VOLTA FINANCE LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

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VOLTA AT A GLANCE

The investment objectives of Volta are to seek 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. Volta currently seeks to achieve its investment objectives by pursuing exposure predominantly to CLOs and similar asset classes. Volta measures and reports its performance in Euro.

Key Performance Indicators

SHAREHOLDER OVERVIEW

Share Price
EUR 5.20
(2023: EUR 5.08)

Dividend Yield[1]
11.2%
(2023: 10.2%)

Share Price Total Return[1,3]
13.6% (2023: 7.4%)

Discount to NAV[1]
-27.1%
(2023: -21.3%)

PORTFOLIO OVERVIEW

Net Asset Value (NAV)
EUR 260.9m
(2023: EUR 236.0m)

% of CLOs:
98.5%
(2023: 92.1%)

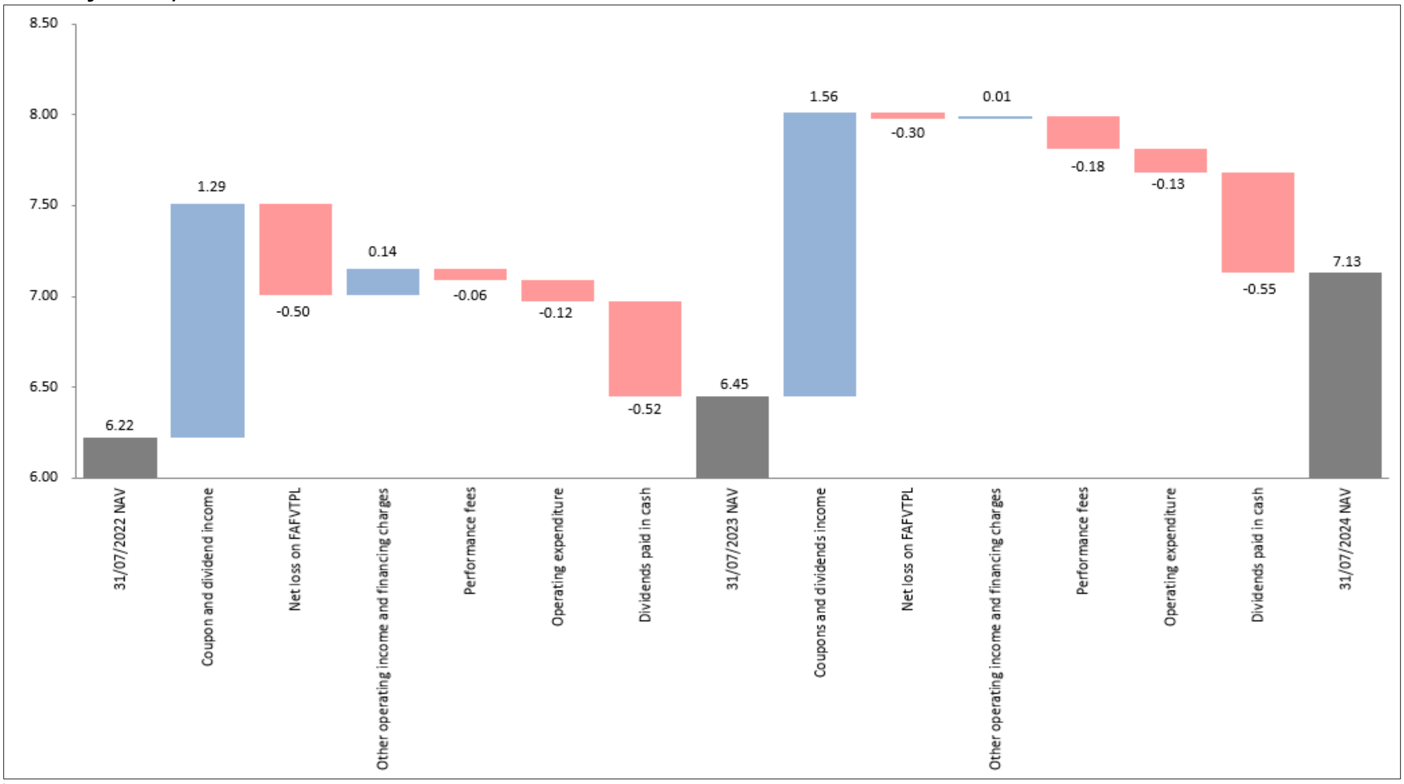
CLO Positions:
94
(2023: 79)

NAV Total Return[1]
19.7%
(2023: 12.7%)

Projected Portfolio Yield[1,4]
12.7% (2023: 21.8%)

CLO Managers:
40 (2023: 34)

NAV performance analysis for the years ended 31 July 2024 and 31 July 2023 – contributions to NAV change (Euro per Ordinary share)



[1] Refer to the glossary on pages 82 and 83 for an explanation of the terms used above and elsewhere within this report. The calculation methodology of each APM has been disclosed on pages 75 to 76.
[2] Discount to NAV represents the discount between the share price and the NAV per Ordinary share
[3] Source: Bloomberg
[4] Refer to the 'forward-looking statements' on page 78.

CHAIR'S STATEMENT

Dear Shareholders

I am pleased to report on another positive year for Volta, with portfolio performance and cashflow remaining strong and an uplift in the share price and portfolio NAV.

Volta generates its income, and pays dividends, from a portfolio of predominantly CLO investments which are managed by AXA Investment Managers. Our portfolio managers at AXA IM have the ability to invest in the US and European markets across the entire CLO manager universe, allowing them the full range of investment opportunities in this asset class and the opportunity to find best relative value. In recent years, they have been simplifying the Volta portfolio to make new investments only into CLO assets and the portfolio is now 98.5% invested in CLOs, with some small legacy non-CLO positions in run-off. The CLO markets have enjoyed benign conditions over the last twelve months, with supportive credit markets and low levels of default, which have contributed to the ongoing performance of the portfolio.

Performance

The Company's NAV per share has grown to €7.13 at 31 July 2024, an increase of over 10.5% on the €6.45 recorded at 31 July 2023. The share price is up slightly (by 2.4%) to €5.20 at 31 July 2024 vs €5.08 at the previous financial year end although share price continues to lag NAV performance. The dividend has been maintained in line with the Board's current policy of at 8% of NAV paid quarterly, equating to an annualised yield of 11.2% of the share price. The continuing share price discount to NAV is disappointing but attributable to two main factors: firstly, discounts for many investment trusts remain wide, particularly those invested in alternatives, and secondly, we became aware of a large investor reducing its position, creating a temporary imbalance in demand and supply.

The Board and the Investment Manager continue to believe that the discount is too high and the NAV is a more true reflection of the Company's long term value and financial strength.

Volta's portfolio has continued to generate strong net operating cashflows at 21.7%[1], which allows for payment of the dividend (and all fees) whilst contributing to a growing NAV. CLO assets are predominantly floating rate so enjoy the benefits of higher interest rates. The other significant factor in Volta's performance is its underlying portfolio quality and the financial year 2024 has been another year of low defaults and continued expert stock-picking by the portfolio managers.

Market Conditions

Volta's CLO portfolios are invested in leveraged loans, which have performed strongly over the year. Demand for the asset class has outstripped supply, leading prices to rise to 2-year highs. Demand for leveraged loans comes from CLOs, banks, institutional and retail clients and the attraction of yield in a floating rate asset class continues. Supply of new leveraged loans is dependent on mergers and acquisitions, which has been reduced due to mismatches in valuation between buyers and sellers. This constraint on supply of new loans has been supportive of prices, and I do not see that situation changing in the near term. The Investment Manager's report goes into significant detail about market conditions.

Recent years have seen significant upheaval and challenges in the broader economic and geopolitical environment although the more negative scenarios of global recession have failed to materialise. We continue to face uncertainty with the tragic events in the middle east and the prospect of further escalation in the region. Whilst the Company invests in assets from Europe and North America, it cannot rule out the impact of secondary effects if conflict worsens.

Investment manager

The Board is focused on strong governance and maintaining an independent yet positive and supportive relationship with AXA IM as investment manager. In the second half of our financial year 2024, we were delighted to announce a realignment of Volta's fee arrangements with effect from the 31 March 2024. The threshold of the tiered management fee was lowered and the annual performance fee structure enhanced. This has delivered an immediate benefit to shareholders and will show a notable fee reduction should the Company grow.

We have a first-class manager in AXA IM, who are one of the longest-established, most experienced and high quality investment teams in the CLO market globally. On 1 August 2024, the AXA Group announced that it has entered an exclusive agreement for the potential sale of its asset management business to BNP Paribas. Whilst we are awaiting the conclusion of the transaction, we understand that the contemplated transaction is not anticipated to create any impact for the team, with specifically no change in its investment processes.

Outlook

In closing, I continue to be positive about Volta's prospects. It generates strong cashflows from a high quality (and increasingly simplified) portfolio; we have a market-leading investment team; and the discount to NAV, whilst disappointing, offers significant upside for the patient investor.

I thank you for your continued support and please do not hesitate to contact me through the Company Secretary.

Dagmar Kershaw
Chair
21 October 2024

[1] Calculated using the 'net cash generated from operating activities' during the year ended 31 July 2024 of £51,200,901, as a percentage of the NAV as at 31 July 2023 of £235,983,088.

INVESTMENT MANAGER'S REPORT

At the invitation of the Board, this commentary has been provided by AXA Investment Managers ("AXA IM") Paris as Investment Manager of Volta. This commentary is not intended to, nor should be construed as, providing investment advice. Potential investors in the Company should seek independent financial advice and should not rely on this communication in evaluating the merits of investing in the Company. The commentary is provided as a source of information for Shareholders of the Company but is not attributable to the Company.

KEY MESSAGES FROM THE INVESTMENT MANAGER

As the Investment Manager, we are glad to report that Volta achieved a NAV total return per Ordinary share of +19.7% over the year ending 31 July 2024. As of end of July 2024, Volta's NAV was €260.9m, i.e. €7.13 per Ordinary share.

The Company managed to achieve such a strong performance as a result of asset picking amid supportive loan and CLO market technicals in the context of a turbulent period in terms of both macroeconomics and geo-political events. The transition of Volta towards a pure CLO fund had been put into gear a few quarters back, and as a result 98.5% of the Company's invested assets belonged to the CLO asset class at the end of July 2024. This is a significant step towards making Volta a simple and transparent vehicle that will appeal to many investors. In the context of the current discount to NAV, we believe that the current strategy provides both strong cashflow generation as well as visibility to Volta's shareholders, enabling to provide some support to help the NAV and the share price converging.

The cashflow generation of Volta remained at an elevated level of circa 21.7% (as of 31 July 2024) while improving its NAV per share by over 10.5% from €6.45 as of 31 July 2023 to €7.13 as of 31 July 2024. €0.55 of dividends were distributed to the Shareholders through the year.

1. Macro views

As anticipated, the last twelve-month period proved to be relatively volatile and unpredictable both on macro-economic and geo-political levels. Major western Central Banks remained ambiguous in terms of forward rates guidance while macro data successively sent positive and not-so positive messages. On the political front, markets were shaken by rising tensions in the Middle East while supply chain issues were still a reality. A major takeaway though, was that western economies managed to soft land and avoided entering into recession.

In the US, consumer spending and employment remained strong and enabled the US economy to showcase stronger than expected data. Estimates for Q2 2024 GDP were revised up at 3.0% and forecasts for Q3 2024 were in the 2.5% context. In the meantime, fears stemming from the rebound in core inflation at the end of 2023 were brushed away as inflation steadily moved towards and eventually settled at 3.0% at the end of July. Markets were then pricing around 65bps Fed cuts by the end of the calendar year, although surprising payroll data in early August – to the downside – and cautiously dovish rhetoric from Jay Powell raised predictions towards 100bps of cuts by December end. This resulted in the ongoing decrease in sovereign bond yields, noticeable stock rotations and tighter credit spreads.

In both Europe and the UK, core inflation decelerated which enabled the respective Central Banks to initiate their rate cut cycle.

The European Central Bank lowered rates by 25bps in June. This decision marked a departure from nine months of stable rates, following a significant inflation decline of over 2.5 percentage points since September 2023. With headline inflation close to target (2.2% year on year in August) and core inflation decelerating at 2.8%, markets anticipated the ECB would reduce further its core rates in September. In terms of activity, Manufacturing continued to suffer while the services sector held well. Europe's flash PMI numbers notably fell below consensus as concerns grew regarding the economy losing momentum into Q3 2024. The Euro Area composite PMI printed at 50.1 versus an expected 50.9, amid disappointing readings in Germany.

China's dataflow continued to be average notably due to underwhelming consumer spending. In the absence of clear and strong action from policy makers or the Central Bank, the situation remains unclear and medium-term impacts on US and European exports could be significant.

The political calendar was (and still is) extremely busy this year with the European Parliamentary elections notably triggering the surprise announcement of snap legislative elections by French President Macron. Reaction from markets was largely negative, as a market sell-off across various asset classes took place: the spread between the French 10-year OAT and German Bund yields widened to levels unseen since 2016 while French bank stocks suffered a significant drop in price. A general election in the UK and the Labour victory ended 14 years of conservative governments. Significant changes in term of governance were expected there as Prime Minister Keir Starmer quickly warned of a "painful" budget to bring the country finances to a healthier state. Markets remembered PM Liz Truss's mini budget from a couple of years ago and remained extremely attentive to potential episodes of volatility due to political decisions.

In the US, consensus was that the elections could be a non-event as they would lead to either a continuation of the Biden administration or a Trump takeover that markets had already experienced. Nonetheless, Joe Biden's withdrawal from the presidential race and the endorsement of Kamala Harris as the Democrats' candidate was a surprise. In that context, the race to the presidency is likely to be eventful and whoever becomes next president will put their own stamp on the direction of the country.

Like the market patterns experienced in 2023, periods of market stress and/or market euphoria were driven by markets interpretations of the rhetoric policy makers used to justify their actions – or lack of. It is fair to assume that efforts were focused on containing investor expectations for rate cuts on both sides of the pond. While the FED implemented a 50bps rate cut in October 2024, the lack of forward guidance from the ECB sent a rather hawkish message to investors.

INVESTMENT MANAGER'S REPORT (CONTINUED)

2. Loan asset class review

As a result, we remain convinced that the ability of each Central Banks to tame inflation in their domestic market will be the driver of market performance and jurisdiction differentiation going forward.

This year has seen a surge in demand for leveraged loans, resulting in record-breaking activity. Despite this high level of activity, net loan supply remains elusive. In the US, leveraged loan activity has hit an all-time high in 2024, with trading prices reaching two-year highs in the second quarter due to strong investor demand. Renewed risk appetite has driven opportunistic repricing and loans for dividend payouts, even in lower-rated market segments.

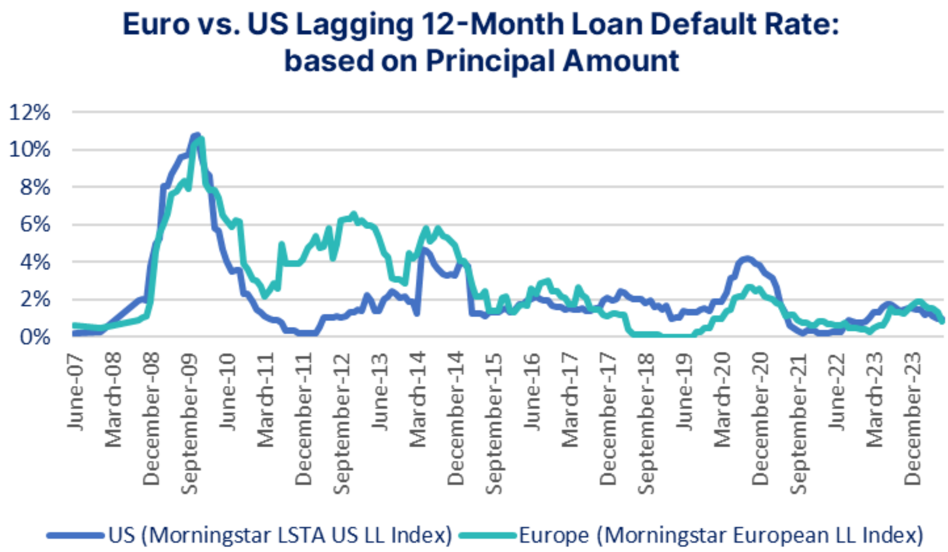
This massive repricing wave and increased risk appetite are primarily driven by the persistent lack of net supply, amid surging demand from CLOs and other loan investors. With 52.0% of US leveraged loans trading above par in the secondary market as of 31 July 2024, repricing and refinancing activities are expected to continue, helping borrowers reduce their interest burdens.

