IBOR reforms.

The majority of these positions reference LIBOR and the Company expects them, and other IBORs, to be replaced by SOFR or SONIA throughout 2022 to middle 2023, or other alternative benchmark rates, as applicable.

The Board does not believe that the above will have a significant impact on the fair value of financial instruments.

A number of amendments and interpretations to existing standards have been issued during the period ended 31 January 2022 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 10.

DETERMINATION OF FAIR VALUES (CONTINUED)

The valuation methodologies applied 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 NAV.
- 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.

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.

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.

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. Two such adjustments were made to prices as at 31 January 2022, representing 0.02% of NAV (31 July 2021: One such adjustment was made to a residual tranche price). 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 85.1% as at 31 January 2022 (31 July 2021: 81.7%) 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 2022, approximately 2.5% (31 July 2021: 2.8%) 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JANUARY 2022

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 2022 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 2022 (Unaudited)	% of financial assets at fair value through profit or loss as at 31 July 2021 (Audited)	Valuation methodology
SCC BBS	3.4%	4.8%	Discounted projected cash flow model-based valuation using discount rates within a range of 8.0% to 12.0% (31 July 2021: 8.0% to 12.0%), constant default rates within a range of 0.3% to 3.0% (31 July 2021: 0.3% to 3.0%), prepayment rates within a range of 0.0% to 25.0% (31 July 2021: 0.0% to 25.0%) and recovery rates within a range of 51.0% to 63.0% (31 July 2021: 51.0% to 63.0%).
Investments in funds (includes ABS Debt, CCC Equity and SCC BBS positons)	2.5%	2.8%	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 2022 in respect of distributions/calls respectively.
SSC REO	1.4%	1.7%	Discounted projected cash-flow model-based valuation using a yield of 13.0% (31 July 2021: 13.0%). 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) HPI curve is limited to the assets (<10% of the remaining portfolio) viewed by the servicer as the most likely to benefit from market price increase. These assets are modelled as benefiting from 2% HPI appreciation per annum for residential assets & 1% for non-residential. All other assets have no Home Price Index appreciation (ie flat valuation compared to the original valuation of the asset) (ii) Timing (31 January 2022: Initial Business Plan timing plus six-month additional delay for properties not sold, but that should have been, under initial Business Plan) (31 July 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	0.0%	0.8%	Being purchased within less than one month of the relevant reporting date, these assets were valued at cost which is considered the most appropriate fair value for newly acquired assets.
CLO Warehouse	0.4%	0.0%	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	1.1%	1.3%	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 2021: 9.0%) for Fintake European Leasing DAC.
CLO – CMV	5.7%	5.9%	CMV is valued using a Discounted Cash Flow model based on cash flow projection considering market and comparable transactions parameters.
Fee Rebates	0.4%	1.0%	Fee rebates are valued using a Discounted Cash Flow model based on cash flow projection considering market and comparable transactions parameters
Total	**14.9%**	**18.3%**	

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2022

5. PUBLISHED NAV RECONCILIATION AND NAV PERFORMANCE ANALYSIS

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 2021 to 31 January 2022:

	Realised gain/(loss) on sales and redemptions on financial assets at fair value through profit or loss € (Unaudited)	Unrealised gain/(loss) on financial assets at fair value through profit or loss € (Unaudited)	Coupon and dividend income € (Unaudited)	Net gain/(loss) on financial assets at fair value through profit or loss € (Unaudited)
CLO – USD Equity	717,288	424,727	6,506,628	7,648,643
CLO – EUR Equity	343,705	(3,906,299)	7,308,343	3,745,749
CLO – USD Debt	120,202	3,554,545	1,936,422	5,611,169
CLO – EUR Debt	291,500	(1,271)	261,231	551,460
CLO – CMV	-	290,194	1,028,563	1,318,757
CLO Warehouse	-	13,050	124,595	137,645
SCC BBS	299,185	1,915,891	835,599	3,050,675
CCC Equity	(24,565)	365,662	267,258	608,355
ABS Residual	-	(385,200)	-	(385,200)
ABS Debt	-	-	-	-
	1,747,315	2,271,299	18,268,639	22,287,253

