Volta Finance Limited (VTA / VTAS) – May 2021 monthly report

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Guernsey, 9 June 2021

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

PERFORMANCE and PORTFOLIO ACTIVITY

Volta has continued to perform well in May with +0.4%, reaching a total return of 8.9% for the first five months of 2021.

This time around, the performance was driven almost evenly by the good performance from CLO equity, CLO debt tranches, and Bank Balance sheet transactions. This month, the USD depreciation cost 0.7% of the monthly performance.

The monthly asset class performances** were: +1.4% for Bank Balance Sheet transactions, +1.6% for CLO equity tranches; +1.2% for CLO debt; -2.6% for Cash Corporate Credit and ABS (together representing 3.1% of GAV).

In terms of fundamentals, trailing-12-month default rates continued to decline in May, reaching post-Covid new lows with 1.7% default rate both for US loans and European loans. We were expecting default rates to converge between the US (where the impact of the Covid was more important) and Europe thanks to a faster economic recovery in the US at some point in time in 2021. It came sooner than expected and toward a lower default rate (our view was to expect a convergence in the area of 2/2.5%).

This relatively low default rate is manageable for CLOs and the improving situation should be favourable to the Company. It gives some ground to our strategy to reinforce our CLO Equity bucket in the recent years.

In terms of cash flows, May is structurally a weak month for Volta. Interests and coupons received during the month totaled the equivalent of €1.7m. On a 6-month rolling basis, Volta received the equivalent of €20.7m at the end of May, representing a 15.9% annualised cash flow yield, based on the end May NAV. We still expect overall cash flows to continue to increase in the coming months/quarters.

In May, Volta transformed a USD CLO warehouse into a new CLO and one existing USD CLO tranche was reset. All together the equivalent of €2.3m was allocated to these deals. On average, under market standard assumptions, the projected IRR of these add-ons was in the area of 13%.

As at the end of May 2021, Volta's NAV was €260.6m or €7.12 per share.

The month-end cash position was €14.5m.

**It should be noted that approximately 9.5% 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 8.5% as at 30 April 2021 and 1.0% as at 31 March 2021.*

*** "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.*

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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 capital across the credit cycle and to provide a stable stream of income to its shareholders through dividends. Volta seeks to attain its investment objectives predominantly through diversified investments in structured finance assets. 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; and, automobile loans. The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such underlying assets. 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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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 679 investment professionals and €858 billion in assets under management as of the end of December 2020.

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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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