Over May, June and July 2024, M&A and LBO activity accounted for $33.7 billion, marking the highest reading since June 2022. M&A-related activity for the month of July alone totalled $16.0 billion, a 10-month high, and comprised just under 50% of the month's institutional new issue volume. Year-to-date, M&A-related volume has reached $73.1 billion, showing an improvement from the $31.8 billion from last year, although still lagging comparable periods between 2013-2022.

In Europe, loan primary markets remained highly active as well, also driven primarily by the repricing of many transactions.

The total launch volumes for the first seven months of the year amounted to €70.8 billion, nearly three times more than over the same period in 2023 and double that of 2022. Repricing and refinancings dominated and accounted for over half of those volumes. Additionally, there was an uptick in M&A, representing 30% of the volumes as of July.

In terms of fundamentals, default rates in both Europe and the US remained low at sub 1.0% by principal amount at the end of July 2024. The consensus remained that a moderate increase of default rates by the end of 2024 should be observed as corporates experience top-line pressure due to slower consumer spending and increased interest payments following base rate hikes.



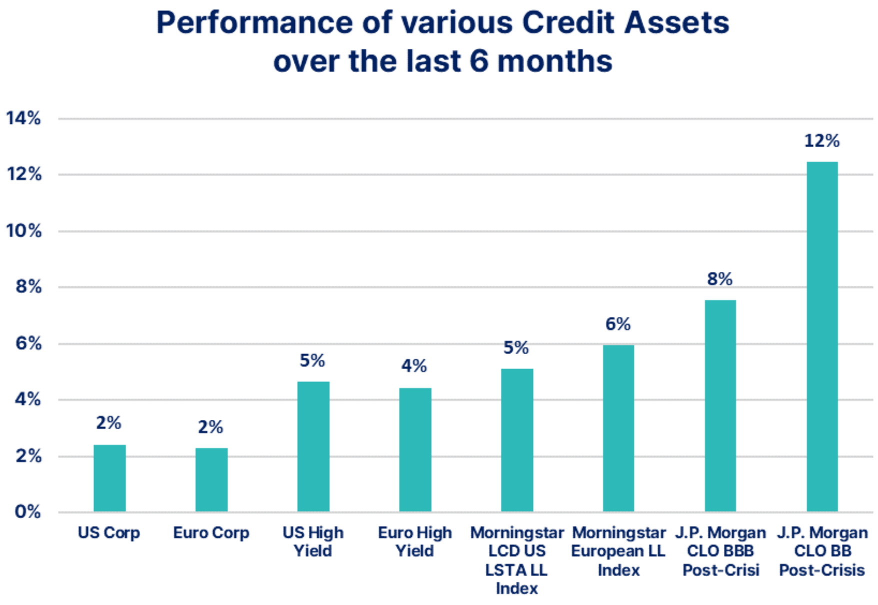
A growing concern regarding default rates has been the surge of Liability Management Exercises ("LMEs" aka "soft default") in the loan markets due to the high rates environment and the subsequent pressure this has put on corporate balance sheets and cash flows. In a few words, LMEs encompass any attempt from a company to reset their debt. LMEs can take various shapes and forms such as below-par tender offers, exchange offers, lender up-tiering, maturity extensions, consent solicitations, covenant amendments and so on. Using LMEs is usually a matter of survival as companies look to preserve their business via this out-of-court mechanism, de facto avoiding bankruptcy.

LMEs climbed last June to an all time high in the US with a count of 32 (on a trailing twelve-month basis). For perspective, there were 15 LMEs in August 2023 and only 4 in July 2022. Including LMEs in Loan Default Rates on an Issuer count basis, the "combined default rate" climbed to 4.0% in July 2024, vs. a default rate of 1.45% when excluding LMEs.

The "soft default" terminology emanates from the fact that a great proportion of LMEs do ultimately default, and defaults keep going up: 27.0% of 2020's LMEs defaulted within the next three years, 33.0% of 2022's LMEs defaulted to date and close to 10.0% of 2023's LMEs already defaulted. In the absence of significant base rate drops, businesses implementing liability management exercises still face elevated interest rate costs on their floating-rate debt as well as an expensive access to liquidity when renegotiating terms due to their financial weakness. A pivot in global rates will certainly help alleviating some of the pressure, the combined default rate of 4.0% in July 2024 mentioned above was the lowest reading since December 2023.

INVESTMENT MANAGER'S REPORT (CONTINUED)

2. Loan asset class review (continued)
In terms of Performance, Leveraged Loans outperformed Corps and High Yield with over 5.0% of returns from January to July 2024 (see graph below for the US):



Source: AXA IM / Bloomberg – July 2024

The pivot-led rally coupled to low net supply provided the perfect environment for loans to outperform, the carry of the loan asset class providing strong cushion each time markets turned more hawkish. Higher base rates still played favourably for loans given their floating rate nature and the low default pattern observed across the board. This provided and will continue to provide strong support to the cashflow generation of Volta.

3. CLO market review
As widely anticipated, most of the activity in 2024 took place in the primary markets as investors main challenge was to re-deploy the proceeds coming in from the acceleration in tranche prepayments.

In Europe, 106 CLOs priced between January and July 2024 totalling €42.2 billion. There were 85 new issues amounting to €33.7 billion and 37 refinancings amounting to €13.8 billion. This marked a stark contrast to the 36 European CLOs priced during the same period last year. Strong demand on the liability side digested easily the sheer volumes coming from the European CLO Primary pipeline and, coupled with higher-than-expected amortizations and liquidations, drove AAA spreads much tighter. This trend has been further supported by robust demand from Japanese accounts. In July 2024, AAAs hit record tight levels at +125 bps, marking a new low for AAA spreads at that point.

The US CLO market experienced a similar trend as tightening liability spreads reduced deal costs and enhanced the arbitrage opportunity. CLO issuance continued at a record pace, with a remarkable 83.0% increase from last year's comparable figures, totalling $116 billion across 246 deals as of July in the broadly syndicated market. This was on track to rival the record highs of 2021, while Resets reached $93 billion year-to-date (as of July as well), vs $79 billion in the same period in 2021.

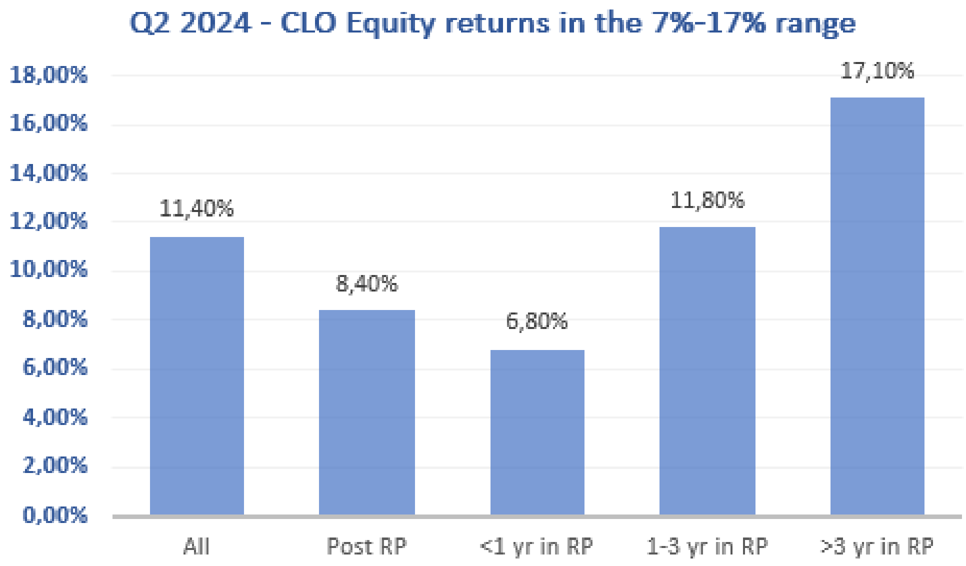
Despite a significant tightening in primary spreads over Q2 2024, the pace of new CLO issuance slowed sensibly in June/July 2024 though due to limited loan supply. The issuance machinery was still at work but primarily busy with Refinancings and Resets, which by essence do not result in a market expansion. This trend is expected to remain at play into the second half of the year and may provide consolidation in terms of spread levels, as record high amortization rates may lead to negative net AAA issuance in H2.

Equity-wise, distributions continued the strong momentum from 2023, which was already a strong year for Equity cash-flow returns as they reached +14.15% (vs. 13.30% in 2022) in the US. In H1 2024, US CLO Equities returned 11.40% according to Bank of America research (July 2024) although there was some dispersion across vintages. Post Reinvestment Period ("RP") transactions underperformed with +8% returns in H1 as managers were restricted in their ability to trade assets and create value. On the other end, long dated transactions with over 3 years left of reinvestments reached over +15%.

Newer CLOs benefited from cleaner portfolios in terms of credit risk and were not impacted by amortizations to the same extent as older CLOs, thus providing more predictable and stable stream of revenues.

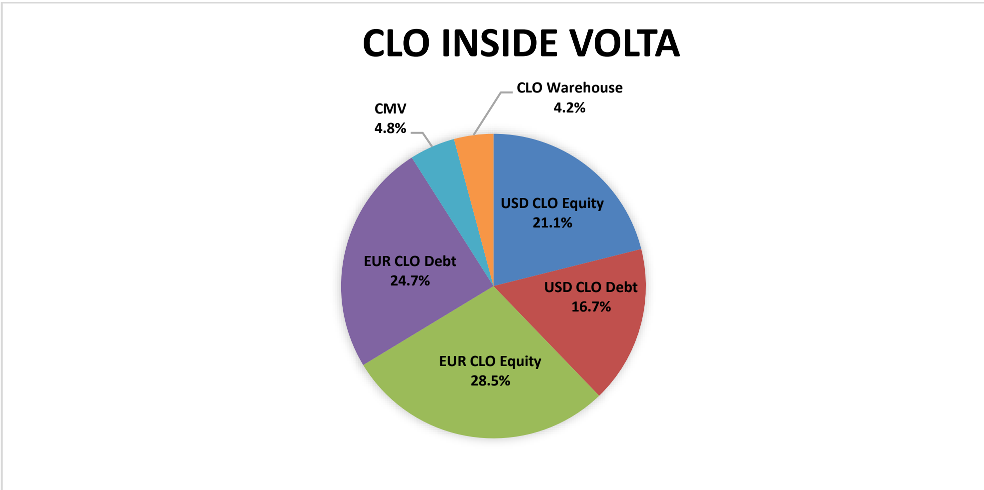
INVESTMENT MANAGER'S REPORT (CONTINUED)

3. CLO market review (continued)



Source: AXA IM, BofA Global Research, Intex

In Europe, CLO Equity distributions were on track for record annual returns. Q2 2024 set the record for distribution in the post-crisis era at +5.6%. Q3 followed up close with distributions at +4.6% which prompted DB Research to anticipate an annual return for Euro Equity tranches of +19% should the pay rate remain constant. +19% would establish 2024 as "the strongest year for the CLO 2.0 era". To put things in perspective, Equity payments reached 13% in 2023, 15% in 2022 and 14% in 2021, as per DB Research data. Q3 2024 payments were slightly lower than Q2s as the market saw a slowdown in both CLO liquidations and CLO Refinancing activity. The volatility in Loans enabled CLO managers to mitigate some of those factors though as they managed to capture favorable entry points to purchase assets. Transactions still within their reinvestment period and/or with a cheaper cost of debt naturally outperformed while 2022/2023 vintages, within reinvestment period but with an expensive debt stack and stuck within their non-call period lagged with returns between 3.5% and 4.5% in Q3 2024.



Source: AXA IM Alts as of July 2024

4. Portfolio review

After a +12.7% NAV total return from 1 August 2022 to 31 July 2023 Volta Finance delivered +19.7% NAV total return from 1 August 2023 to 31 July 2024.

We strongly believe that the simplification strategy adopted for managing Volta was pivotal in achieving such strong returns. Moving from a multi-product portfolio towards a quasi CLO-only vehicle not only meant more focus from portfolio managers on one unique asset class but it also gave them the ability to optimize the Company's positioning as CLOs are liquid instruments.

At the end of July 2024, 98.5% of Volta's assets belong to the CLO asset class. 25% of Volta's CLO portfolio is exposed to BB-rated CLO tranches, 15% is exposed to B-rated CLO tranches and 60% is exposed to Equity investments, which are CLO Equity tranches and CLO Warehouses investments. A handful of Bank Balance Sheet transactions, cash Corporate Credit Equity and ABS represent a mere 1.5% of Volta's assets.

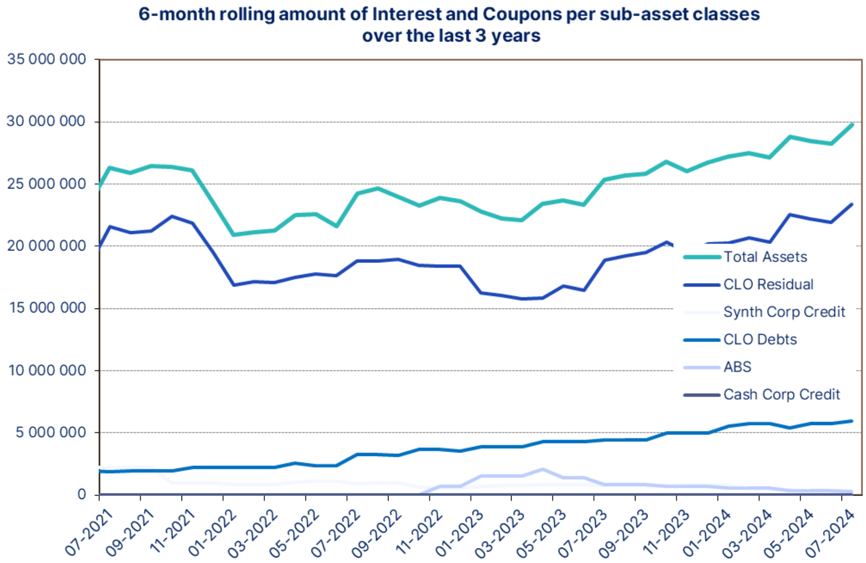
In terms of CLO exposure, Volta holds 37 individual debt tranches and 57 individual Equity notes (including Fee Notes). Through those investments, Volta has gained exposure to 41 individual CLO managers.

INVESTMENT MANAGER'S REPORT (CONTINUED)

4. Portfolio review (continued)

GENERATION OF CASH FLOWS

Volta's assets generated €57 million of interest or coupons from 1 August 2023 to 31 July 2024 corresponding to 21.9% of the July 2024 NAV. On a year-on-year basis, the cashflow generation increased by +17.5 %.



AXA IM Alts / IntexCalc – July 2024

We attribute this strong performance to both the CLO debt tranches investments and the CLO Equity book. Deep mezzanine tranches offered the Company a floating rate exposure while CLO Equities – for the reasons mentioned above – had record distributions over the period.

In terms of projected yield, based on end of July 2024 prices, the gross projected yield in EUR of Volta's invested assets is circa 13%:

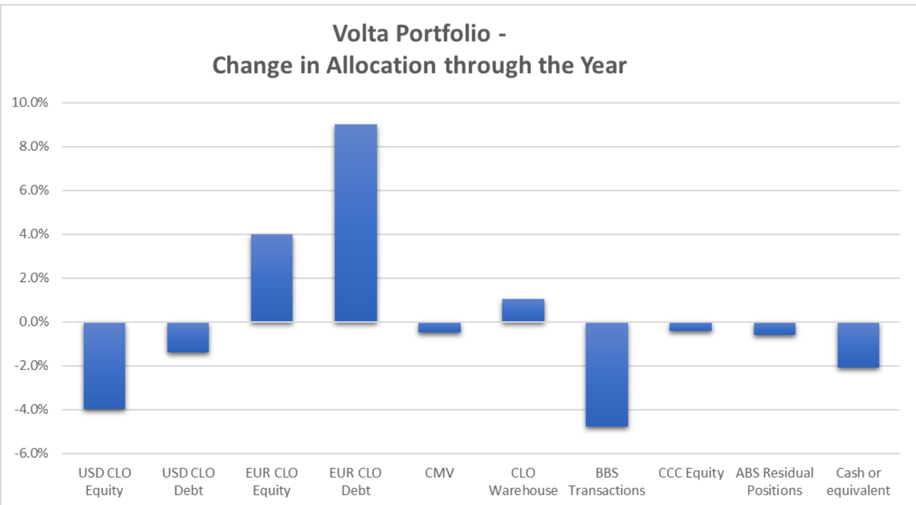
- circa 15% for Volta's CLO Equities investments
- circa 10% for Volta's CLO debt investments

Although high on a historical basis, current projected yields are lower than the ones calculated at the end of January for the semi-annual report. Part of the forward yield then calculated was realised in Volta's full year performance of +19.7% as the increase in tranche prices mechanically lowered the Company's forward yield.