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 gain/(loss) on sales and redemptions on financial assets at fair value through profit or loss € (Unaudited)	Unrealised gain/(loss) on financial assets at fair value through profit or loss € (Unaudited)	Coupon and dividend income € (Unaudited)	Net gain/(loss) 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

6. OPERATING EXPENSES

	Notes	1 August 2021 to 31 January 2022 € (Unaudited)	1 August 2020 to 31 January 2021 € (Unaudited)
Directors' remuneration	6.1	(189,728)	(165,000)
Legal fees		(26,116)	(20,445)
Administration fees	6.2	(132,336)	(136,374)
Audit fees, audit related and non-audit related fees		(89,341)	(98,027)
Insurance fees		(14,374)	(4,367)
Depositary fees		(26,963)	(33,053)
Other operating expenses		(124,469)	(105,380)
		(603,327)	(562,646)

6.1 Directors' remuneration

	1 August 2021 to 31 January 2022 € (Unaudited)	1 August 2020 to 31 January 2021 € (Unaudited)
Directors' fees (cash element, settled during the period)	(70,000)	(115,500)
Directors' fees (cash element, settled after the period-end)	(62,810)	-
Directors' fees (equity element, settled during the period)	(30,000)	(24,750)
Directors' fees (equity element, settled after the period-end)	(26,918)	(24,750)
	(189,728)	(165,000)

Each Director continues to receive 30% of their Director's fee in the forms of shares. The remaining 70% of the fees are paid quarterly in cash. As previously reported, the Directors' remuneration shares are purchased in the secondary market. Thus at current levels of discount between the NAV per share and the share price, the true cost to the Company is approximately 5% less than the amount quoted above. By applying this approach the Board have relinquished their right to Director's remuneration of €7,550 (31 July 2021: €22,442). Refer to note 16 for "Net settlement of Directors fees share based payment".

Should the shares trade at a premium to NAV in the future, the Directors may seek to amend the policy. These fee arrangements will be next reviewed in June 2023.

6.2 Administration fees

On 31 October 2018, the Company signed an agreement with BNP Paribas (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 month ended 31 January 2022, administration fees incurred were €132,336 (six months ended 31 January 2021: €136,374).

7. DIVIDENDS

The following dividends have been declared and paid during the six month period ended 31 January 2022 and during the prior year ended 31 July 2021:

Paid and declared during the six month period ended 31 January 2022:

Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share €
09/12/2021	16/12/2021	27/01/2022	0.15
15/09/2021	23/09/2021	30/09/2021	0.14

Paid and declared during the year ended 31 July 2021:

Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share €
01/07/2021	15/07/2021	29/07/2021	0.14
17/03/2021	01/04/2021	29/04/2021	0.14
08/12/2020	17/12/2020	22/01/2021	0.12
21/09/2020	01/10/2020	29/10/2020	0.11

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.

8. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

	1 August 2021 to 31 January 2022 € (Unaudited)	1 August 2020 to 31 January 2021 € (Unaudited)
Total comprehensive income for the period	14,671,327	53,597,283
Basic and diluted earnings per Ordinary Share	0.4011	1.4652

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

9. NAV PER ORDINARY SHARE

	31 January 2022 € (Unaudited)	31 July 2021 € (Audited)
Net asset value	270,395,802	266,332,120
Net asset value per Ordinary Share	7.3918	7.2807

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

10. 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 2022 € (Unaudited)	31 July 2021 € (Audited)
Fair value brought forward	259,049,217	201,660,400
Purchases	37,331,326	37,782,070
Sale and redemption proceeds	(30,118,221)	(30,194,107)
Net gain on financial assets at fair value through profit or loss	4,018,614	49,800,854
Fair value carried forward	270,280,936	259,049,217

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

	31 January 2022 € (Unaudited)	31 July 2021 € (Audited)
Realised gain on sales and redemptions on financial assets at fair value through profit or loss	3,045,471	3,549,817
Realised loss on sales and redemptions on financial assets at fair value through profit or loss	(1,298,156)	(842,840)
Unrealised gain on financial assets at fair value through profit or loss	11,289,110	51,988,285
Unrealised loss on financial assets at fair value through profit or loss	(9,017,811)	(4,894,408)
Net gain on financial assets at fair value through profit or loss	4,018,614	49,800,854

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.

