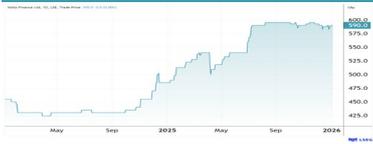


Closed End Investments


Source: LSEG, 2026

Market data

EPIC/TKR	VTA.NA, VTA.LN, VTAS LN
Price (€)	666/6.65/590p
12m high (€)	7.02/7.06/614p
12m low (€)	5.15/5.00/416p
NAV p/sh (Nov'25, €)	7.21
Disc. to NAV (%)	-8
Shares (m)	36.6
Mkt cap (€m)	244
FY'25 div. yield (%)	9.2
Market (NL, UK)	AEX, LSE, LSE
Free float	70%
Currency	€, €, GBP

Description

Volta Finance (Volta) is a closed-ended, limited liability investment company with a diversified investment strategy across structured finance assets (primarily CLOs). It aims to provide a stable stream of income through quarterly dividends.

Company information

Ind. Chair	Dagmar Kent Kershaw
Ind. NEDs	Simon Holden, Yedau Ogundele Joanne Peacegood
Fund Managers	BNP Paribas AM Europe
Co. Sec./ Administrator	BNP Paribas Securities Services SCA, Guernsey Branch
	BNP: +44 (0)1481 750853 www.voltafinance.com

Key shareholders (31 July 2025)

AXA SA Bank	21.75%
BNP Paribas	15.71%
AXA Framlington IM	8.23%
BNP Wealth Mgt.	5.97%

Diary

Mid-Jan	Dec estimated NAV
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Analyst

 Mark Thomas mt@hardmanandco.com

VOLTA FINANCE LIMITED

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In multiple notes, we have recommended that investors “follow the cash” and we continue to do so. In its *latest factsheet*, Volta reported the fund generated annualised cash equivalent to about 20% of November’s NAV on an annualized basis, broadly in line with the level seen for over two years. In 2026, we expect it to moderate slightly but still to exceed more than 2x the 8% of NAV annualised dividend cost. The macroeconomic and interest rate environments are uncertain, but any increase in defaults/credit losses is expected to be very manageable. The manager continues to actively target specific niches for new investments. We expect continued short-term NAV volatility reflecting broader sentiment, not company-specific issues.

- ▶ **Portfolio diversification:** Volta’s total returns have no correlation with benchmark bond indices. Over the long term, it has outperformed UK and European markets; and, by providing investors with more stable dividend income, and less volatile capital gains, it also provides diversification.
- ▶ **Yield:** Volta’s ca.9% yield comes from a clearly stated dividend policy (paying quarterly an equivalent to 8% of NAV). Current cash generation is over 2x the dividend payout, which provides a good cushion for the dividend sustainability. It also means that there should be a growing dividend as the NAV grows.
- ▶ **Valuation:** Volta trades at a double discount: its share price is at an 8% discount to NAV, and we believe its mark-to-market approach includes a sentiment-driven discount to the expected cashflows. Volta’s yield is a key attraction, and, in our view, it is likely to be more than 2x covered, giving investors considerable comfort.
- ▶ **Risks:** Credit risk is a key sensitivity. We examined the valuation of assets, highlighting the multiple controls to ensure its validity, in our September 2018 *initiation note*. The NAV is exposed to sentiment towards its own and underlying markets. Volta’s long \$ position is only partially hedged.
- ▶ **Investment summary:** Volta is an investment for sophisticated investors, as both the NAV and the discount to NAV may be volatile over time. We note that, historically, some competitors to Volta had a more stable NAV valuation due to a different asset valuation approach. Fundamental, long-term share returns are robust: 9.4% p.a. (dividend reinvested basis) since inception to end-Nov 2025. Volta’s performance relative to that of its peers has been strong, and returns for investments made after the financial crisis were double those in prior years.

Financial summary and valuation (Hardman & Co adjusted basis)

Year-end Jul (€m)	2022	2023	2024	2025	2026E	2027E
Coupons & dividend	42.9	47.0	57.1	56.9	49.1	43.6
Operating income	41.6	44.1	51.5	29.4	42.7	37.2
Inv. manager fees	(3.9)	(5.6)	(10.1)	(7.5)	(7.4)	(6.3)
Expenses	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Total comp. income	33.4	35.2	41.0	23.5	34.2	29.9
Statutory PTP	(17.8)	27.0	45.0	35.4	35.1	30.7
Underlying EPS (€)	0.9	1.0	1.1	0.6	0.9	0.8
NAV per share (€)	6.22	6.45	7.13	7.49	7.83	8.02
S/P prem./disc (-) to NAV*	-16%	-21%	-27%	-9%	-15%	-17%
Gearing	0%	0%	0%	0%	0%	0%
Dividend (€)	0.57	0.51	0.55	0.61	0.63	0.64
Dividend yield	8.6%	7.6%	8.3%	9.2%	9.5%	9.7%

*2022-25 actual NAV and share price, 2026-27 forecast NAV to current share price.

Source: Hardman & Co Research