CHANGE IN ALLOCATION

Over the last twelve months, the Company invested circa €76.0m (circa 29% of its July 2024 NAV) in:

- 4 warehouse investments: One European warehouse transitioned into a €7.8m CLO Equity and a €3.9m CLO single-B investment in H2 2023 while the second European warehouse transitioned into a €7.6m CLO Equity in July 2024. On the US side, one warehouse converted into a $7.93m investment in Q1 2024 while the second one is open and has been slowly ramping, mostly in primary, through the period.
- 2 CLO Equity: €4m equivalent split in two investments, one in Europe and one in the US.
- 7 US CLO debt tranches for a total amount of $19.9m
- 17 European CLO debt tranches for a total amount of €30.4m



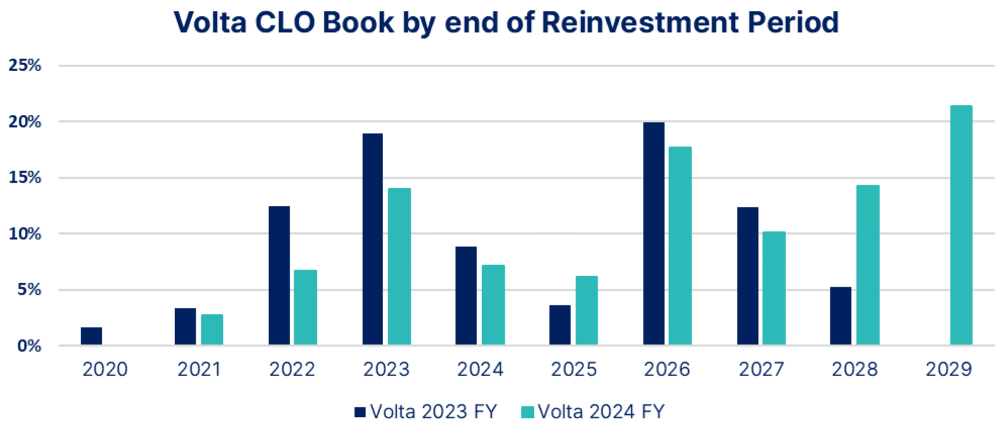
AXA IM Alts / IntexCalc – July 2024

4. Portfolio review (continued)

CHANGE IN ALLOCATION (CONTINUED)

In addition to those purchases, the Company sold over $15m of US BB-rated risk as well as €3m of BBB-rated risk and €2mm of BB-rated risk. Two tranches were redeemed at par, a €3mm BBB European CLO tranche as well as €2.9mm of single-B exposure.

The sale of specific assets was implemented in order to crystallise gains on bonds valued much above par and consequently avoid an aggressive pull-to-par or - worst case - a sudden early redemption at par. Sales were also implemented to reduce risk positioning on specific under-performing and highly volatile assets. Achieving this enabled the Portfolio Management team to protect the Company from downwards scenarios and heightened NAV variations. Lastly, we rotated from positions that had a low call probability towards CLOs with a long reinvestment period in order to increase income and secure transactions with longer reinvestment periods and cleaner pools, which we believe is key in terms of bonds' liquidity, especially in the context of active portfolio management. A focus point of the second part of the year was to invest in US CLOs and replace some of the exposure that was sold. The US market still offered strong forward yields due to elevated benchmark rates as well as a more pronounced CLO Manager tiering ultimately reflected in more differentiation in terms of pricing levels.



AXA IM Alts / IntexCalc – July 2024

RATE EXPOSURE

Regarding the rate environment, we hold a Floating-to-fixed rate swap maturing in October 2027. This position had a positive contribution of +0.2% to performance through the period. It represents circa 0.4 years of duration. Fundamentally, we believe that what may really affect Volta's performance is not inflation or rate increases but a recession and the materialization of defaults. If such a negative situation was to occur, we believe that this position would perform well and provide more ability for the Company to reinvest.

CURRENCY EXPOSURE

Our currency strategy is to limit our currency exposure, whilst minimising any potential margin call, by hedging non-Euro currency risk. Structurally, we have been selling forward USD against Euro to limit Volta's USD exposure despite having circa 50% of our assets in USD. Through the financial year, we kept our residual exposure to USD assets stable and closed the year at c.24.8%. We are conscious that being fully hedged (having no more USD exposure) would be too costly in terms of cash to be kept covering potential margin calls. We believe that we were right to accept some volatility coming from the remaining currency exposure instead of suffering from the cash drag on a long-term basis.

5. Stress scenarios

Looking at potential stress scenario for our CLO portfolio, we have run the following scenarios to understand the level of risk inside Volta's CLO book:

- Base Case: an instantaneous 2% increase in CCC rated assets and defaults to materialise in relation with such CCC bucket and current WARF (Weighted Average Risk Factor that measures the average rating of each loan pool). On average for all positions (mixing USD and EUR positions) this showed an average 2.3% default rate every year for the next 3 years
- Stress 1: an instantaneous 3% increase in CCC rated assets (some CLOs will then exceed the classic 7.5% authorised CCC bucket) and defaults to materialise in relation with such CCC bucket and current WARF. On average for all positions (mixing USD and EUR positions) this showed an average 3.8% default rate over the next 2 years
- Stress 2: an instantaneous 6% increase in CCC rated assets (all CLOs will then exceed the classic 7.5% authorised CCC bucket) and defaults to materialise in relation with such CCC bucket and current WARF. On average for all positions (mixing USD and EUR positions) this showed an average 5.4.% default rate over the next 2 years

INVESTMENT MANAGER'S REPORT (CONTINUED)

5. Stress scenarios (continued)
Below are the results of the tests that we carried out in July 2024 using these 3 scenarios (for all positions we start from their current situation and shock them with the above parameters):

	Projected Yield (From NAV value)		
	Base Case	**Stress 1**	**Stress 2**
USD Equity	14.7%	7.5%	-2,5%
EUR Equity	14.8%	8.8%	-0.4%
USD Debt	10.2%	10.5%	9.9%
EUR Debt	10.6%	10.7%	10.7%
Average for CLOs	13.1%	9.9%	5.1%

Source: AXA IM Alts / IntexCalc – July 2024

With the base case scenario, only 1 position is suffering a diversion of cashflow and the projected IRR for Volta CLO book is north of 13% (from the end of July NAV). Since the share price is trading at a significant discount from the NAV, the projected IRR for shareholders is close to 18%.

Taking "stress 1" into account, there is a little diversion of cashflows for some CLO Equity positions and a few B rated CLO debt tranches that Volta holds are suffering some delay in their coupon payments so that the projected IRR declines, on average, for the whole CLO book, to a still attractive 9.9%. Under "Stress 2" the level of default over the next 2 years would be greater than what was seen during the GFC. In this scenario, the IRR will be dependent on the reinvestment opportunities and the level of discount associated.

6. ESG considerations
AXA IM emphasizes the active consideration of environmental, social, and governance (ESG) risks and opportunities as a crucial element in delivering long-term investment returns for its clients. We believe that responsible investment is relevant across different asset classes and have built our approach around robustly integrating ESG assessment into investment analysis and portfolio construction.

AXA IM aims to create sustainable investment outcomes for our clients by considering sustainability factors throughout the investment process. We believe that this approach will lead to broader societal and economic benefits over the long-term. Responsible investment has been a part of AXA IM's DNA since its founding in 1994, with the first dedicated responsible investment mandate dating back to 1998. AXA IM responsible policies can be found at https://www.axa-im.com/our-policies-and-reports.

AXA IM's RI Policy is framed by the expectations set in the UN-backed Principles for Responsible Investment (PRI), the UK and Japanese Stewardship Codes, and other industry initiatives such as the Taskforce for Climate-related Financial Disclosure (TCFD). TCFD's recommendations specifically state that organisations consider a set of scenarios, including a "2°C or lower" scenario, in reference to the 2015 Paris Agreement. We have committed to reducing greenhouse gas emissions across all assets to net zero by 2050 or sooner. This forms a part of our membership of the Net Zero Asset Managers Initiative – an industry collaboration that supports global efforts to limit warming to 1.5°C. This means we will be working closely with our parent company, AXA Group, whose assets we manage, and in partnership with asset-owner clients on analysis, reporting and changes to investment portfolios.

		AuM at end of year[24]	Scores				Coverage
			Aggregated ESG score (weighted)	E score	S score	G score	
		[in M€]	[0-10]	[0-10]	[0-10]	[0-10]	[%]
AXA IM alternatives assets[25]	***2022***	***84,685***	**5.76**	**5.77**	**5.74**	**6.06**	***95%***
	2023	***109,131***	**6.15**	**6.41**	**5.78**	**6.19**	***92%***
I) Real Estate & Infrastructure[26][27]	***2022***	***41,819***	**6.26**	**6.61**	**5.78**	**6.67**	***93%***
	2023	***61,900***	**6.45**	**6.76**	**5.62**	**6.38**	***89%***
Real estate	*2022*	*28,730*	6.24	6.08	5.85	6.53	*89%*
	2023	*30,322*	5.71	5.71	5.00	6.25	*98.46%*
Infrastructure	*2022*	*13,089*	6.43	7.46	5.52	6.88	*100%*
	2023	*12,963*	6.26	6.13	4.92	6.19	*98%*
ii) Alternative credit[28]	***2022***	***46,491***	**5.40**	**5.14**	**5.67**	**5.58**	***95%***
	2023	***47,275***	**5.75**	**5.96**	**6.00**	**5.95**	***97%***

Source: AXA IM, MSCI, Reorg FinDox, 2023.

In relation to Volta's investments, a similar statement can be made as progress on that front has been steady over the last few years. Two main axes have been actioned to achieve a better ESG coverage in Volta's investment landscape: implementing relevant and comprehensive Industry Exclusions as well as encouraging CLO Managers to adopt best practices.

INVESTMENT MANAGER’S REPORT (CONTINUED)

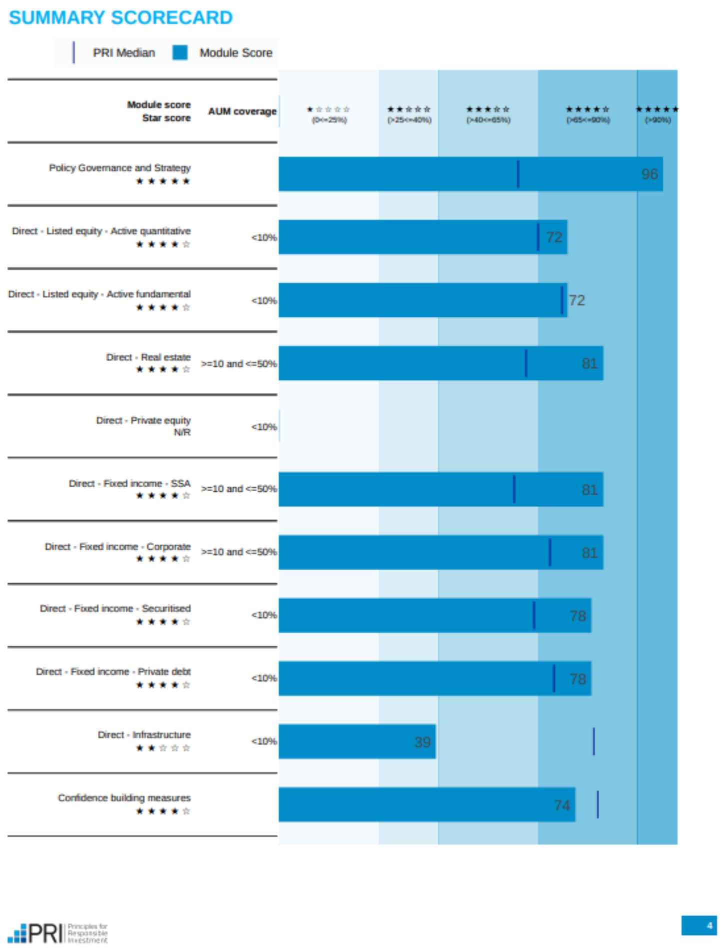
6. ESG considerations (continued)

AXA IM is systematically pushing for industry exclusions when investing in new CLO positions. To have a pragmatic approach, we separated our exclusion list in two. The first part of the list references our mandatory exclusions which we impose to all Primary investments: Controversial Weapons, Thermal Coal, Oil & Gas (sands/shale and tight reservoirs), Arctic Oil, Non-Sustainable Palm oil, Soft-Commodity trading, Land Use Biodiversity & Forests, UNGC violations, Tobacco and Coal mining. If those exclusions are not met, no investment will take place. The second part of the exclusion list – although not mandatory - is highly recommended and deals with Endangered Wildlife, Animal Welfare, Private Prisons, Gambling, Predatory/Pay-Day Lending, Opioid, Banned Pesticides/hazardous Chemicals, Pornography & Prostitution and Civilian Weapons. It is fair to recognise that we have successfully managed to impose the first exclusion list and a significant portion of the second list to European CLO managers although it is still challenging to replicate this in the US.

Since the beginning of 2021, all new CLOs we invested in through the primary market have incorporated most of the above exclusions. AXA IM’s exclusion list evolved over the years with newer investments scoring much better than older ones as they have more substantial exclusion wordings.

In parallel, we are conducting meetings with CLO managers to update our understanding of their practices regarding ESG/Responsible Investment. Since 2023, we have covered 100% of our overall CLO AUMs. Through these meetings and the pressure we exert on third-party CLO managers, not only do we promote what we consider best practices, but we are also trying to limit downside risks for our investors. While there are some disagreements regarding what should be considered as ‘best practices’ we can testify that all the CLO managers that we work with share our view that we should steer away from companies that are likely to face sustainability risks. Lending money to companies that will struggle to raise capital in the coming years because of sustainability-related matters should also be avoided. On top of the traditional financial measures of profitability/growth, CLO managers have developed tools and processes to avoid lending to companies that may be at the centre of future controversies. This is now fully part of our risk-management processes. All investments made in 2023/24 prevent CLO Managers from investing in specific industries as well as their engagement regarding ESG considerations.

The average ESG score[1] of Volta’s purchased assets from 1 August 2023 to 31 July 2024 stands at 7.28 (10 being the highest grade and 0 the lowest) while the ESG rating of the overall CLO book invested by Volta stands at 6.09 (up from 5.63 as per our last communication).



[1] ESG Score on each CLO investment mixes 2 aspects: (1) implementing relevant and comprehensive industry exclusions as well as (2) evaluating how CLO managers adopt best practices a) as an operating firm and b) as an asset manager. The review of the CLO manager ESG process is based on a qualitative assessment made by the investment team on the basis of a questionnaire, potentially discussed with the CLO manager. The CLO manager ESG score is reviewed periodically.

INVESTMENT MANAGER'S REPORT (CONTINUED)

7. Outlook and strategy

Looking ahead, we believe that H2 2024 could bring some volatility on CLO spreads as there are still unresolved issues on the macro front (core inflation is not tamed) as well as on the political front with the US elections and their implications regarding global trades and the Ukraine-Russia and Middle East conflicts. Looking at CLOs, we see a strong CLO supply into year-end fuelled by Refinancings and anticipate - if not a widening of spreads – higher tiering between managers and transactions. On the fundamentals side, although default rates have remained contained at historically low levels, we are conscious of the increased presence of LMEs and believe they could act as a trigger for spread stabilization despite strong investor demand, until the easing rate cycle is properly engaged by Central Banks. Those remain 'data dependant' for now and we expect forward guidance to gain visibility into the new year, as the initial rate reductions will have been implemented and digested.