Transfers between levels are determined based on changes to the significant inputs used in the fair value estimation. The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

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 2022 and 31 July 2021:

	31 January 2022			
	Level 1 € (Unaudited)	Level 2 € (Unaudited)	Level 3 € (Unaudited)	Total € (Unaudited)
Financial assets at fair value through profit or loss: – Securities	-	15,092,737	255,188,199	270,280,936
Financial assets at fair value through profit or loss: – Derivatives	-	3,784,460	-	3,784,460
Financial liabilities at fair value through profit or loss: – Derivatives	-	(3,598,273)	-	(3,598,273)
	-	**15,278,924**	**255,188,199**	**270,467,123**

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

Fair value hierarchy (Continued)

	31 July 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
	€ (Audited)	**€ (Audited)**	**€ (Audited)**	**€ (Audited)**
Financial assets at fair value through profit or loss: – Securities	-	16,002,501	243,046,716	259,049,217
Financial assets at fair value through profit or loss: – Derivatives	1,173,064	1,675,464	-	2,848,528
Financial liabilities at fair value through profit or loss: – Derivatives	(252,973)	(1,116,152)	-	(1,369,125)
	920,091	**16,561,813**	**243,046,716**	**260,528,620**

The majority of the Company's investments are classified within Level 3 as they have significant unobservable inputs and they may trade infrequently. The sources of these fair values are not considered to be publicly available information. The remaining investments are classified within Level 2 as the unobservable input parameters within these valuations are not considered to be significant. The Company has determined the fair values of its investments as described in Note 4. 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 2022. The Company's interest rate derivatives held as at 31 July 2021 (open futures and options positions) are classified within Level 1 as their prices are publicly available and they are exchange traded.

Financial assets at fair value through profit or loss reconciliation

The following table represents the movement in Level 3 instruments for the six month period ended 31 January 2022:

	€ (Unaudited)
Fair value at 1 August 2021	**243,046,716**
Purchases	37,088,826
Sale and redemption proceeds	(27,799,853)
Realised gain on sales and redemptions on financial assets at fair value through profit or loss	1,275,397
Unrealised gain on financial assets at fair value through profit or loss	1,577,113
Fair value at 31 January 2022	**255,188,199**

The following table represents the movement in Level 3 instruments for the year ended 31 July 2021:

	€ (Audited)
Fair value at 1 August 2020	**201,660,400**
Purchases	37,782,070
Sale and redemption proceeds	(30,194,107)
Realised gain on sales and redemptions on financial assets at fair value through profit or loss	2,706,977
Unrealised gain on financial assets at fair value through profit or loss	47,093,877
Assets transferred out from level 3 to level 2	(16,002,501)
Fair value at 31 July 2021	**243,046,716**

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 six month period ended 31 January 2022 (31 July 2021 there were 6 CLO Debt positions which transferred from level 3 to level 2. The transfer was considered appropriate because the unobservable input parameters within these valuations are not considered to be significant).

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

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 2022 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:

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 2022, with an exception for newly issued (less than 12 months) deals for which a default rate at zero is set (base case scenario as at 31 July 2021: 2.0% per year, with an exception for newly issued (less than 12 months) deals for which a default rate was set at zero). 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 for the first scenario & 500 bps for the second scenario, while a shock was cause in terms of stress (increase in CCC bucket combined with an increase in defaults) in order to generate a scenario in line a 1.5 and a 2 time "base case scenario" default rate. We also stress a decrease of the CPR from 20% to 10% to illustrate sensitivity to this simple assumption.

