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VOLTA FINANCE LIMITED - NET ASSET VALUE(S) AS AT 31 AUGUST 2024

VOLTA FINANCE LIMITED

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Volta Finance Limited (VTA / VTAS) – August 2024 monthly report

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Guernsey, September 18th, 2024

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for August 2024. The full report is attached to this release and will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

Dear investors,

Volta Finance recorded a net performance of +0.1% in August bringing the year-to-date return at +10.9%. This needs to be compared with broader Credit markets: US and Euro High Yield indices returned respectively +6.3% and 5.6% since January 1st, 2024.

August turned out to be quite the volatile month as global markets were impacted early on by rates hikes in Japan as well as July US Non-farm payrolls data, which came in far below expectations. Slower job growth coupled with rising unemployment at 4.3% - the highest reading since October 2021 - triggered a spurt in volatility as growth outlooks were back on focus. Sentiment improved when US job creation reports showed positive dynamics and wage growth; this paved the way for more confidence into the soft landing rhetoric and eased the markets’ nervousness. The FED also suggested potential rate cuts if necessary, providing further relief.

Credit markets reacted strongly to these macroeconomic concerns with High Yield indices moving up and down through the month. Similarly, the US CDX High-Yield experienced levels moving from +330bps to +382bps then +322bps at the end of the month. On the Loan side, Euro Loans closed slightly weaker, 10 cents down at 97.85% vs. July (Morningstar European Leveraged Loan Index), while their US counterparts were up at 96.75%.

No time off for Primary CLOs, circa USD 47bn of issuance in the US and EUR 4bn in Europe were recorded. IG spreads moved sideways with AAAs pricing +130bps context while non-Investment Grade BB-rated tranches were wider in the +[600-650]bps context in Europe and +[575-625]bps in the US. In terms of performance, we noted that CLO markets continued to outperform broader Credits on a year-to-date basis: US BBBs total returns reached +7.98% and BBs total returns +12.49%.

In terms of fundamentals both US and European default rates reduced in August vs. July, reaching 0.78% for both jurisdictions (excluding liability management exercises). In terms of tail risk, the proportion of CCC-rated

Loans within CLO collateral portfolios was slightly lower at 5.6% in US CLOs and 3.6% in Europe.

Although the CLO Equity investments provided the fund with a steady cashflow distribution, the low mezzanine tranches of CLO debt widened in sympathy with broader Credit markets but failed to recover fully by month end, mainly due to an oversupply of new issuances compared to actual demand, especially in the context of summer holidays. As a result, the cashflow generation over the last 6 months remained strong at €29.9m equivalent of interests and coupons, representing c.23% of the month's NAV on an annualized basis.

In terms of activity, Volta Finance purchased €0.8m of Euro Equity in the Secondary market and a \$4.7m US Equity top-up in the context of the Reset of an existing position in the portfolio. Debt-wise, Volta purchased \$1.5m of BBB and \$3.8m of BB-rated risk from the Primary markets.

Volta's underlying sub asset classes monthly performances** were as follow: +1.1% for Bank Balance Sheet transactions, +1.8% for CLO Equity tranches, +0.5% for CLO Debt tranches and 0.0% for Cash Corporate Credit & ABS***, cash representing c.5% of NAV. The fund being c.25% exposed to USD, the depreciation of USD vs EUR had a negative impact of -0.6% on the overall performance.

As of end of August 2024, Volta's NAV was €261.2m, i.e. €7.14 per share.

**It should be noted that approximately 4.62% of Volta's GAV comprises investments for which the relevant NAVs as at the month-end date are normally available only after Volta's NAV has already been published. Volta's policy is to publish its NAV on as timely a basis as possible to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments are valued using the most recently available NAV for each fund or quoted price for such subordinated notes. The most recently available fund NAV or quoted price was 4.62% as at 31 July 2024.*

*** "performances" of asset classes are calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at period ends, payments received from the assets over the period, and ignoring changes in cross-currency rates. Nevertheless, some residual currency effects could impact the aggregate value of the portfolio when aggregating each bucket.*

**** The cash Corporate Credit and ABS bucket is currently made of 3 legacy assets representing 0.7% of GAV.*

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ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) and listed on Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the AFM, being the regulator for financial markets in the Netherlands.

Volta's Investment objectives 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. The Company 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. The Company has appointed AXA Investment Managers Paris an investment management company with a division specialised in structured credit, for the investment management of all its assets.

ABOUT AXA INVESTMENT MANAGERS

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with 2,700 professionals and €844 billion in assets under management as of the end of December 2023.

This press release is published by AXA Investment Managers Paris ("AXA IM"), in its capacity as alternative investment fund manager (within the meaning of Directive 2011/61/EU, the "AIFM Directive") of Volta Finance Limited (the "Volta Finance") whose portfolio is managed by AXA IM.

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This press release contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "anticipated", "expects", "intends", "is/are expected", "may", "will" or "should". They include the statements regarding the level of the dividend, the current market context and its impact on the long-term return of Volta Finance's investments. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. Volta Finance's actual results, portfolio composition and performance may differ materially from the impression created by the forward-looking statements. AXA IM does not undertake any obligation to publicly update or revise forward-looking statements.

Any target information is based on certain assumptions as to future events which may not prove to be realised. Due to the uncertainty surrounding these future events, the targets are not intended to be and should not be regarded as profits or earnings or any other type of forecasts. There can be no assurance that any of these targets will be achieved. In addition, no assurance can be given that the investment objective will be achieved.

The figures provided that relate to past months or years and past performance cannot be relied on as a guide to future performance or construed as a reliable indicator as to future performance. Throughout

this review, the citation of specific trades or strategies is intended to illustrate some of the investment methodologies and philosophies of Volta Finance, as implemented by AXA IM. The historical success or AXA IM's belief in the future success, of any of these trades or strategies is not indicative of, and has no bearing on, future results.

The valuation of financial assets can vary significantly from the prices that the AXA IM could obtain if it sought to liquidate the positions on behalf of the Volta Finance due to market conditions and general economic environment. Such valuations do not constitute a fairness or similar opinion and should not be regarded as such.

Editor: AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6, Place de la Pyramide - 92800 Puteaux. AXA IMP is authorized by the *Autorité des Marchés Financiers* under registration number GP92008 as an alternative investment fund manager within the meaning of the AIFM Directive.

Attachment

- [Volta - Monthly report- August 2024](#)

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