As a result, we remain convinced that Volta needs to remain extremely diligent when purchasing assets, trade origination has been and will remain key to performance. We believe that the default pattern will not negatively impact Volta's cashflow generation since we do not anticipate defaults to deviate from historical average. Volta's diversification is a true asset, the CLO debt tranches are FRNs and benefit from significant credit enhancement while the higher portion of Reinvesting CLOs in the portfolio naturally increases Volta's capacity to weather significant stress.

In terms of positioning, adding slightly more US CLO exposure is in scope, preferably via the Primary markets since they give exposure to fresh collateral portfolios that have no default and limited CCCs, therefore being able to generate attractive risk adjusted cashflows. This will also organically contribute to the current efforts of increasing the portion of reinvesting CLOs in the portfolio, which is an axe of development for the year to come. Deep mezzanine tranches from top tier Managers make sense especially if rates remain elevated, although we need to see some softening on that part of the capital structure especially in the US. Increasing velocity and capturing par gains whenever possible will secure Volta's return and provide the Company with capacity to deploy in higher yielding assets.

Equity tranches remain attractive, combining a warehouse facility and following-up with the Equity tranche provides double digit return expectations. While accessing best-in-class CLO Manager's warehouse facilities and Equity tranches is challenging, we are confident that Volta will be able to secure those trades as it has successfully and consistently done in the past.

AXA INVESTMENT MANAGERS PARIS
21 October 2024

STRATEGIC REPORT

Introduction
This report is designed to provide information about the Company's business and results for the year ended 31 July 2024. It should be read in conjunction with the Chair's Statement and the Investment Manager's Report which give a detailed review of investment activities for the year and an outlook for the future.

Company summary
The Company is a limited liability company registered in Guernsey under the Companies (Guernsey) Law 2008 (as amended) with registered number CMP45747. The registered office of the Company is BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA, Channel Islands.

The Company is an authorised closed-ended collective investment scheme in Guernsey, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended). The Company's Ordinary shares are listed on Euronext Amsterdam and on the Equity Share (Commercial Companies) segment (previously the 'Premium segment') of the Official List of the UK Listing Authority and are admitted to trading on the Main Market of the LSE. 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 AFM, being the financial markets supervisor in the Netherlands.

Purpose, principal activities, investment objectives and strategy
The Company exists to provide Shareholders with access to a broad range of structured credit investments actively managed by AXA IM. Harnessing AXA IM's expertise, the Company currently invests in predominantly CLOs and similar asset classes with the objective of providing Shareholders with a regular and high level of income and the prospect of modest capital gains over the investment cycle. A more diversified strategy across structured finance assets may be pursued opportunistically.

The Company's investment objectives are to seek to preserve 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.

Subject to the risk factors that are described in the 'Principal and Emerging Risk Factors' section on pages 20 to and in Note 16, the Company currently seeks to attain its investment objectives as described above. The Company's investment strategy focuses on direct and indirect investments in, and exposures to, a variety of assets selected for the purpose of generating cash flows for the Company. 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; commercial mortgage loans; automobile loans; student loans; credit card receivables; leases; and debt and equity interests in infrastructure projects.

The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such Underlying Assets. In this regard, the Company reviews the investment strategy adopted by AXA IM on a quarterly basis. The current investment strategy is to concentrate on CLO Investments (debt/equity/warehouses). There can be no assurance that the Company will achieve its investment objectives.

The following Investment restrictions apply to the Company's investment strategy. The Company will not:
- invest in instruments which derive their income or capital performance from changes in value of real property, to the extent that effecting any such investment, would cause the Company's exposure to such instruments to exceed 20% of the GAV;
- invest or lend more than 20% of the GAV directly or indirectly to any single underlying issuer or collective investment undertaking;
- enter into a transaction that exposes more than 20% of the GAV to the creditworthiness or solvency of any one counterparty;
- make purchases or sales in excess of 7.5% of the GAV for a single investment transaction, without prior approval of the Board.
- make concurrent co-investments with the Investment Manager, any of its affiliates
- engage in portfolio transactions with the Investment Manager acting on a principal basis or with accounts or funds for which the Investment Manager acts as discretionary investment manager;
- make investments in Restricted AXA IM Managed Products unless: (i) the prior approval of the Board is obtained; and (ii) the Investment Manager credits to the Company the portion of the Company-level management fee allocable to that product;
- make investments in Restricted AXA IM Managed Products unless, after giving effect to any such investment, no more than 10% of the GAV would be represented by Restricted AXA IM Managed Products.

The full 'investment strategy' can be found in the Company's Prospectus which is available on the Company's website.

Principal and emerging risks and uncertainties
The principal and emerging risks and uncertainties faced by the Company are described within the 'Principal and Emerging Risk Factors' section of the Annual Report on pages 20 to 22 and Note 16 in the financial statements.

The Investment Manager
AXA IM is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management, which has a team of experts concentrating on the structured finance markets. AXA IM is one of the largest European-based asset managers with 2,850 professionals and €844 billion in assets under management as at the end of December 2023.

AXA IM is authorised by the AMF as an investment management company and its activities are governed by Article L. 532-9 of the French Code Monétaire et Financier. AXA IM was appointed as the Company's AIFM in accordance with the EU AIFMD on 22 July 2014.

STRATEGIC REPORT (CONTINUED)

Performance measurement and Key Performance Indicators
The Directors meet regularly to review performance and risk against a number of key measures.

Total return
The Board regularly reviews the NAV and NAV total return, the performance of the portfolio as well as income received and the share price of the Company. The Directors regard the Company's NAV total return as being the overall measure of value delivered to Shareholders over the long term. NAV total return is calculated based on NAV growth of the Company with dividends reinvested at NAV at the time of each dividend payment.

Total return, expressed as a percentage of NAV, was 19.7% (2023: 12.7%) for the year ended 31 July 2024. Please refer to page 1 for NAV and share price total return analysis.

Ongoing charges
The ongoing charges are a measure of the total recurring expenses incurred by the Company expressed as a percentage of the average Shareholders' funds over the year. The Board regularly reviews the ongoing charges and monitors all Company expenses. Refer to page 75 for the methodology of the calculation.

Premium / discount
The Directors review the trading prices of the Company's Ordinary shares and compare them against their NAVs to assess quantum and volatility in the discount of the Ordinary share prices to their NAVs during the year. Please refer to page 75 for further analysis.

Environmental, social and governance issues
The Company itself has only a very small footprint in the local community and only a very small direct impact on the environment. However, the Board acknowledges that it is imperative that everyone contributes to local and global sustainability. The nature of the Company's investments is such that they do not provide a direct route to influence investees in ESG matters in many areas, but the Board and the Investment Manager work together to ensure that such factors are carefully considered and reflected in investment decisions, as outlined elsewhere in these financial statements.

Board members do travel, partly to meetings in Guernsey and partly elsewhere on Company business, including the annual due diligence visits to AXA IM in Paris and to BNP Paribas in Jersey. The Board considers this essential in overseeing service providers and safeguarding stakeholder interests. Otherwise, the Board seeks to minimise travel by using video conferences whenever good governance permits.

For further information regarding the Company's approach to environmental, social and governance issues, please refer to the ESG section within the Investment Manager's Report on pages 9 and 11.

Life of the Company
The Company has a perpetual life.

Future strategy
The Board continues to believe that the investment strategy and policy adopted is appropriate for, and is capable of meeting the Company's objectives. The overall strategy remains unchanged, and it is the Board's assessment that the Investment Manager's resources are appropriate to properly manage the Company's investment portfolio in the current and anticipated investment environment. Refer to the Investment Manager's report on pages 3 to 11 for details regarding performance to date of the investment portfolio and the main trends and factors likely to affect those investments.

Going concern
Under the Listing Rules, the AIC Code and applicable regulation, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties to the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The incidence and impact of defaults in the Underlying Assets are hard to predict but are likely to rise, although it should be noted that recent default levels are below those originally forecast. However, the Directors have concluded that any reasonably foreseeable fall in cash inflows would not have a material impact on the Company's ability to meet its liabilities as they fall due. Having also considered the Company's investment objective, nature of the investment portfolio, commitments and expenditure projections, impact of the current geo-political and market uncertainty on the Company and its principal and emerging risks, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future.

Therefore, after making appropriate enquiries, the Directors are of the opinion that the Company remains a going concern and are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the Company's financial statements.

Viability statement
In accordance with the provisions of the AIC Code, the Directors have assessed the viability of the Company over a period of four years from the date of approval of this report. In making this assessment, the Directors have taken into account the impact that various plausible adverse scenarios might be expected to have on the Company's cash flows and its ability to meet its liabilities on a timely basis.

The starting point for this analysis was the Company's current financial position; current market conditions; the principal risks facing the Company, as described within the Principal Risk Factors section of the Annual Report on pages 20 to **22**; the risks arising from the Company's financial instruments as set out in Note 16 in the financial statements, and their potential impact on the Company.

A four year forecasting period was considered to be appropriate, given the life cycle of the Company's particular investment universe and the structure and investment objectives of the Company, as it represents the time within which at least 50% of the value of the portfolio might be reasonably expected to have been realised naturally despite unfavourable market conditions.

In making their assessment of the Company's prospects, the Directors have focused their attention on those risks impacting the carrying value and liquidity of the Company's investment portfolio and the Company's ability to generate cash from its activities, and thereby to enable it to meet its payment obligations as they fall due, including under derivatives contracts, as well as to continue to pay a stream of dividends in accordance with its investment objectives. The Directors consider that the greatest risks to the Company's ability to generate cash, and to the carrying value of its investments, would be a combination of inter alia: a significant and rapid appreciation on the US Dollar; a sustained increase in the default rate of the credit investments and/or Underlying Assets of the portfolio; and/or any change in market conditions which resulted in severe, prolonged damage to the liquidity and market value of the investment portfolio.

The Directors have considered income, expenditure and cash flow projections for the Company, firstly under a base case that incorporates the impact of the current economic environment and potential recession, then under various stress test scenarios that are considered to be severe but plausible and including scenarios where default levels were modelled to peak at a level higher than those previously experienced by the Company during the GFC and to persist for longer than the heightened default levels that were experienced by the Company at that time.

Specific variables adjusted to account for the impact of the ongoing economic downturn and potential recession included: using S&P pessimistic forward 12 month default rates for speculative grade issuers; eliminating any lag in the timing of the downturn; making no distinction between the performance of US and European CLO markets; assuming one or two industry sectors become severely stressed; and modelling the impact of +/- 20% moves in the Euro US Dollar exchange rate.

Under no plausible scenario modelled did the Company become cash flow insolvent but the modelling made two key assumptions: firstly, it was assumed that the portfolio would react to changes in underlying factors in a similar way to that experienced in the past; and secondly, the Directors made the assumption that the Investment Manager would be able to actively and conservatively manage the portfolio during the downturn.

The Directors noted that under various plausible adverse scenarios, while neither of the Company's objectives of providing a stable income stream and preserving capital across the credit cycle may be met, projected income exceeded projected expenses over the period.

The Directors note that the Company's shares trade at a discount to NAV, which is in line with peer funds within the investment trust sector. They actively monitor the discount and communicate regularly with Shareholders on this subject. In making their assessment of viability, the Directors have assumed that Shareholders will continue to recognise the value provided by the Company and will not seek to wind up the Company. The Directors have also assumed that no unforeseen change in, or change in interpretation of, the regulations and laws to which the Company is subject will have a materially negative impact upon its viability.

The Directors therefore confirm that they have performed a robust assessment of the viability of the Company over the four-year period from 31 July 2024, taking into account their assessment of the principal risks facing the Company, including those risks that would threaten its business model, future performance, solvency or liquidity.

The Directors, after due consideration and in the absence of any unforeseen circumstances, confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the four-year period of their assessment.

STRATEGIC REPORT (CONTINUED)

Section 172(1) statement
Through adopting the AIC Code, the Board acknowledges its duty to comply with Section 172 of the UK Companies Act 2006 and to act in a way that promotes the success of the Company for the benefit of its Shareholders as a whole, having regard to (amongst other things):

a) consequences of any decision in the long-term;
b) the interests of the Company's employees;
c) the need to foster business relationships with suppliers, customers and others;
d) impact on community and environment;
e) maintaining reputation; and
f) acting fairly as between members of the Company.

The Board considers this duty to be inherent within the culture of the Company and a part of its decision-making process.

The Company's culture is one of openness, transparency and inclusivity. Respect for the opinions of its diverse stakeholders features foremost as does its desire to implement its operations in a sustainable way, conducive to the long term success of the Company.

Information on how the Board has engaged with its stakeholders and promoted the success of the Company, through the decisions it has taken during the year, whilst having regard to the above, is outlined below.

The example outcomes below outline decisions taken during the year which the Board believes have the greatest impact on the Company's long term success. The Board considers the factors outlined under Section 172 and the wider interests of stakeholders as a whole in all decisions it takes on behalf of the Company.

Stakeholder engagement
The Company is an externally managed investment company, has no employees and as such is operationally quite simple. The Board does not believe that the Company has any material stakeholders other than those set out in the following table:

Issues that matter to them		
Investors	**Service providers**	**Community and environment**
• Performance and liquidity of the shares • Growth and liquidity of the Company	• Reputation of the Company • Compliance with law and regulation • Remuneration	• Compliance with law and regulation • Impact of the Company and its activities on third parties
Engagement process		
Investors	**Service providers**	**Community and environment**
• Annual General Meeting • Frequent meetings with investors by brokers and the Investment Manager and subsequent reports to the Board • Monthly factsheets • Key Information Document • Publication of paid for research • Short video updates through Broker	• The main two service providers – AXA IM and BNP Paribas – engage with the Board in face to face meetings quarterly, giving them direct input to Board discussions. • The Board also considers the interests of the Corporate Broker. • All service providers are asked to complete a questionnaire annually which includes feedback on their interaction with the Company, and the Board undertakes an annual visit to AXA IM in Paris and to BNP Paribas in Jersey.	• The Company itself has only a very small footprint in the local community and only a very small direct impact on the environment. • The Board acknowledges that it is imperative that everyone contributes to local and global sustainability.

STRATEGIC REPORT (CONTINUED)

Stakeholder engagement (continued)

<table>
<tr><th colspan="3">Rationale and example outcomes</th></tr>
<tr><th>Investors</th><th>Service providers</th><th>Community and environment</th></tr>
<tr>
<td>• Clearly investors are the most important stakeholder for the Company. Most of our engagement with investors is about “business as usual” matters, but has also included discussions about the discount of the share price to the NAV. The major decisions arising from this have been:
- to seek to ensure long term value;
- to seek greater liquidity for the Company’s shares; and
- Simplifying the structure of the portfolio held, such that new investments have been exclusively in CLOs and the portfolio is now 98.5% in CLOs.

• In addition, the Board has focussed on valuation of assets, a key priority for Shareholders. As a result, it has applied in the current and prior year, a more sophisticated valuation methodology for the CMV investment and to engage JP Morgan PricingDirect for all CLO valuations, thus ensuring a robust and reliable methodology.</td>
<td>• The Company relies on service providers entirely as it has no systems or employees of its own. During the year, the Board held discussion with AXA IM regarding both the breadth of the mandate and fees. The Board believes that the Company dealt fairly and transparently with AXA IM and balanced the requirements of all stakeholders through constructive dialogue.

• The Board always seeks to act fairly and transparently with all service providers.</td>
<td>• The nature of the Company’s investments is such that they do not provide a direct route to influence investees in ESG matters in many areas, but the Board and the Investment Manager work together to ensure that such factors are carefully considered and reflected in investment decisions, as outlined on page 13.

• Board members do travel, partly to meetings in Guernsey and partly elsewhere on Company business, including the annual due diligence visits to AXA IM in Paris and to BNP Paribas in Jersey. The Board considers this essential in overseeing service providers and safeguarding stakeholder interests. Otherwise, the Board seeks to minimise travel by using video conferences whenever good governance permits.</td>
</tr>
</table>

Engagement processes are kept under regular review. Investors and other interested parties are encouraged to contact the Company via guernsey.bp2s.volta.cosec@bnpparibas.com on these or any other matters.