As at 31 January 2022

		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	25.3%	(19.9)%	(5.0)%	(28.2)%	(7.2)%	(4.3)%	(1.1)%
EUR CLO Equity	29.5%	(23.3)%	(6.9)%	(27.4)%	(8.1)%	(3.6)%	(1.1)%
USD CLO Debt	20.8%	(6.5)%	(1.4)%	(16.1)%	(3.3)%	(3.3)%	(0.7)%
EUR CLO Debt	9.3%	(18.7)%	(1.7)%	(23.4)%	(2.2)%	(12.7)%	(1.2)%
All CLO tranches	**84.9%**		**(15.0)%**		**(20.8)%**		**(4.1)%**

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

As at 31 July 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	27.1%	(23.2)%	(6.3)%	(27.9)%	(7.5)%	(4.3)%	(1.2)%
EUR CLO Equity	30.1%	(25.1)%	(7.6)%	(29.0)%	(8.7)%	(3.6)%	(1.1)%
USD CLO Debt	20.3%	(7.8)%	(1.6)%	(18.1)%	(3.7)%	(4.0)%	(0.8)%
EUR CLO Debt	2.2%	(14.9)%	(0.3)%	(22.1)%	(0.5)%	(6.3)%	(0.1)%
All CLO tranches	**79.7%**		**(15.8)%**		**(20.4)%**		**(3.2)%**

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).

Sensitivity of the CMV position should be inferred from US and European CLO Equity sensitivity analysis.

Synthetic Corporate Credit Bank Balance Sheet transactions
The investments within this asset class (representing 4.1% (31 July 2021: 5.4%) 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 0.4% increase or 1.9% decrease respectively in the average prices of these assets, thereby leading to a nil impact on NAV or 0.1% decrease respectively in the NAV (31 July 2021: decrease in historical default rate to 0.5x with a price impact of 7.1% with a 0.4% increase in the NAV; increase in default rate to 1.5x with a price impact of (7.7)% with a (0.4)% decrease in the NAV).

As at 31 January 2022

		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	4.1%	0.4%	0.0%	(1.9)%	(0.1)%

As at 31 July 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	5.4%	7.1%	0.4%	(7.7)%	(0.4)%

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”) (31 July 2021: 4.8%). Should the Portuguese HPI drop by 5%, the NAV of the Company would go down by 12bps (31 July 2021: 16bps). Should the HPI increase by 5%, the NAV of the Company would increase by 12bps (31 July 2021: 16bps).

Cash Corporate Credit Equity transactions
As at 31 January 2022, the Company held two investments in this asset class (Tennenbaum Opportunities Fund V and Crescent European Specialty Lending Fund, representing 1.2% and 0.6% of the NAV, respectively) (31 July 2021: Tennenbaum Opportunities Fund V and Crescent European Specialty Lending Fund, representing 1.1% and 1.0% 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 as well as change in enterprise value regarding any equity derived from any restructuring event.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)
Sensitivity analysis (continued)
***Cash Corporate Credit Equity* transactions (continued)**
Tennenbaum Opportunities Fund V has a short remaining life, given that the fund is due to mature during October 2022. More than 97.1% of its current portfolio comprises unlisted equities (the largest equity representing 45.4% 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 Tennenbaum Opportunities Fund V investment manager may be able to achieve for the underlying assets. As such, the value of this investment is principally dependent on revenue and EBITDA multiples applied to the equity assets. A decrease in revenue and EBITDA multiples would decrease 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 16.9% of its current portfolio (31 July 2021: 12.7%), a default of this investment with a 60% recovery rate (31 July 2021: 60%) would lead to a 4 basis points drop (31 July 2021: 4 basis point) in the Company's NAV.

ABS Residual positions
As at 31 January 2022, the Company held one investment in this asset class (Fintake European Leasing DAC, representing 1.1% of the NAV) (31 July 2021: representing 1.2% 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. A WAL extension of 6 months would result in a drop by 3bps (31 July 2021: 2bps). An opposite WAL reduction would have a symmetrical impact.

11. 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. 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 uses 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, Barclays 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 2022, there were five (31 July 2021: seven) forward foreign exchange positions, sixteen (31 July 2021: sixteen) foreign exchange option positions and nil (31 July 2021: one) interest rate derivative positions.

