

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

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Guernsey, July 17th, 2024

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for June 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,

In June, Volta Finance had another positive month with a net performance of +0.28%, bringing the year-to-date return at +9.8%. This performance is to be put in perspective with broader Credit markets, especially US High Yield which returned +2.62% year-to-date and European High Yield which returned +3.13%.

However, June was quite volatile with market nervousness around the politic calendar given the French snap elections taking place as well as the looming UK general elections. The first round of the French elections calmed the markets as the far-right party did not gain a parliament majority, reducing *de facto* the probability of a Frexit-type of scenario. European equity markets rallied and the OAT-Bund spreads narrowed to their tightest levels on the month.

In terms of market performance, both High Yield Credit indices CDX (US) and Xover (Europe) widened by 20bps to 25bps+, thus erasing the gains made in May. Loan markets were also softer, European loans lost c. half a point while its US counterpart lost 35 cents. Despite this volatility, the Primary CLO markets continued to show strong momentum with significant issuance in the US and Europe. Spreads tightened across the capital structure although non-Investment Grade tranches were trading slightly wider in Secondary on a month-to-date basis.

Economically, weaker US data - US payroll growth slowing down, jobless rate up to 4.1% - raised hopes for additional Fed rate cuts in 2024. US government bonds yields declined while US equity markets reached record highs by the end of the month.

Loan fundamentals in both Europe and the US remained strong with default rates sub 1.5% in both regions and less than 10% of both loan markets trading at a price below 90.00% of par. Meanwhile, loan refinancings continued to gain momentum while recoveries finally trended back up towards \$60.00.

Volta Finance’s investment portfolio was hit by the volatility , particularly in its US CLO Equity pocket, as lower loan valuations drove the prices of some amortizing CLO Equities down. All the other investment pockets were positive though, with CLO debts generating a steady stream of income. In terms of activity, in addition to funding of capital calls on the CLO warehouses, Volta Finance was a net buyer of BB and single-B risk purchasing respectively EUR 1.5mm and EUR 7.5mm of bonds (note that EUR 2.9mm of single-B risk paid par back). Objective was to reduce the overall cash balance of the fund and deploy into the CLO Primary debt tranches. The cashflow generation over the last 6

months remained strong at €28.3m equivalent of interests and coupons, representing c.21% of the month's NAV on an annualized basis.

Volta's underlying sub asset classes monthly performances** were as follow: +1.0% for Bank Balance Sheet transactions, -0.45% for CLO Equity tranches, +1.35% for CLO Debt tranches and +0.1% for Cash Corporate Credit & ABS***, cash representing c.4% of NAV.

As of end of June 2024, Volta's NAV was €263.9m, i.e. €7.21 per share.

**It should be noted that approximately 0.48% 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 0.25% as at 30 April 2024, 0.23% as at 31 March 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 0.8% 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.

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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.

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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.

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