The Strategic Report was approved by the Board of Directors on 21 October 2024 and signed on its behalf by:

Dagmar Kershaw
Chair

Joanne Peacegood
Chair of the Audit Committee

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

As Depositary, we are responsible for carrying out duties set out in Article 21 paragraphs (7) (8) and (9) of the AIFMD and can confirm that monitoring has taken place to ensure that AXA IM (the AIFM) is compliant with Article 21 paragraphs (7) (8) and (9) for the year ended 31 July 2024 and that we have no matters of concern to report.

BNP Paribas S.A., Guernsey Branch
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA
21 October 2024

REPORT OF THE DIRECTORS

The Directors present their Annual Report and the Audited Financial Statements for the year ended 31 July 2024. In the opinion of the Directors, the Annual Report and Audited Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Principal activities
Refer to the Strategic Report on page 13 for the principal activities of the Company.

Culture of the Company
The Board recognises that its tone and culture are important and will greatly impact its interactions with Shareholders and service providers as well as the development of long-term shareholder value. The importance of sound ethical values and behaviours are crucial to the ability of the Company to achieve its corporate objectives successfully.

The Board individually and collectively seeks to act with diligence, honesty and integrity. It encourages its members to express differences of perspective and to challenge but always in a respectful, open, cooperative and collegiate fashion. The Board encourages diversity of thought and approach and chooses its members with this approach in mind. The corporate governance principles that the Board has adopted are designed to ensure the Company delivers long term value to its Shareholders and treats all Shareholders equally. All Shareholders are encouraged to have an open dialogue with the Board.

Share capital
The Company's share capital consists of an unlimited number of shares of no par value. As at 31 July 2024, the Company's issued share capital was 36,580,580 shares (31 July 2023: 36,580,580 shares). In accordance with the provisions of the Articles of the Company, there is in issue 1 Class B convertible Ordinary share of no par value which is issued to the Investment Manager and gives them the right to elect (or remove) one member of the Board.

Results and dividends
During the financial year, the Company's NAV increased by €24.9 million or €0.6799 per Ordinary share (2023: increased by €8.3 million or €0.2278 per Ordinary share). The profit for the year and total comprehensive income amounted to €45.0 million (2023: €27.0 million).

During the year, the Directors declared the following quarterly dividends: €0.13 per Ordinary share paid in October 2023; €0.135 per Ordinary share paid in January 2024; €0.14 per Ordinary share paid in April 2024; and €0.145 per Ordinary share paid in August 2024.

Share repurchase programme
At the 2023 AGM, held on 6 December 2023, the Directors were granted authority to repurchase shares. This authority, which has not been used, will expire at the upcoming 2024 AGM. The Directors intend to seek annual renewal of this authority from Shareholders.

Authority to allot
At the 2023 AGM, the Directors were granted authority to allot up to 3,658,058 shares (being not more than 10% of the shares in issue at the date of the 2023 AGM notice). This authority, which has not been used, will expire at the 2024 AGM. The Directors intend to seek annual renewal of this authority from Shareholders.

Alternative Investment Fund Managers Directive
The AIFMD seeks to regulate managers of AIFs that are marketed or managed in the European Economic Area. In compliance with the AIFMD, the Company has appointed AXA IM to act as its AIFM and BNP Paribas has been appointed to act as its Depositary. Refer to the legal and regulatory disclosures section on pages 77 and 78 for further information.

Directors
The Directors who held office during the financial year and up to the date of approval of this report are listed on page 79 and 80.

Refer to the Directors' Remuneration Report on pages 30 and 31 for the Directors' interests in the Company's share capital as at the current time and at the financial year end.

Shareholders' interests
As at the reporting date, so far as the Directors are aware, no person other than those listed below and those parties disclosed in Note 18 to the financial statements was interested, directly or indirectly, in 5% or more of the issued share capital in the Company:

Registered Shareholder	Number of Ordinary shares held	Percentage of Ordinary shares held
AXA S.A Bank	7,955,720	21.75%
BNP Paribas	5,856,896	16.01%
AXA Framlington Investment Managers	3,009,988	8.23%
BNP Paribas Wealth Management	2,160,182	5.91%

REPORT OF THE DIRECTORS (CONTINUED)

Shareholders' interests (continued)
None of the above Shareholders have shareholder rights that are different from those of other holders of the Company's Ordinary shares, except for the holder of the Class B share, an affiliate of AXA S.A., which has the right to elect (or remove) one member of the Board. This right is not currently being exercised.

Disclosure of information to Auditor
The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor
During the year, it was decided to run a tender process for the external audit of the Company and Deloitte LLP (the "Auditor") was appointed as auditor.

Financial risk management objectives and policies
The Board is responsible for the Company's system of risk management and internal control and meets regularly in the form of periodic Board meetings to assess the effectiveness of such controls in managing and mitigating risk. No significant failings or weaknesses were identified. Refer to the Audit Committee Report on page 28 for more details on the process used by the Directors to review the effectiveness of the internal controls.

The Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31 July 2024, and to the date of approval of this Annual Report.

The key financial risks that the Directors believe the Company is exposed to include credit risk, liquidity risk, market risk, interest rate risk, valuation risk and foreign currency risk. Please refer to Note 16 in the financial statements for reference to financial risk management disclosures, which explain in further detail the above risk exposures and the policies and procedures in place to monitor and mitigate these risks.

The Administrator has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of these controls is assessed by the Administrator's compliance and risk departments on an on-going basis and by periodic review by external parties. The Administrator's Fund Compliance Manager, acting on behalf of the Company, presents an assessment of their review to the Board in line with the compliance monitoring programme on a quarterly basis which has revealed no matters of concern.

Events after the reporting date
The Directors are not aware of any developments that might have a material effect on the operations of the Company in subsequent financial periods not already disclosed in this report or Note 20 of the financial statements.

The Report of the Directors was approved by the Board of Directors on 21 October 2024 and signed on its behalf by:

Dagmar Kershaw
Chair

Joanne Peacegood
Chair of the Audit Committee

PRINCIPAL AND EMERGING RISK FACTORS

Summary

An investment in the Company's shares is suitable only for sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result. The Company offers no assurance that its investment objectives will be achieved. Prospective investors should carefully review and evaluate the descriptions of risk and the other information contained in this report, as well as their own personal circumstances and consult with their financial and tax advisors before making a decision to invest in the shares.

Prospective investors should be aware that the value of the shares may decrease, any dividend income from them may not reach targeted levels or may decline and investors may not get back their invested capital. In addition, the market price of the shares may be significantly different from the underlying value of the Company's net assets. The NAV of the Company as determined from time to time may be at a level higher than the amount that could be realised if the Company were liquidated.

At least once a year the Directors carry out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The following principal and emerging risks and uncertainties are those that the Company believes are material, but these risks and uncertainties may not be the only ones that the Company and its Shareholders may face. Additional risks and uncertainties, including those that the Company is not aware of or currently views as insignificant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the shares. A more comprehensive list of the risks faced by the Company may be found in the Summary Document that is posted on the Company's website.

The Board has not identified any new risks in the current year.

Strategic risks

These are the investment risks the Company chooses to take in order to meet its performance objectives. The Board has defined limits for various metrics in order to monitor and control the following strategic risks, which are reviewed on at least a quarterly basis. The Board also reviews regularly the broad investment environment and receives detailed reports, including scenario analysis, from the Investment Manager on the economic outlook and potential impact on the Company's performance.

Principal risks	**Impact, tolerance, controls and mitigation**
Credit risk – The risk that the credit quality of the underlying loans or financial assets within the investment portfolio deteriorates, leading to defaults and/or investment losses, a reduction in cash flows receivable and a fall in the Company's NAV.	2024: unchanged probability, stable impact. Depending on the severity of any decline in credit quality, particularly the duration of any such change, the impact of underlying asset credit and/or default risk could potentially be high. However, the Company is expected to be able to tolerate a short-term spike in defaults without any material impact on the Company. Credit risk is monitored and managed by the Investment Manager through active portfolio management and is mitigated by the Company's broadly diversified investment portfolio. Individual and aggregated exposure limits and tolerances in relation to credit risk are set by the Company and reviewed regularly. Because most CLOs and some other investments in the Company's portfolio are actively managed and the Company invests at various levels in the capital structure of CLOs, the aggregate net credit exposure across the portfolio to underlying names cannot be fully mitigated. However, the Investment Manager periodically provides granular impact analysis of credit exposure to the larger underlying obligors in order to allow the Board to be satisfied that the portfolio remains broadly diversified and that this risk remains at a tolerable level.
The risk that a counterparty defaults leading to a financial loss for the Company.	2024: unchanged probability, stable impact. The Company has a moderate credit exposure to counterparties through inter alia: derivatives; repurchase agreements; and cash deposits. On rare occasions, there may be short-term exposure via settlement processes. Limits are set for individual counterparty exposures. The Investment Manager monitors these limits and provides compliance reports thereon to the Board. The Investment Manager also monitors the quality and appropriateness of counterparties, upon which it performs regular due diligence.
Market risk – The impact of movements in market prices, interest rates and foreign exchange rates on cash flows receivable and the Company's NAV.	2024: unchanged probability, stable impact. The impact of market risk on the Company's ability to achieve its investment objectives could potentially be high. When repurchase agreements are in place, the market value of the collateral required to be posted by the Company, is significantly higher than the amount of the Repo, due to the application of haircuts. In the event of market disruption, the amount of collateral that would be required could increase significantly and a failure to provide such additional collateral may result in forced sales. Likewise, a combination of a sharp downturn in asset prices with a sharp rise in the US Dollar would result in an FX margin call that might create a liquidity squeeze and result in assets being sold at distressed levels.

PRINCIPAL AND EMERGING RISK FACTORS (CONTINUED)

Strategic risks (continued)

Principal risks	Impact, tolerance, controls and mitigation
***Market risk (continued)* –** The impact of movements in market prices, interest rates and foreign exchange rates on cash flows receivable and the Company's NAV (continued).	Thus, both market and FX risk are monitored closely and these risks are managed and mitigated as far as possible by the Investment Manager through active portfolio management, the maintenance of a diversified investment portfolio and use of the flexibility of the Company's investment policy, which permits the Investment Manager to switch between asset classes and levels of risk. Given that the Company's investments have floating interest rate characteristics, the direct risk arising from interest rate volatility is modest. The Investment Manager carefully manages the Company's foreign exchange exposure hedging through derivatives to balance the partial mitigation of the impact of foreign exchange fluctuations upon the NAV with the need to ensure that any margin obligations can be met comfortably. The Board has set foreign exchange exposure tolerances and derivative margin tolerances.
The risk that unhedged currency exposures may lead to volatility in the Company's NAV;	2024: unchanged probability, stable impact. The Company invests in both EUR and USD markets, and maintains that flexibility to be able to access the full range of investment opportunities. However, if the USD exposure is not fully hedged, this could lead to volatility in the Company's NAV due to changes in FX rates. The Investment Manager mitigates this risk through hedging a significant portion of the FX risk, and monitors the unhedged exposure of the portfolio on a consistent basis.
The risk of severe market disruption leading to impairment of the market value and/or liquidity of the Company's investment portfolio.	2024: unchanged probability, stable impact. The Company is well positioned to be able to tolerate prolonged market disruption, as occurred in 2008/2009, due to the fact that the Company is currently financed by equity on which it is able to exercise discretion regarding dividend payments. The Company may utilise debt financing through entering into repurchase agreements. The Board monitors overall leverage levels and soft limits applicable to any Repo and associated collateralisation.
***Re-investment risk* –** The ability to re-invest in investments that maintain the targeted level of returns at an acceptable level of risk.	2024: unchanged probability, stable impact. The potential impact of this risk is considered to be moderate in that it would not be felt immediately, given the medium-term nature of the Company's portfolio. The Company fully tolerates this risk in order to achieve its investment objectives. In the Board's opinion, the ability of the Company and the Investment Manager to mitigate this risk is necessarily limited by external factors. Nevertheless, the Investment Manager is alert to the need to anticipate and respond to market and regulatory developments. Taking into account the reputation, size and presence in the market of the Investment Manager, which provide increased exposure to investment opportunities, and the Company's flexible investment mandate, the Board believes that this risk is mitigated as far as reasonably possible. The Board is aware of the risk of "creep" in risk tolerance in order to maintain returns in less favourable market environments and regularly challenges the Investment Manager on this point.

Preventable risks

These are the risks that the Board believes should be substantially mitigated by the Company's controls. The Board has defined limits for various metrics in order to monitor and control the following preventable risks, which are reviewed by the Board on at least a quarterly basis.

Principal risks	Impact, tolerance, controls and mitigation
Valuation of assets – The risk that the Company's assets are incorrectly valued.	2024: unchanged probability, stable impact. Whilst there might be immediate direct impact on the Company from incorrect valuation of the Company's assets in its monthly NAV reports and annual and interim financial reports, this is considered to be a high risk area due to the potential impact on the Company's share price and actions that could arise from the provision to the market of materially inaccurate valuation data. Any material valuation error is reported to investors. The Company's accounting policies for the valuation of its assets are described in Note 3 in the financial statements. The Company's NAVs are calculated based on valuations provided independently by JP Morgan PricingDirect for the majority of positions.

PRINCIPAL AND EMERGING RISK FACTORS (CONTINUED)

Preventable risks (continued)	
Principal risks	**Impact, tolerance, controls and mitigation**
Investment Manager risks – The risk that the Investment Manager may execute its investment strategy poorly.	2024: unchanged probability, stable impact. This risk is mitigated by the fact that the Investment Manager is part of a very large organisation with deep resources. It manages a number of other funds in the same asset classes as the Company and has a strong track record over a long period in the Company's asset classes.
Key person risk – The risk that the Investment Manager resigns, goes out of business or exits the Company's asset classes.	2024: unchanged probability, stable impact. The Investment Manager has large teams and deep resources of skills to replace key individuals. The Investment Manager must give three months' notice before resigning which would help mitigate the disruption caused by any need to appoint a new Investment Manager.
Emerging Risks	**Impact, tolerance, controls and mitigation**
ESG Risks – Climate change may impact individual borrowers adversely and may also have adverse macroeconomic impacts such as higher inflation. There is also the possibility of distortions to capital flows.	2024: unchanged probability, stable impact. The consideration of such risks is embedded within the Investment Manager's ESG policy as detailed in the Investment Manager's Report on page 9.
The risk that the Company, through AXA IM, does not engage sufficiently with managers around ESG factors, and invests in managers and assets which fail to meet contractual, legal and/or reporting standards around ESG factors. Such assets could be deemed ineligible in their CLO funds and suffer reductions in market value.	2024: unchanged probability, stable impact. The Company is exposed to the impact of a mismanagement or failure to recognise potential ESG issues at portfolio company level, industry level, service provider and Board level, which could damage the reputation and standing of the Company and ultimately affect its investment performance. The Board has increased its oversight of ESG matters by all service providers reporting at least annually on their ESG policies and processes, particularly the Investment Manager. The Investment Manager has ESG policies in place and actively engages with underlying managers to assess their ESG credentials. The Board will continue its close oversight of these processes to ensure that they are adequate and continue to be developed in accordance with regulation and best practice.

CORPORATE GOVERNANCE REPORT

The Company is a member of the AIC and has elected to follow the AIC Code of Corporate Governance 2019. The AIC Code has been endorsed by the FRC as an alternative means for their members to meet their obligations in relation to the UK Code. The Company is not required to apply the Dutch Corporate Governance Code.

The Board

The Board and its responsibilities

The Board is responsible for the determination of the Company's investment objectives, investment guidelines and dividend policy and has overall responsibility for overseeing the Company's activities. The Investment Manager has full discretion to make and implement decisions concerning the investments and other assets held by the Company within the guidelines and policies set by the Prospectus and amplified by the Board.

During the year under review, the Board consisted of five Directors up until 6 December 2023 when Mr Graham Harrison stepped down from the Board. Refer to pages 79 and 80 for the biographies of each Director, as at year end, which demonstrates their professional knowledge and experience.

The Company's day-to-day activities are delegated to third parties, including the Investment Manager, the Administrator and the Depositary. The Company has entered into formal agreements with each of its service providers. Under the terms of the Investment Management Agreement, the Investment Manager is responsible for the management of the Company's investment portfolio, subject to the Company's investment guidelines and the overall supervision of the Board. The responsibilities of BNP Paribas, in respect of its duties as the Administrator, including its duties as Company Secretary, are governed by an Administration Agreement and its duties as current Depositary are set out in a Depositary Agreement.