	31 January 2022 € (Unaudited)	**31 July 2021 € (Audited)**
Revaluation of foreign exchange forward and option positions:		
– Crédit Agricole – asset	103,350	67,667
– Crédit Agricole – (liability)	(2,635,072)	(926,152)
– Citibank – asset	142,790	207,797
– Citibank – (liability)	(53,360)	-
– Barclays – asset	98,320	-
– Barclays – (liability)	(879,841)	-
Net margin amount as at the period end:		
– Crédit Agricole	2,800,000	1,400,00
– Citibank	(30,000)	(190,000)
– Barclays	640,000	-
Net carrying value of foreign exchange derivative positions:	**186,187**	**559,312**
Unrealised (loss)/gain on interest rate derivative positions:		
– Goldman Sachs	-	(252,973)
Net margin amount as at the period end:		
– Goldman Sachs	-	1,173,064
Net carrying value of interest rate derivative positions	**-**	**920,091**
Derivatives at fair value through profit or loss - Asset	**3,784,460**	**2,848,528**
Derivatives at fair value through profit or loss - Liability	**(3,598,273)**	**(1,369,125)**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2022

12. TRADE AND OTHER RECEIVABLES

	31 January 2022 € (Unaudited)	31 July 2021 € (Audited)
Prepayments and other receivables	127,287	24,630
Interest receivable	170,709	1,376,611
Amounts due from brokers	31,966	1,066,841
	329,962	**2,468,082**

13. TRADE AND OTHER PAYABLES

	31 January 2022 € (Unaudited)	31 July 2021 € (Audited)
Investment Manager management fees	1,957,193	1,827,248
Investment Manager performance fees	12,053,341	10,899,550
Directors' fees (cash payable)	62,810	-
Directors' fees (shares payable)	26,918	26,576
Amounts due to brokers	-	1,940,000
Accrued expenses and other payables	694,491	190,621
	14,794,753	**14,883,995**

14. SHARE CAPITAL

	31 January 2022 Number of Shares (Unaudited)	31 July 2021 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 2021: 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 2020 (Audited)	**36,580,580**	**1**	**-**	**36,580,581**	**-**
Issued to Directors during the year	-	-	-	-	-
Balance at 31 July 2021 (Audited)	**36,580,580**	**1**	**-**	**36,580,581**	**-**
Issued to Directors during the period	-	-	-	-	-
Balance at 31 January 2022 (Unaudited)	**36,580,580**	**1**	**-**	**36,580,581**	**-**

14. SHARE CAPITAL (CONTINUED)
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 2022:

- 2 August 2021: 3,651 Ordinary Shares at an average price of €6.165 per share.
- 1 November 2021: 4,144 Ordinary Shares at an average price of €6.38 per share.

Ordinary Shares purchased on the secondary market during the year ended 31 July 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.
- 3 February 2021: 3,710 Ordinary Shares at an average price of €5.88 per share.
- 7 May 2021: 3,495 Ordinary Shares at an average price of €6.06 per share.

As at 31 January 2022 and 31 July 2021, the Company held no treasury shares. Please refer to page 9 for information on Director holdings in the Company's Ordinary Shares.

15. SHARE PREMIUM

	Ordinary Shares €	Class B share €	Class C shares €	Total €
Balance at 31 July 2020 (Audited)	**35,808,120**	**-**	**-**	**35,808,120**
Issued to Directors during the year	-	-	-	-
Balance at 31 July 2021 (Audited)	**35,808,120**	**-**	**-**	**35,808,120**
Issued to Directors during the period	-	-	-	-
Balance at 31 January 2022 (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 16).

16. RESERVES

	Other distributable reserves €	Accumulated gain €
At 31 July 2020 (Audited)	**59,253,288**	**113,134,922**
Total comprehensive loss for the year	-	76,777,895
Net settlement of Director fees share based payments	22,442	-
Dividends paid in cash	(18,664,547)	-
At 31 July 2021 (Audited)	**40,611,183**	**189,912,817**
Total comprehensive income for the period	-	14,671,327
Net settlement of Director fees share based payments	7,550	-
Dividends paid in cash	(10,615,195)	-
At 31 January 2022 (Unaudited)	**30,003,538**	**204,584,144**

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.

17. 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.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)
Capital risk management (Continued)

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 2021.

