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VOLTA FINANCE LIMITED NET ASSET VALUE AS AT 31 MAY 2024

VOLTA FINANCE LIMITED

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

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Guernsey, June 17th, 2024

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

May was a strong month for Volta Finance, with a net performance of 1.7% and year-to-date return close to +9.5%. In comparison, US High Yield returned +1.63% year-to-date while European High Yield returned +2.57%.

Despite volatile markets, credit markets performed well in May. The momentum was fueled – in Europe - by anticipation of imminent rate cuts from the European Central Bank, which were eventually implemented early June. Both High Yield Credit indices CDX (for the US) and Xover (for Europe) tightened by 20bps+ on the month while US 10-year treasuries decreased from 4.68% to 4.50%. Leveraged Loan markets also showed strength as Euro Loans gained one point to 98.15px while the US index closed 30 cents up at 96.94px.

Primary CLO markets remained extremely active, with significant issuance in both markets: there was circa USD 47bn of supply in the US (BSL + MML) and EUR 8.5bn in Europe. Spreads tightened across the capital structure with AAAs moving 5bps tighter to +140bps ; Non-Investment Grade assets also gained momentum as Tier One CLO managers managed to place their BB-rated tranches well inside +600bps in the US.

Fundamentals in both underlying loan markets continued to display no sign of weakness, notably with default rates down to 1.08% in the US and 1.48% in Europe. At the same time, the pick-up in loan refinancings has been increasing the speed of prepayments in amortizing CLOs and fueling CLO refinancing and reset activity.

Volta Finance’s investment portfolio benefited from this search for yield, with mark-to-market valuations for CLO debt tranches increasing and CLO Equity investments returning over 3% on the month due to a combination of both higher valuation and strong payments. Through the month, Volta engaged in various transactions, including swapping from an amortizing US CLO debt tranche into a longer profile one, adding to an existing CLO Equity (€0.1m) and funding €1.6m of a European CLO warehouse. The cashflow generation

over the last 6 months remained strong at c. €28.4mm equivalent of interests and coupons on an annualized basis, representing 22% of this month's NAV.

Volta's underlying sub asset classes monthly performances** were as follow: +1.4% for Bank Balance Sheet transactions, +3.2% for CLO Equity tranches, +2.4% for CLO Debt tranches and -1.3% for Cash Corporate Credit & ABS***, cash representing c.8% of NAV.

As of end of May 2024, Volta's NAV was €262.9m, i.e. €7.19 per share.

**It should be noted that approximately 0.49% 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 0.26% 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.

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 2,600 professionals and €824 billion in assets under management as of the end of June 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.

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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.

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.

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Attachment

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

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