The Board has established the Management Engagement Committee which monitors the performance of each of its service providers on a regular basis and reviews their performance on a formal basis at least annually (see Management Engagement Committee section on page 24). The Directors have also reviewed the effectiveness of the risk management and internal control systems, including material financial, operational and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

Board diversity

The Board has due regard for the benefits of experience and diversity in its membership, including gender and ethnicity and strives to achieve the right balance of individuals who have the knowledge and skillset to aid the effective functioning of the Board and maximise Shareholder return while mitigating the risk exposure of the Company. The Board is committed to ensuring that any vacancies arising are filled by the most qualified candidates who have complementary skills or who possess the skills and experience which fill any gaps in the Board's knowledge or experience irrespective of gender, race or creed. The Company has no employees.

The below tables set out the Board's composition as at 31 July 2024, in terms of gender identity and ethnic background. The below text compares this against the targets prescribed by UKLR 6.6.6R (9)(a). This information has been collected by self-disclosure directly from the individuals concerned who were asked to confirm their gender and ethnicity.

	Number of Board members	Percentage of the Board	Senior positions on the Board (Senior Independent Director and Chair)
Men	1	25%	**Stephen Le Page** – Senior Independent Director
Women	3	75%	**Dagmar Kershaw** – Chair of the Board **Joanne Peacegood** – Chair of the Audit Committee

	Number of Board members	Percentage of the Board	Senior positions on the Board (Senior Independent Director and Chair)
White British or other White (including minority-white groups)	3	75%	**Stephen Le Page** – Senior Independent Director **Dagmar Kershaw** – Chair of the Board **Joanne Peacegood** – Chair of the Audit Committee
Black/African/Caribbean/Black British	1	25%	N/A

At present, the Company is compliant with UKLR 6.6.6R (9)(a) which targets (i) at least 40% of board members to be women (ii) at least one senior Board position is held by a woman and (iii) at least one board member is from a minority ethnic background.

During the year under review, the Board continued to participate in the Board Apprentice Scheme, which aims to give appropriate individuals first hand board experience through observation of the workings and dynamics of boards. The selected board apprentice attended the Company's meetings and received relevant documentation. The Board views this as a valuable exercise in mentoring accomplished individuals to be future directors, fostering equality and developing board culture. The Board intends to continue to participate in such scheme.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board (continued)

Board independence, composition and tenure

All of the Directors are non-executive. Mr Le Page acts as the Senior Independent Director. Ms Kershaw acts as the Chair of the Board.

Each of the Directors are independent from the Investment Manager and satisfy the independence criteria as set out in the AIC Code and as adopted by the Board as follows:

- the independent Board members may not be Directors, employees, partners, officers or professional advisors to the Investment Manager or any AXA Group companies or any other funds that are managed by the Investment Manager or managed by any other company in the AXA Group;
- the independent Board members may not have a business relationship with the Investment Manager or any AXA Group companies that is material to the members (although they may acquire and hold AXA Group insurance, investment and other products on the same terms as those available to other parties unaffiliated with AXA Group); and
- the independent Board members may not receive remuneration from the Investment Manager or any AXA Group companies (although they may acquire and hold AXA Group insurance, investment and other products on the same terms as those available to other parties unaffiliated with the AXA Group and they may accept commissions or other payments from parties entering into transactions with AXA Group companies as long as those commissions and payments are on market terms and are not material to the members).

As of 21 October 2024, Mr Le Page has served on the Board for just over 10 years. In the Board's opinion, Mr Le Page continues to demonstrate objective and independent thought processes during his dealings with the rest of the Board and with the Investment Manager, and is therefore considered to be independent, notwithstanding his long service. Additionally, the succession of the other three Directors, Ms Kershaw, Ms Ogoundele and Ms Peacegood, ensures continuity and stability of the Board.

The Board reviews at least annually whether there are other factors that potentially affect the independence of Directors or involve meaningful conflicts of interest for them with the Company.

Committees of the Board

Audit, Nomination and Remuneration, and Management Engagement Committees have been established by the Board. Each Committee has formally delegated duties, responsibilities and terms of reference, which are published on the Company's website.

Audit Committee

Refer to the Audit Committee's separate report on pages 28 to 29 for details of its composition, responsibilities and activities.

Nomination and Remuneration Committee

The Nomination Committee and Remuneration Committee were merged during the year under review.

The Nomination and Remuneration Committee comprises Mr Le Page (Chair), Ms Kershaw, Ms Ogoundele and Ms Peacegood. The Committee meets at least once each year and considers the size, structure, skills and composition of the Board. The Committee considers retirements, re-appointments and appointments of additional or replacement Directors and reviews the remuneration of the Directors and makes recommendations to the Board in this respect.

The Nomination and Remuneration Committee has considered the question of Board tenure and has concluded that there should not be a specific maximum time in position for a director or chair. Instead, the Committee keeps under review the balance of skills of the Board and the knowledge, experience, length of service and performance of the Directors and focuses on maintaining the right mix of skills and a balance between bringing in new Directors with fresh ideas and preserving corporate knowledge and experience. When recommending new Directors for appointment to the Board, diversity of gender, age, ethnicity and cultural background are taken into consideration in accordance with the Company's diversity policy. In compliance with the AIC Code, each Director stands for annual re-election.

The Board annually conducts a formal self-assessment of its performance including each of its Committees. The results are consolidated into a report which is presented to the Nomination and Remuneration Committee. Ms Kershaw also conducts formal performance evaluations with each member of the Board and Mr Le Page, as Senior Independent Director, conducts a formal performance evaluation of the Chair. The evaluations include a discussion and evaluation of any training or development requirements. These performance evaluations are reported to the Committee and it has been concluded that all the Board members have demonstrated during their current terms of office that they continue to show satisfactory independence; positively add to the balance of skills of the Board; have current and relevant expertise; effectively contribute to the Board; and show commitment to the Company's business. Accordingly, the Nomination and Remuneration Committee has recommended that the Board should propose each Director for re-election to the Board at the forthcoming AGM.

Mr Harrison retired from the Board on 6 December 2023. The Board thanks Mr Harrison for his work and contributions during his tenure on the Board.

Management Engagement Committee

The Management Engagement Committee comprises Ms Peacegood (Chair), Ms Kershaw, Mr Le Page and Ms Ogoundele. Only Independent Directors may serve on the Management Engagement Committee. The Committee meets at least once each year and the primary purpose of the Committee is to review the performance of, and contractual arrangements with, the Investment Manager and other third party service providers of the Company (other than the external auditor) on a periodic basis, with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's Shareholders.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board (continued)

Committee composition and terms of reference

The composition of the aforementioned Committees and their terms of reference are kept under periodic review. The terms of reference of each of the Committees require that appointments to the Committee shall be for as long as that person remains as a Director or until otherwise removed, subject always to the satisfactory demonstration of independence as a Board member.

Attendance at scheduled meetings of the Board and its committees

	Board meetings	Audit Committee	Nomination Committee[2]	Remuneration Committee[2]	Management Engagement Committee
G Harrison[1]	1/1	2/2	N/A	N/A	0/1
D Kershaw	6/7	5/5	N/A	N/A	1/1
S Le Page	6/7	5/5	N/A	N/A	1/1
Y Ogoundele	7/7	5/5	N/A	N/A	1/1
J Peacegood	7/7	5/5	N/A	N/A	1/1

[1] Mr Harrison stepped down from the Board on 6 December 2023.
[2] No nomination or remuneration committee meetings were held during the year.

Directors' professional development

The Board believes that keeping up-to-date with key credit industry developments is essential for the Directors to maintain and enhance their effectiveness. The Chair is responsible for agreeing and reviewing with each Director their training and development needs and all Directors receive other relevant trainings as necessary.

When a new Director is appointed to the Board, they are provided with all relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will also spend time with representatives of the Investment Manager, Administrator and Company Secretary in order to learn about their processes and procedures, as deemed applicable.

The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a Director of the Company.

Relationship with the Investment Manager

Under the terms of the Investment Management Agreement, the Investment Manager is responsible for the management of the Company's investment portfolio, subject to the Company's investment guidelines and the overall supervision of the Board.

On 1 August 2024, the BNP Paribas Group announced that it has entered into exclusive negotiations with AXA Group for a proposed acquisition of 100% of AXA Investment Managers. Refer to note 20 for further details.

The Investment Management Agreement states that the Company may engage in portfolio transactions (e.g. the purchase or sale of securities) with the Investment Manager acting on a principal basis and cross-trades between the Company and accounts or funds for which the Investment Manager acts as discretionary Investment Manager and are authorised provided they comply with the policies and procedures developed by the Investment Manager in order to eliminate or mitigate conflicts of interest and to ensure that the Company is treated in an equitable manner. In order to identify, prevent or manage and follow up any conflict of interest, the Investment Manager has set up a conflict of interest policy that is available on the following website: www.axa-im.fr.

The Company publishes its portfolio composition on its website on a monthly basis.

The Board receives and considers reports regularly from the Investment Manager, with ad hoc reports and information supplied to the Board as required. The Investment Manager reports against the Company's investment guidelines and has systems in place to monitor cash flow and the liquidity risk of the Company. The Investment Manager and the Administrator also ensure that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the Investment Manager and Administrator attend each Board meeting as required, enabling the Directors to probe further on matters of concern.

The Board, the Investment Manager and the Administrator operate in a supportive, co-operative and open environment.

Performance of the Investment Manager

The Board reviews the performance of the Investment Manager on a regular basis and considers whether or not the continued appointment of the Investment Manager is in the best interests of the Company. The continued appointment of the Investment Manager was most recently reviewed and agreed by the Management Engagement Committee on 19 September 2024. If the Company elects to terminate the appointment of the Investment Manager without cause and without giving the Investment Manager two years' advance notice, the Company may do so upon not less than 60 days' prior written notice, but will be required to pay a termination fee to the Investment Manager. The termination fee shall be to compensate the Investment Manager for the Management Fees and Incentive Fees that the Investment Manager might have earned had the appointment of the Investment Manager not been terminated prior to the end of the two-year notice period.

Relationship with the Investment Manager (continued)
Performance of the Investment Manager (continued)
The Board believes that the investment management fees are competitive with other investment companies with similar investment mandates. The key terms of the Investment Management Agreement and the investment management fee charged by the Investment Manager are set out in Note 18.

Board meetings
Primary focus
The Board meets regularly throughout the year and a representative of the Investment Manager is in attendance at all times when the Board meets to review the performance of the Company's investments. The Chair with assistance from the Investment Manager is responsible for ensuring that the Directors receive accurate, timely and clear information which is discussed at Board meetings. The Chair encourages open debate to foster a supportive and co-operative approach for all participants.

The Board applies its primary focus on the following:
- investment performance, ensuring that investment objectives and strategy of the Company are met;
- ensuring investment holdings are in line with the Company's investment guidelines;
- reviewing and monitoring financial risk management, operating cash flows and budgets of the Company;
- monitoring the share price performance; and
- reviewing and monitoring of the key risks to which the Company is exposed as set out in the Strategic Report.

At each relevant meeting the Board undertakes reviews of key investment and financial data, transactions and performance comparisons, share price and NAV performance, marketing and Shareholder communication strategies, peer group information and industry issues.

Overall strategy
The Board meets regularly to discuss the investment objective, policy and approach of the Company to ensure sufficient attention is given to the overall strategy of the Company. The Board considers the Company's investment objectives, their continuing relevance and whether the investment policy continues to meet those Company's investment objectives. In particular, the Board considered ways to attract more investors to help reduce the level of discount. The Board and the Manager have begun simplifying the structure of the Company by pursuing exposure predominantly through investment in CLOs and similar asset classes.

Monitoring and evaluation of performance of and contractual arrangements with service providers
The Board, with support from the Management Engagement Committee, is responsible for reviewing on a regular basis the performance of the Investment Manager and the Company's other third party service providers.

The Management Engagement Committee ensures all service providers comply with the Bribery Act 2010 and the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. They also ensure that service providers' cyber security arrangements are sufficient to ensure their continued competitiveness and effectiveness and that performance is satisfactory and in accordance with the terms and conditions of the respective appointments.

As part of the Board's evaluation, it reviews on an annual basis, the contractual arrangements with the Investment Manager and major service suppliers.

During this review, no material weaknesses were identified and overall the Board confirmed its satisfaction with the services and advice received.

The Directors have adopted a procedure whereby they are required to report any potential acts of bribery and corruption in respect of the Company to BNP Paribas as the designated manager for GFSC purposes.

Shareholder communications
The main method of communication with Shareholders is through the Half-Yearly Financial Report and Annual Report which aim to give Shareholders a clear and transparent understanding of the Company's objectives, strategy and results. This information is supplemented by the publication of the monthly NAVs of the Company's Ordinary shares on Euronext Amsterdam and the LSE.

The Company's website is regularly updated with monthly reports and provides further information about the Company, including the Company's financial reports and announcements. The maintenance and integrity of the Company website is the responsibility of the Directors, which has been delegated to the Administrator. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of financial statements and users of the Company's website are responsible for informing themselves of how the requirements in their own countries may differ from those of Guernsey.

Shareholders are able to contact the Board via the dedicated e-mail address (guernsey.bp2s.volta.cosec@bnpparibas.com) of the Company or by post via the Company Secretary. Alternatively, Shareholders are able to contact the Investment Manager directly via the contact details as published in the Company's monthly reports. In addition, regular meetings are conducted by the Company's Broker and Investment Manager with Shareholders and other interested parties.

As a consequence, the Board receives appropriate updates from the Company Secretary, Broker and from the Investment Manager to keep it informed of Shareholders' sentiment and analysts' views.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Statement of Compliance with the AIC Code of Corporate Governance
The Directors place a high degree of importance on ensuring that high standards of corporate governance are maintained and have therefore chosen to comply with the provisions of the AIC Code of Corporate Governance 2019.

The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses all the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional provisions on issues that are of specific relevance to Investment Companies.

The Board considers that reporting against the principles and provisions of the AIC Code provides more relevant information to stakeholders. The AIC Code is available on the AIC's website at www.theaic.co.uk.

The Company has complied with all the principles and provisions of the AIC Code during the year ended 31 July 2024 except for the new companies (provision 21), which is not applicable.

Set out below is where stakeholders can find further information within the Annual Report about how the Company has complied with the various principles and provisions of the AIC Code.

1. Board leadership and purpose	
Purpose	On page 13
Strategy	On page 13
Values and culture	On page 15
Shareholder Engagement	Shareholder communications on page 26
Stakeholder Engagement	Section 172 statement on page 15
2. Division of responsibilities	
Director Independence	On page 24
Board meetings	Board and Committee Meetings with Director Attendance on page 25
Relationship with Investment Manager	Investment Manager and Investment Manager Review on page 25
Management Engagement Committee	Management Engagement Committee on page 24.
3. Composition, succession and evaluation	
Nomination Committee	Nomination Committee on page 24
Director re-election	Board Composition on page 24
Board evaluation	Board Evaluation on page 24
4. Audit, risk and internal control	
Audit Committee	Audit Committee on page 28 and 29
Emerging and principal risks	Principal Risks and Uncertainties on pages 20 to **22**
Risk management and internal control systems	Internal Controls on page 28
Going concern statement	Going Concern on page 14
Viability statement	Viability Statement on pages 14 and 14
5. Remuneration	
Directors' Remuneration Report	On pages 30 and 31

AUDIT COMMITTEE REPORT

The Audit Committee presents its report for the year ended 31 July 2024.

Terms of reference
The Board has established terms of reference for the Audit Committee governing its responsibilities, authorities and composition (as stated in the Corporate Governance Report, the Company applies the AIC Code and accordingly the terms of reference of the Audit Committee comply with the AIC Code). Those terms of reference are available on the Company's website.

Delegation of duties
The Company has no employees as all day-to-day operational functions, including investment management, financial reporting, risk management and internal control, have been outsourced to various service providers. However, the Audit Committee retains full responsibility for the oversight of the control processes of those service providers.

Composition
The Audit Committee comprises Ms Peacegood (Chair), Ms Ogoundele and Mr Le Page. Ms Peacegood succeeded Mr Le Page as Chair of the Audit Committee with effect from 1 May 2024. Only Independent Directors may serve on the Audit Committee and members of the Audit Committee shall have no links with the Company's Auditor. Mr Le Page and Ms Peacegood both have recent and relevant financial experience, with both having worked at PricewaterhouseCoopers in the Channel Islands and having served on the audit committees of several companies since leaving that firm and to date. The other members of the Audit Committee have the knowledge and experience necessary to discharge their duties.