18. RELATED PARTIES
Transactions with Directors

For disclosure of Directors' remuneration, please see note 6. As at the six month period ended 31 January 2022, Directors' fees to be paid in cash of €62,810 (31 July 2021: €nil) had been accrued but not paid. Directors' fees to be paid in shares of €26,918 (31 July 2021: €26,576) had been accrued, but not paid and Directors' expenses of €nil (31 July 2021: €nil) had been accrued but not paid.

As at 31 January 2022, the Directors of the Company owned 0.31% (31 July 2021: 0.86%) of the voting shares of the Company.

Transactions with the Investment Manager

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 2022, the investment management fees earned were €1,957,193 (six month period ended 31 January 2021: €1,485,500). Investment management fees accrued but unpaid as at 31 January 2022 were €1,957,193 (31 July 2021: €1,822,883).

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.

During the six month period ended 31 January 2022, the performance fees earned were €1,153,791 (six month period ended 31 January 2021: €5,122,745). Performance fees accrued but unpaid as at 31 January 2022 were €12,053,341 (31 July 2021: €10,899,550)

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 4.7% of NAV as at 31 January 2022: 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 2021: 4.8% 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 and Bank Deleveraging Opportunity Fund).

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, Adagio VII CLO DAC Subordinated Notes and Adagio VIII 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 2021: 30.23%) of the voting shares in the Company as at 31 January 2022 and 30.23% as at the date of approval of this report.

19. COMMITMENTS

As at 31 January 2022, the Company had the following uncalled commitments outstanding:

a. Crescent European Specialty Lending Fund (a Cash Corporate Credit Equity transaction exposed to sub-investment grade corporate credits) – €2,055,618 (31 July 2021: €2,219,381) remaining commitment from an original commitment of €7,500,000; and

b. Banjo CLO I Warehouse – €6,915,000 (31 July 2021: n/a) remaining commitment from an original commitment of €8,100,000.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events for the Company from 1 February 2022 to 6 April 2022, the date the condensed financial statements were available to be issued. The war in Ukraine has introduced additional geopolitical and macro-economic uncertainty. At this stage it is not possible, to determine with certainty, how this may impact the Company but defaults are likely to be higher than would otherwise have occurred. No other particular event has materially affected the Company. However, the following points are pertinent:

On 16 March 2022, the Company declared a quarterly interim dividend of €0.15 per share amounting to approximately €5.49 million. The ex-dividend date was 24 March 2022 with a record date of 25 March 2022 and a payment date on 28 April 2022.

BOARD OF DIRECTORS
FOR THE PERIOD ENDED 31 JANUARY 2022

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. Dagmar Kent Kershaw
Independent Director – appointed 30 June 2021
Ms Kent Kershaw has over 25 years' experience in financial markets, leading and developing fund management and alternative debt businesses. She headed Prudential M&G's debt private placement activities, and launched its Structured Credit business in 1998, which she led for ten years. In 2008, she joined Intermediate Capital Group to head its European and Australian credit business including institutional funds, CLOs, direct lending and hedge funds. Since 2017, she has held non-executive positions and is currently a director of Brooks Macdonald plc and Aberdeen Smaller Companies Income Trust Plc, and a Senior Advisor to Strategic Value Partners. Ms Kent Kershaw holds a BA in Economics and Economic History from York University.

03. Stephen Le Page
Independent Director - appointed 16 October 2014
Mr Le Page has served as a non-executive director on a number of boards since his retirement from his role as Senior Partner (equivalent to Executive Chairman) of PwC in the Channel Islands in 2013. Throughout his thirty year career with that firm he worked with many different types of financial organisation as both auditor and advisor, particularly with both listed and unlisted investment companies. He is currently the Audit Committee Chair of five London listed funds. 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.

04. Paul Meader
Chairman and Independent Director - appointed 15 May 2014
Mr Meader is an independent director of investment companies, insurers and investment funds. Until 2012 he was Head of Portfolio Management for Canaccord Genuity, based in Guernsey, prior to which he was Chief Executive of Corazon Capital. He has over 35 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 GFSC and past Chairman of the Guernsey International Business Association. He is a graduate of Hertford College, Oxford.

