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

VOLTA FINANCE LIMITED

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

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Guernsey, August 19th, 2024

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for July 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 continued to perform with a net performance of +0.9% in July (including a dividend payment of 14.5 cents per share), bringing the year-to-date return at +10.8% and the Financial Year performance at 19.7% (July 2023 to July 2024). This is to be put in perspective with broader Credit markets, especially since both US and Euro High Yield returned circa +4.50% since January 1st, 2024.

After a turbulent June, the financial markets regained some strength due to positive results from the French snap elections and various US political news about the upcoming presidential race. The PMI (Purchasing Managers' Index) readings, especially in Europe, suggested that the European Central Bank might cut interest rates, and a similar process might start in the US in September. Regarding company earnings, early data indicated a slowdown in sales and revenues in the US, possibly leading to an Equity market correction. The interest rates fluctuated, with US 10-year treasuries settling just below 4.1% at the end of the month. During the month, High Yield indices tightened from +319bps (end-of-June) to +294bps in Europe (Xover) and from +345bps to +331bps in the US. Loan markets were also stronger with Morningstar European Leveraged Loan Index moving from 97.60px to 98.95px, while its US counterpart was unchanged at c. 96.60px.

In that context, CLO markets remained busy with elevated issuance numbers both in the US (circa USD 40bn) and in Europe (circa EUR 10bn) despite the usual July seasonality. Spreads moved sideways across the capital structure with AAAs in the +125bps context and BBs around +550bps for top tier US issuers, consequently providing clarity in terms of Equity arbitrage and take-out. Loan collateral portfolios do not show much deviation from the expected path in terms of fundamentals as US default rates read at 0.79% and European ones at 0.92%. Recovery rates were trending back up in June and continued on this path in July at c. 61%, while the proportion of CCC-rated Loans within CLO collateral portfolios was roughly unchanged (5.8% in US CLOs and 3.9% in European CLOs).

Volta Finance's investment portfolio performed in line with expectations thanks to a steady cashflow generation from both its Debt and Equity investments. While CLO debt instruments benefited from an elevated carry (+1.4% performance), European CLO Equity tranches returned over 3% notably benefitting from the strong first distribution of a position the fund was involved with since the warehouse phase. In the US, the performance of the CLO Equity pocket was more mixed with valuations down amid a slight overall decrease in payouts across the market.

Consequently, the cashflow generation over the last 6 months remained strong at €29.4m equivalent of interests and coupons, representing c.22.5% of the month's NAV on an annualized basis.

In terms of activity, Volta Finance purchased a EUR 1.6mm single-B rated tranche from the Primary market as well as EUR 7.6mm of a European CLO Equity tranche.

Volta's underlying sub asset classes monthly performances** were as follow: +0.8% for Bank Balance Sheet transactions, +1.2% for CLO Equity tranches, +1.4% for CLO Debt tranches and -1.3% for Cash Corporate Credit & ABS***, cash representing c.6% of NAV.

As of end of July 2024, Volta's NAV was €260.9m, i.e. €7.13 per share.

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

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Attachment

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

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