Activities
During the year ended 31 July 2024, the Audit Committee met on five occasions and met with the Auditor on two of those occasions. In addition, the Chair of the Audit Committee has met separately with the Audit Partner responsible for the Company's audit on a number of further occasions. The Audit Committee also conducted due diligence visits to BNP Paribas in Jersey, where the Company's day to day administration and accounting is carried out and to the Investment Manager in Paris.

Financial reporting risk area
The Audit Committee receives and reviews the Company's annual and interim reports and financial statements, including the reports of the Investment Manager and Auditor (Annual Financial statements only) contained therein. In the Audit Committee's opinion, the principal risk of misstatement in the Company's financial reporting arises from the valuation of its investments. In order to mitigate this risk, the Company's Administrator, overseen by the Committee:

- obtains a copy of the prices supplied by a third party for the purposes of valuing the interim and year end holdings of investments in CLO debt and CLO equity, and ensures that such prices agree to those used by the Company; and
- compares the valuations of investments in funds used in the Company's financial reporting to the NAV reports received from the relevant fund administrators and, when audited annual financial statements are available for each fund, compares the relevant NAV reports to such audited annual financial statements.

In addition, the Committee supported by BNP Paribas, reviews the Investment Manager's determination of the value of the Company's holdings in other components of the portfolio to ensure that such valuations are reasonable, consistent with their knowledge of the investments concerned and appropriate for inclusion in the financial statements.

The Audit Committee reviews these items and the Investment Manager's valuation assumptions prior to the publication of the Company's annual and interim reports. In carrying out the review of the valuations included in this report, the Board has discussed the valuation sources and process with relevant staff members of AXA IM and BNP Paribas during the preparation of this report and during the due diligence visit in March 2024. The results of these activities were satisfactory and the Audit Committee has concluded that the investment valuations in this report are fairly stated in accordance with the Company's accounting policies.

Other financial reporting areas
The Audit Committee has also reviewed the Company's accounting policies applied in the preparation of its annual and interim reports together with the relevant critical judgements, estimates and assumptions and has determined that these are in compliance with IFRS and are appropriate to the Company's circumstances.

The Audit Committee has reviewed and challenged the materiality levels applied by the Auditor to both the financial statements as a whole and to individual items and is satisfied that these materiality levels are appropriate.

Internal control
The Audit Committee focuses on ensuring that effective systems of internal financial and non-financial control are maintained and closely monitors the Company's third-party service providers in this regard. As the Company's accounting functions are delegated to third parties, the Company does not have an internal audit function. The internal control environment of the Company is the product of control systems operated by its third-party service providers, together with the oversight exercised by the Audit Committee. To help satisfy itself as to the existence and efficacy of material controls affecting the Company, the Audit Committee requests its key third-party service providers to complete an annual questionnaire and reviews the responses provided to the questions contained therein. The Audit Committee has also obtained the latest ISAE 3402 Type II controls reports for the Company's Investment Manager and for its Administrator.

AUDIT COMMITTEE REPORT (CONTINUED)

External audit

The Committee decided to re-tender the audit this year. Three firms were invited to present their audit proposal and after taking into account audit efficiency and effectiveness, use of technology and experience of the team, it was decided to appoint Deloitte LLP.

The Committee has maintained oversight of the audit transition and is grateful to both Deloitte LLP and KPMG, as well as the Administrator BNP Paribas, for ensuring a smooth transition. As part of the tender process, the Committee confirmed Deloitte LLP's independence before their appointment.

Deloitte LLP provided the Audit Committee with an overview of their audit strategy and plan for the year ended 31 July 2024 at a meeting on 5 July 2024.

The Audit Committee and Deloitte LLP have worked together to ensure that the independence and objectivity of the Auditor and the quality of the audit are maintained. In its formal communications with the Audit Committee, Deloitte LLP confirms its compliance with all applicable quality, independence and ethical requirements, including, among other things, ensuring periodic rotation of the lead audit partner, who is subject to rotation after five years of service. The Audit Committee has formally reviewed this confirmation, which includes a summary of Deloitte LLP's controls to ensure compliance with professional and regulatory standards, and has also noted that no non-audit services have been provided during the year. The Audit Committee has concluded from this review, and in light of its knowledge and experience gained through the actual performance of Deloitte LLP's work, that the Auditor remains independent and objective and the audit remains of high quality.

Non-audit services policy

It is the Board's intention that services other than audit will not be obtained from the external audit firm, unless there would be considerable advantage to the Company or its Shareholders by so doing. Suitable safeguards against any possible impairment of independence of the Auditor would be implemented in the unlikely event they were retained for such work. The Board has in any event adopted a policy in respect of non-audit services which closely follows that recommended by the AIC. No non-audit fees were incurred during the year ended 31 July 2024 (31 July 2023: nil).

Conclusion on Annual Report

The Audit Committee has reviewed the Company's financial reports as a whole to ensure that they appropriately describe the Company's activities and to ensure that all statements contained in them are consistent with the Company's financial results and their expectations. Accordingly, the Audit Committee was able to advise the Board that the Annual Report and Audited Financial Statements are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Joanne Peacegood
Chair of the Audit Committee
21 October 2024

DIRECTORS' REMUNERATION REPORT

This report describes how the Board has applied the principles of the AIC Code relating to Directors' remuneration.

There was one change to the Board during the year ended 31 July 2024; Mr Harrison retired from the Board on 6 December 2023.

All Directors will stand for reappointment at the forthcoming AGM to be held on 5 December 2024.

Table of Directors remuneration

Component	Director	Fee entitlement for year ended 31 July 2024 (€)	Purpose of reward
Annual fee	Chair of the Board All other Directors	€100,000 €70,000	For commitments as non-executive Directors
Additional annual fee	Chair of the Audit Committee Chair of the Nomination and Remuneration Committee Chair of the Management Engagement Committee Senior Independent Director	€15,000 None None None	For additional responsibilities and time commitment

Each Director continues to receive 30% of their Director's fee in the form of shares. The remaining 70% of the fees are paid quarterly in cash. As previously reported, the Directors' remuneration shares are purchased in the secondary market. Thus, at current levels of discount between the NAV per Ordinary share and the share price, the true cost to the Company is approximately 7% less than the amount quoted above. Should the shares trade at a premium to NAV in the future, the Directors may seek to amend the policy in the future.

The Directors are required to retain their shares for at least one year from their respective dates of issuance. During the year ended 31 July 2024, no Director sold any of their shares. In addition to these fees, the Company reimburses all reasonable travel and other incidental expenses incurred by the Directors in the performance of their duties.

The total amount of Directors' remuneration for the year ended 31 July 2024 are shown in the table below:

	31 July 2024			31 July 2023		
	Cash	Shares[1]	Total	Cash	Shares[1]	Total
Director	**€**	**€**	**€**	**€**	**€**	**€**
D Kershaw	70,000	30,000	100,000	70,000	30,000	100,000
S Le Page[2]	56,875	24,375	81,250	59,500	25,500	85,000
Y Ogoundele	49,000	21,000	70,000	49,000	21,000	70,000
J Peacegood[2]	51,625	22,125	73,750	4,128	1,769	5,897
G Harrison[3]	16,910	7,249	24,159	49,000	21,000	70,000
Total Directors' remuneration (Note 5)	**244,410**	**104,749**	**349,159**	**231,628**	**99,269**	**330,897**
Settlement of Directors fees share based payment[4]	-	(24,799)	(24,799)	-	(14,058)	(14,058)
True cost of Director's remuneration for the year	**244,410**	**79,950**	**324,360**	**231,628**	**85,211**	**316,839**

[1] Director remuneration (equity settlement) based on NAV per Ordinary share.
[2] Ms Peacegood succeeded Mr Le Page as Chair of the Audit Committee with effect from 1 May 2024.
[3] Mr Harrison stepped down from the Board on 6 December 2023.
[4] During the year ended 31 July 2024, the settlement of Directors fees share based payment was €24,799, being made up of €24,731 net settlement of Directors fees share based payment (refer to Note 15) and €68 transaction fee which forms part of "Other operating expenses" in the Statement of Comprehensive Income (page 42).

DIRECTORS' REMUNERATION REPORT (CONTINUED)

The Directors' interests in the Company's share capital are as follows:

	Number of shares at 31 July 2023	Shares purchased on secondary market[1]	Shares purchased directly	Number of shares at 31 July 2024	Shares purchased on secondary market[1] after year end	Number of shares at 21 October 2024
G Harrison[2]	28,360	1,932	none	30,292	Nil	30,292
S Le Page	45,985	3,849	none	49,834	728	50,562
D Kershaw	7,270	4,528	none	11,798	1,040	12,838
Y Ogoundele	2,964	3,170	none	6,134	728	6,862
J Peacegood	Nil	2,621	none	2,621	884	3,505

[1] These are shares purchased by the Company on the secondary market and transferred to the Directors as part payment of the Directors' fees on a quarterly basis.
[2] Mr Harrison stepped down from the Board on 6 December 2023.

The current Directors continue to hold these shares and no disposals of shares have been made by them to date. All remuneration of the Directors is set out above and there was no performance related compensation. None of the Directors is subject to a service contract under which any compensation would be payable upon loss of office.

Stephen Le Page
Chair of the Nomination and Remuneration Committee
21 October 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, including the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 (as amended) requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRS as issued by the IASB and adopted by the EU and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements and that to the best of their knowledge and belief:

- this Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces;
- the Financial Statements, prepared in accordance with IFRS issued by the IASB and adopted by the EU and interpretations issued by the IFRIC, give a true and fair view of the assets, liabilities, financial position and results of the Company; and
- the Annual Report and Financial Statements, taken as a whole, provides the information necessary to assess the Company's position and performance, business model and strategy and is fair, balanced and understandable.

This Statement of Directors' Responsibilities was approved by the Board of Directors on 21 October 2024 and was signed on its behalf by:

Dagmar Kershaw
Chair

Joanne Peacegood
Chair of the Audit Committee

Footnote:
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of the Company's financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLTA FINANCE LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Volta Finance Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 July 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law 2008.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in shareholders' equity;
- the statement of cash flows; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law, and IFRS Accounting Standards as issued by the IASB.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: *The valuation of the investment in subordinated notes (fair value through profit or loss ("FVPL"))*
Materiality	The materiality that we used in the current year was €5.2 million which was determined on the basis of 2% of the company's net asset value.
Scoping	We performed a full scope audit to respond to the risks of material misstatement.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the directors' method to assess going concern, including mathematical integrity of the financial information presented in their assessment;
- Evaluating the relevance and reliability of the financial information presented by tracing amounts included within the directors' assessment to underlying accounting data and supporting documents;
- Assessing key inputs used in the forecasts for reasonableness and consistency with prior years and industry norms;
- Assessment of inherent risks to the company's business model and how these risks might affect the company's financial resources or ability to continue operations over the going concern period;
- Consideration of whether any additional facts or information have become available since the date the directors' made their assessment as it relates to disclosures in the financial statements; and
- Assessed the appropriateness of disclosures pertaining to going concern in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of the investment in subordinated notes (financial assets through profit or loss ("FVTPL"))

Key audit matter description	The company invests in a portfolio of investments representing 89% (2023: 87%) of the company's net asset value ("NAV"). These investments are valued using recognised valuation methodologies disclosed in note 3 to the financial statements. 48% (2023:48%) of the portfolio is invested in subordinated securities such as Collateralised Loan Obligation ("CLO") equity and Capitalised Manager Vehicle ("CMV"), that are illiquid, and judgement is required in determining inputs used in

	fair value, such as default rates, discount margins, and prepayment rates. We consider that these factors lead to a high degree of estimation uncertainty giving rise to a potential range of outcomes greater than our materiality for the audit of the financial statements as a whole. As a result, these investments are subject to a risk of error and fraud given NAV is a key performance indicator of the company. As described in note 3 to the financial statements, the CLO positions held directly or indirectly through investments in CMV are valued using prices obtained from an independent pricing source, JP Morgan PricingDirect ("management expert"). Adjustments to the prices sourced independently are very rare and are only made after investigating the reasons underlying any differences identified and are also subject to approval by the Investment Manager's internal risk function. No such adjustments were made to prices as at 31 July 2024 (31 July 2023: no such adjustments were made to prices). Refer to page 28 of the Audit Committee Report, note 3 of the Financial Statements (Material Accounting Policies), and note 9 of the Financial Statements (Financial Assets at Fair Value through profit or loss).
How the scope of our audit responded to the key audit matter	In response to the key audit matter: • We obtained an understanding of the valuation process, use of management expert and tools as well as internal controls established around tools, methods, inputs and assumptions applied; • We assessed the valuation policy and methodology adopted by management in comparison to IFRS and industry practice; • We assessed the competence, capabilities and objectivity of experts engaged by management, as well as the scope of their work and respective conclusions; • We obtained the management expert's valuation report and agreed the reference prices therein to the valuations utilised by the company for CLO and CMV positions; • With the involvement of our valuation specialist, we determine independent reference prices for a sample of positions either by obtaining external pricing sources where available, or through the use of fundamental cash flow modelling, sourcing key inputs and assumptions used, such as the default rates, discount margins and prepayment rates, from observable market data; • For a sample of investments realised during the period, we reviewed the accuracy of management's valuation by comparing the price at which investments were realised to the price recorded by the company at the time of disposal; • We tested the mathematical accuracy of the calculation of the change in value of investments for the year and its recognition in the statement of

comprehensive income; and

- We assessed the appropriateness of disclosures (including disclosures related to sensitivity analysis presented in note 9) in accordance with requirements of IFRS 13 – Fair Value Measurement.

Key observations	Based on the work performed, we conclude that the valuation of the investments in subordinated notes at fair value through profit or loss is not materially misstated.

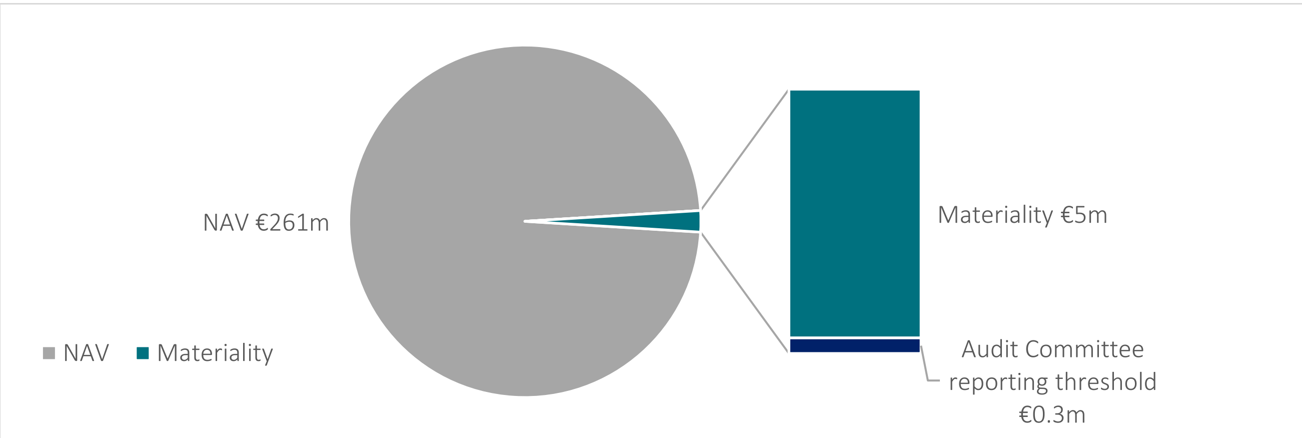
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€5,173,000
Basis for determining materiality	2% of the company's net asset value.
Rationale for the benchmark applied	Net asset value represents the key performance indicator for shareholders as they focus on the company's ability to grow the capital value of the company and generate income returns from the investment portfolio.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit. In determining performance materiality, we considered:

a) the quality of the control environment and whether we were able to rely on controls,
b) the nature, volume and size of misstatements (corrected and/or uncorrected) by the predecessor auditor,
c) factors resulting in the number of significant and higher risks of material misstatement.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of €258,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

Our audit scope encompassed obtaining an understanding of the relevant valuation and accounting processes and controls. Given that a third-party administrator maintains the company's books and records, and a third-party investment manager oversees the investment portfolio, our procedures included obtaining an understanding of the controls at these service organizations including obtaining their ISAE 3402 reports, specifically those relevant to the company's financial reporting.