COMPANY INFORMATION

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

Registered office
BNP Paribas House
St Julian's Avenue St Peter Port Guernsey
GY1 1WA
Channel Islands

Website: www.voltafinance.com

Investment Manager
AXA Investment Managers Paris S.A.
Tour Majunga La Défense 6 Place de la Pyramide
92800 Puteaux
France

Administrator and Company Secretary
BNP Paribas Securities Services S.C.A., Guernsey Branch[1]
BNP Paribas House
St Julian's Avenue St Peter Port Guernsey
GY1 1WA
Channel Islands

Corporate Broker and Corporate Finance Advisor
Cenkos Securities plc
6.7.8 Tokenhouse Yard London EC2R 7AS
United Kingdom

Depositary
BNP Paribas Securities Services S.C.A., Guernsey Branch[1]
BNP Paribas House
St Julian's Avenue St Peter Port Guernsey
GY1 1WA
Channel Islands

Independent Auditor
KPMG Channel Islands Limited
Glategny Court Glategny Esplanade St Peter Port
Guernsey GY1 1WR
Channel Islands

Legal advisors as to English Law *Herbert Smith Freehills LLP*
Exchange House
Primrose Street London EC2A 2EG
United Kingdom

Listing agent (Euronext Amsterdam)
ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam The Netherlands

Legal advisors as to Dutch Law *De Brauw Blackstone Westbroek N.V.*
Claude Debussylaan 80
PO Box 75084
1070 AB Amsterdam The Netherlands

Registrar
Computershare Investor Services (Guernsey) Limited
C/o Queensway House Hilgrove Street
St Helier
Jersey JE1 1ES Channel Islands

Legal advisors as to Guernsey Law
Mourant Ozannes
Royal Chambers
St Julian's Avenue
St Peter Port Guernsey GY1 4HP
Channel Islands

[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

ALTERNATIVE PERFORMANCE MEASURES DISCLOSURES
FOR THE PERIOD ENDED 31 JANUARY 2022

Alternative performance measures disclosure
In accordance with ESMA Guidelines on APMs the Board has considered what APMs are included in the Half-yearly 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 follow:

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 2021 to 31 January 2022.

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 2021 to 31 January 2022 €	**1 August 2020 to 31 January 2021 €**
Opening NAV per share as disclosed in the SOFP	7.2807	5.6914
Closing NAV per share as disclosed in the SOFP	7.3918	6.9270
	0.1111	1.2356
Capital return per share (%)	**1.5%**	**21.7%**
Dividends paid during the year as disclosed above	0.2900	0.2300
Impact of dividend re-investment (%)	**4.1%**	**4.4%**
NAV total return per share	0.4011	1.4656
NAV total return per share (%)	**5.6%**	**26.1%**

Share Price total return
Share price total return is calculated as the movement in the share price plus the total dividends paid per share during the period end, 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 2021 to 31 January 2022 €	**1 August 2020 to 31 January 2021 €**
Opening share price per Euronext	6.02	4.38
Closing share price per Euronext	6.20	5.64
	0.18	1.26
Share price movement (%)	**3.0%**	**28.8%**
Dividends paid during the year as disclosed above	0.29	0.23
Impact of dividend re-investment (%)	**4.8%**	**6.6%**
Share Price total return	0.47	1.49
Share Price total return (%)	**7.8%**	**35.4%**

Annualised ongoing charges
The annualised ongoing charges ratio for the period ended 31 January 2022 was 1.9% (Year ended 31 July 2021:1.8%). The AIC's methodology for calculating an ongoing charges figure is based on annualised ongoing charges of €5,058,416 (31 July 2021: €4,390,240) divided by average NAV in the period of €267,379,858 (31 July 2020: €246,625,779).

Calculating ongoing charges
The ongoing charges are based on actual costs incurred in the year excluding any non-recurring fees in accordance with the AIC methodology. Expense items have been excluded in the calculation of the ongoing charges figure when they are not deemed to meet the following AIC definition:

"Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs."

Please refer below for annualised ongoing charges reconciliation for the six month period ended 31 January 2022 and year ended 31 July 2021:

	31 January 2022 €	**31 July 2021 €**
Expenses included in the calculation of annualised ongoing charges figures, in accordance with AIC's methodology:		
Management fees	(3,914,385)	(3,308,384)
Legal and professional fees	(257,488)	(251,453)
Administration fees	(644,128)	(615,916)
Sundry expenses	(242,415)	(214,487)
Total annualised ongoing charges for the year	**(5,058,416)**	**(4,390,240)**

Calculating an average NAV
The AIC's methodology for calculating average NAV for the purposes of the ongoing charges figure is to use the average of NAV at each NAV calculation date. On this basis the average NAV figure has been calculated using the monthly published NAVs over the six month period ended 31 January 2022 and year ended 31 July 2021.

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 2022 under standard AXA IM assumptions. As at 31 January 2022 the IRR is 12.4% (31 July 2021: 12.7%).

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.

Dividend yield
Dividend yield is calculated by annualising the last dividend paid during the six month period ended 31 January 2022 and 31 July 2021, divided by the share price as at 31 January 2022 and 31 July 2021 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 2022
Last Dividends declared and paid for the period ended 31 January 2022	0.15
Annualised Dividend for the 12 month period ended 31 January 2022	0.60
Share price as at 31 January 2022	6.20
Dividend Yield	9.7%

	31 July 2021
Last Dividends declared and paid for the year ended 31 July 2021	0.14
Annualised Dividend for the year ended 31 July 2021	0.56
Share price as at 31 July 2021	6.02
Dividend Yield	9.3%

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 2022, the Company's Ordinary Shares traded at €6.20 on the Euronext Amsterdam (31 July 2021: €6.02). The Ordinary Shares traded at a discount of 16.1% (31 July 2021: discount of 17.3%) to the NAV per Ordinary Share of €7.3918 (31 July 2021: €7.2807).

1 - Source: Bloomberg

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.
AFM	the Netherlands Authority for the Financial Markets (the “Autoriteit Financiële Markten” or “AFM”), being the financial markets supervisor in the Netherlands.
AIFM	Alternative Investment Fund Manager, appointed in accordance with the AIFMD.
AIFMD	the Alternative Investment Fund Managers Directive.
APM	Alternative performance measure. We assess our performance using a variety of measures that are not specifically defined under IFRS as adopted by the EU and are therefore termed alternative performance measures. The APMs that we use may not be directly comparable with those used by other companies. The APMs disclosed in the Half-yearly Financial Report and Annual Report and Audited Financial Statements reflect those measures used by management to measure performance. These APMs provide readers with important additional information and will enable comparability of performance in future periods.
Articles	the Articles of Incorporation of the Company.
AXA IM, Investment Manager or Manager	AXA Investment Managers Paris S.A.
BBS	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.
BNP Paribas	BNP Paribas Securities Services S.C.A. Guernsey Branch.
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.
Cenkos, Corporate Broker or Broker	Cenkos Securities plc.
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 2022 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	Last quarter dividend paid during the six month period ended 31 January 2022 annualised, divided by the share price as at 31 January 2022.
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.
EU PRIIPs rules	The European Union rules in relation to packaged retail and insurance- based investment products.
Financial period	The period from 1 August 2021 to 31 January 2022.
Financial year or FY	The period from 1 August 2020 to 31 July 2021.
GAV	Gross Asset Value includes: all of the assets in the Company’s portfolio revalued to the month-end fair value, as adjusted for any amounts due to/from brokers/counterparties; all of the Company’s cash; all open derivative positions revalued to the month-end fair value, net of any margin amounts paid or received.
GFC	Global Financial Crisis 2008.
GFSC	Guernsey Financial Services Commission.

GLOSSARY (CONTINUED)

Half-yearly periods	The period from 1 August 2021 to 31 January 2022 and/or the period from 1 February 2021 to 31 July 2021.
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.
NAV	Net asset value.
NAV Total Return - APM	NAV total return per share as at period end 31 January 2022 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 2022 under standard market assumptions.
Prospectus	Final prospectus dated 4 December 2006.
Refi	Consist in refinancing part or all of the debt tranches of a CLO while operating very modest changes in the CLO documentation.
REO	Real Estate Owned.
Repo	Repurchase agreement entered into with Société Générale.
Reset	Consist in calling all the debt tranches of a CLO, re-marketing a full new debt package, with new CLO documentation, almost as if it is a new CLO.
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.