7.3. Our consideration of climate-related risks

In planning our audit, we considered the potential financial impacts on the company and its financial statements of climate change. We considered the directors' assessment of climate risks and opportunities as described in the Strategic Report on pages 24 to 25, together with our knowledge and experience of the company and the environment in which it operates. We have considered whether information included in the climate-related disclosures in the annual report is materially consistent with the financial statements and our understanding of the business.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, Investment Manager's performance fees;
- results of our enquiries of third-party administrators, Investment Managers, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:

  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of investments in subordinated notes (financial assets through profit or loss). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law 2008, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of the investment in subordinated notes (financial assets at fair value through profit or loss) as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with regulatory authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLTA FINANCE LIMITED (CONTINUED)

Report on other legal and regulatory requirements

12. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 13;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 14;
- the directors' statement on fair, balanced and understandable set out on page 18;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 20 to 22;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 23; and
- the section describing the work of the Audit Committee set out on pages 28 to 29.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 20 March 2024 to audit the financial statements for the year ending 31 July 2024 and subsequent financial periods.

14.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

14.3. European Single Electronic Format ("ESEF")

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R and the European Single Electronic Format Regulatory Technical Standard ("ESEF RTS"), these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R, and The Dutch Authority for the Financial Markets (AFM) in accordance with the ESEF RTS. This auditor’s report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R or the ESEF RTS.

15. Use of our report

This report is made solely to the company’s members, as a body, in accordance with section 262 of Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Marc Cleeve, BA, FCA

For and on behalf of Deloitte LLP

Recognised Auditor

St Helier, Jersey

21 October 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2024

	Notes	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023 €
Operating income/(loss)			
Net gain (including net foreign exchange gain/loss) on financial assets at fair value through profit or loss	4	56,103,304	28,864,239
Other net foreign exchange (loss)/gain, including net gain/(loss) on foreign exchange derivatives		(1,417,806)	8,860,282
Net gain/(loss) on interest rate derivatives		632,734	(4,416,619)
Bank interest income		1,099,390	525,417
		56,417,622	**33,833,319**
Operating expenditure			
Investment Manager management fees	17	(3,602,064)	(3,341,218)
Investment Manager performance fees	17	(6,528,317)	(2,289,213)
Operating expenses	5	(1,321,680)	(1,228,912)
		(11,452,061)	**(6,859,343)**
Profit for the year and total comprehensive income		**44,965,561**	**26,973,976**
Basic and diluted earnings per Ordinary share	7	**€1.2292**	**€0.7374**

Other comprehensive income
There were no items of other comprehensive income in either the current year or prior year.

The Notes on pages 46 to 74 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2024

	Notes	31 July 2024 €	31 July 2023 €
ASSETS			
Financial assets at fair value through profit or loss	9	252,599,259	220,300,413
Derivatives at fair value through profit or loss		2,624,718	6,382,316
Trade and other receivables	10	35,529	120,240
Cash and cash equivalents	11	28,155,809	22,577,210
Balances due from broker – margin accounts		-	5,130,000
TOTAL ASSETS		**283,415,315**	**254,510,179**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	-	-
Share premium	14	35,808,120	35,808,120
Other distributable reserves	15	-	1,136,348
Retained earnings	16	225,046,724	199,038,620
TOTAL SHAREHOLDERS' EQUITY		**260,854,844**	**235,983,088**
LIABILITIES			
Derivatives at fair value through profit or loss		1,753,881	5,264,057
Trade and other payables	12	20,386,590	7,093,034
Balances due to broker – margin accounts		420,000	6,170,000
TOTAL LIABILITIES		**22,560,471**	**18,527,091**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**283,415,315**	**254,510,179**
NAV per Ordinary share	8	**€7.1310**	**€6.4510**

These financial statements on pages 42 to 74 were approved and authorised for issue by the Board of Directors on 21 October 2024 and were signed on its behalf by:

Dagmar Kershaw
Chair

Joanne Peacegood
Chair of the Audit Committee

The Notes on pages 46 to 74 form part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 JULY 2024

	Notes	Share premium €	Other distributable reserves €	Retained earnings €	Total €
Balance at 31 July 2022		**35,808,120**	**19,775,011**	**172,064,644**	**227,647,775**
Profit for the year and total comprehensive income		-	-	26,973,976	26,973,976
Net settlement of Directors fees share based payment at a discount to NAV	5.1	-	13,988	-	13,988
Dividends paid in cash	6,15	-	(18,652,651)	-	(18,652,651)
Balance at 31 July 2023		**35,808,120**	**1,136,348**	**199,038,620**	**235,983,088**
Profit for the year and total comprehensive income		-	-	44,965,561	44,965,561
Net settlement of Directors fees share based payment at a discount to NAV	5.1	-	24,731	-	24,731
Dividends paid in cash	6,15	-	(1,161,079)	(18,957,457)	(20,118,536)
Balance at 31 July 2024		**35,808,120**	**-**	**225,046,724**	**260,854,844**

The Notes on pages 46 to 74 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2024

	Notes	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023 €
Cash flows generated from operating activities			
Profit for the year and total comprehensive income		44,965,561	26,973,976
Adjustments for:			
- Net (gain) on financial assets at fair value through profit or loss	4	(56,103,304)	(28,864,239)
- Net foreign exchange loss/(gain) on revaluation of derivatives		1,417,806	(8,860,282)
- Net (gain)/loss on revaluation of interest rate derivatives		(632,734)	4,416,619
- Net settlement of Directors fees share based payment	15	24,731	13,988
Coupons received		57,221,614	46,987,096
(Increase)/decrease in trade and other receivables, excluding amounts due from brokers and interest receivable	10	(8,829)	11,218
Increase in trade and other payables, excluding amounts due to brokers	12	4,316,056	2,041,693
Net cash generated from operating activities		**51,200,901**	**42,720,069**
Cash flows generated from investing activities			
Purchases of financial assets at fair value through profit or loss		(82,540,465)	(40,523,934)
Proceeds from sales and redemptions of financial assets at fair value through profit or loss		58,194,349	15,227,903
Net (settlement)/income on derivative instruments		(1,157,650)	7,020,569
Net cash used in investing activities		**(25,503,766)**	**(18,275,462)**
Cash flows used in financing activities			
Dividends paid to Shareholders	6	(20,118,536)	(18,652,651)
Net cash used in financing activities		**(20,118,536)**	**(18,652,651)**
Net increase in cash and cash equivalents		5,578,599	5,791,956
Cash and cash equivalents at the beginning of the year		22,577,210	16,785,254
Cash and cash equivalents at the end of the year	11	**28,155,809**	**22,577,210**

The Notes on pages 46 to 74 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION
The Company is a limited liability company registered in Guernsey under the Companies (Guernsey) Law 2008 (as amended) with registered number 45747. The registered office of the Company is BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA, Channel Islands.

The Company is an authorised closed-ended collective investment scheme in Guernsey, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended). The Company's Ordinary shares are listed on Euronext Amsterdam and on the Equity Share (Commercial Companies) segment (previously the 'Premium segment') of the Official List of the UK Listing Authority and are admitted to trading on the Main Market of the LSE. 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 AFM, being the financial markets supervisor in the Netherlands.

2. ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented.

2.1 Basis of preparation
a) Statement of compliance
The financial statements of the Company, which give a true and fair view, and comply with the Companies (Guernsey) Law, 2008 (as amended) and have been prepared in accordance with IFRS issued by the IASB and adopted by the EU and interpretations issued by the IFRS Interpretations Committee and applicable law.

b) Basis of measurement
These financial statements have been prepared on a historical cost convention basis, except for the revaluation of financial instruments classified at fair value through profit or loss. The methods used to measure fair value are further disclosed in Note 3.

c) Functional and presentation currency
These financial statements are presented in Euro (rounded to the nearest whole Euro), which is the Company's functional and presentation currency. In the Directors' opinion, the Euro is the Company's functional currency as the Company has issued its share capital denominated in Euro and the Company partially hedges the principal of its US Dollar investments such that its principal exposure is to the Euro.

d) Use of estimates and judgements
The preparation of financial statements in accordance with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and include consideration of the current economic and geopolitical environment. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements include the determination of the fair value as described in:
- Note 2.4(b) - Recognition, measurement and derecognition of financial assets;
- Note 3 – Determination of fair values; and
- Note 9 – Financial assets at fair value through profit or loss – fair value hierarchy.

Refer to notes 9 and 16 for sensitivity analyses.

There were no critical judgements in applying accounting policies in the current or prior year.

(e) New standards, amendments and interpretations
The following amendments and interpretations to existing standards have come into effect during the year ended 31 July 2024 and the Directors do not believe these have a material impact on the Company's financial statements:

Standards	Effective for periods beginning on or after
• IFRS 17 Insurance Contracts	1 January 2023
• Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
• Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
• Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
• International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12	27 May 2023

2. ACCOUNTING POLICIES (CONTINUED)

(f) Standards, amendments and interpretations issued but not yet effective

The following standards become effective in future accounting periods and have not been early adopted by the Company and the Directors do not believe that the application of these will have a material impact on the Company's financial statements:

Standards	**Effective for periods beginning on or after**
• Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
• Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
• Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
• Lack of Exchangeability – Amendments to IAS 21	1 January 2025
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Optional

2.2 Going concern

Statement of going concern

The Directors have considered the state of financial market conditions at the period end date and subsequently. Whilst macro-economic and political events (inflation, rising interest rates, geopolitical conflicts in Europe and the Middle East) have put pressure on the borrowers underlying the Company's portfolio, their impact to date has been small and is expected to remain immaterial in the foreseeable future. In particular, the impact on the Company's cash flows is not expected to be material and appropriate steps, as outlined in previous reports, can be taken to minimise cash out flows.

The incidence and impact of defaults in the Underlying Assets is hard to predict but are likely to rise, although it should be noted that recent default levels are far below those originally forecast and also below those used in the Investment Managers' models. However, the Directors have concluded that any reasonably foreseeable fall in cash inflows would not have a material impact on the Company's ability to meet its liabilities as they fall due. Therefore, after making appropriate enquiries, the Directors are of the opinion that the Company remains a going concern and are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the Company's financial statements.

2.3 Foreign currencies

Transactions in foreign currencies are initially translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies are retranslated to Euro at the foreign currency closing exchange rate ruling at the reporting date.

Foreign currency exchange differences arising on retranslation of monetary items are recognised in the Statement of Comprehensive Income under the heading of "Net foreign exchange (loss)/gain, including net gain/(loss) on foreign exchange derivatives, but excluding net foreign exchange gain/(loss) on financial assets at fair value through profit or loss". Net foreign exchange gain/(loss) on financial assets at fair value through profit or loss are recognised with other fair value movements on those assets in a separate line in the Statement of Comprehensive Income.

2.4 Financial instruments

Financial assets

(a) Classification

The Company classifies its investments and derivative financial instruments (as applicable – refer below) as financial assets at fair value through profit or loss. Financial assets also include cash and cash equivalents as well as trade and other receivables which are measured at amortised cost.

(b) Recognition, measurement and derecognition

Financial assets at fair value through profit or loss

While the Company holds the majority of its investments for long periods in order to collect the contractual cash flows arising therefrom, it will not necessarily hold its investments until maturity. Instead, the Company will sell such investments if other investments with better risk/reward profiles are identified. In addition, debt investments may be purchased at a significant discount or premium to par. Therefore, in the opinion of the Directors, the Company's business model as defined by IFRS 9 is to manage its investments on a fair value basis. Consequently, the Company is required to classify its investments as financial assets at fair value through profit or loss. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Income when incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in the Statement of Comprehensive Income.

Derivatives

The Company holds derivative financial instruments to minimise its exposure to foreign exchange risks and from time to time may also hold derivative financial instruments to manage its exposure to interest rate risks or for economic leveraging. Derivatives are classified as financial assets or financial liabilities at fair value through profit or loss and are initially recognised at fair value; attributable transaction costs are recognised in the Statement of Comprehensive Income when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in the Statement of Comprehensive Income. The fair values of derivative transactions are measured at their market prices at the reporting date. The Company does not offset derivative assets and liabilities and thus, they are presented on a gross basis on the face of the Statement of Financial Position.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(b) Recognition, measurement and derecognition (continued)

Financial assets are initially recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of a given instrument, that is, the trade date. All purchases and sales of financial instruments are recognised on the trade date. Gains and losses are recognised from that date. Interest accrued as at the date of acquisition is included within the cost of an investment and interest accrued as at the date of sale is included within the sale proceeds for an investment.

Financial assets are derecognised when the contractual rights to cash flows from the assets expire or the Company transfers the financial assets and substantially all the risks and rewards of ownership.

Financial Liabilities

(a) Classification

Financial liabilities include interest payable on loan financing, balances due to broker – margin accounts and trade and other payables which are measured at amortised cost.

(b) Recognition, measurement and derecognition

Financial liabilities are recognised initially at fair value plus any directly attributable incremental costs of acquisition or issue and are subsequently carried at amortised cost. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.5 Share capital

Ordinary shares, Class B Ordinary share and Class C Ordinary shares (together the "Ordinary shares")

The Company's Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary shares and share options are recognised as a deduction in equity and are charged to the share premium account.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, money market funds and deposits held at call with banks. Cash equivalents, which may include US Treasury Bills, are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash collateral provided in respect of derivatives is not included in cash and cash equivalents but disclosed as "Balances due to/from broker - margin accounts" in the Statement of Financial Position.

2.7 Net gain on financial assets at fair value through profit or loss

The net gain on financial assets at fair value through profit or loss comprises interest income on funds invested, net realised gains and/or losses on disposal of financial assets, net positive and/or negative changes in the fair value of financial assets at fair value through profit or loss and foreign exchange retranslation gains and/or losses. Income from CLOs is recognised on an accruals basis and the accrued interest as at the year end form part of Financial assets at fair value through profit or loss balance.

The net realised gains and/or losses on financial assets at fair value through profit or loss are calculated as the difference between the total sale or redemption proceeds received, including accrued interest if applicable, and the fair value of the relevant financial asset as at the beginning of the financial year or its cost including accrued interest if purchased during the financial year. Interest income is recognised on the due date of such income.

2.8 Operating expenses

Operating expenses are recognised on an accruals basis and are recognised in the Statement of Comprehensive Income.

2.9 Taxation

The Company has applied for and been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended by the Director of Income Tax in Guernsey for the current period. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200 per applicant, provided the Company qualifies under the applicable legislation for exemption.

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Dividends payable

Dividends declared to the Company's Shareholders are recorded through the Statement of Changes in Shareholders' Equity on the ex-dividend date.

2.11 Segment reporting

The Directors view the operations of the Company as one operating segment, being investment in a diversified portfolio of structured finance assets. All significant operating decisions are based upon analysis of the Company's investments as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole, which are evaluated regularly by the chief operating decision-maker (the Board with insight from the Investment Manager).

2.12 Share-based payment transactions

The Directors of the Company each receive 30% of their Director's fee for any year in the form of Ordinary shares. The share-based payment awards vest immediately as the Directors are not required to satisfy a specified vesting period before becoming unconditionally entitled to the instruments granted.

Whilst the Company's Ordinary shares continue to trade at a discount to the most recently available NAV, the Directors receive 30% of their fees in respect of any year in the form of Ordinary shares purchased on the secondary market. The number of Ordinary shares purchased on the secondary market is determined using the most recently available NAV, but ultimately purchased at share price on the secondary market. These are recognised as a Directors' fee within 'Operating expenses' with a corresponding increase in equity. The Directors may seek to amend the policy, should the Ordinary shares trade at a premium to NAV in the future, resulting in a loss to the Company.

2.13 Earnings per Ordinary share

The Company presents basic and diluted EPS data for its Ordinary Shares. Basic and diluted EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares during the year.

2.14 Offsetting

Financial assets and liabilities are offset, and the net amount is reported within assets and liabilities where there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair values for financial assets which have been determined based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in Note 16.

The valuation methodologies applied to the Company's financial assets (other than recently purchased securities for which up-to-date market prices are unavailable) are as follows:

- CLO Equity and debt securities are valued using prices obtained from an independent pricing source, JP Morgan PricingDirect. The prices obtained from JP Morgan PricingDirect are derived from observed traded prices where these are available, but may be based upon non-binding quoted prices received by JP Morgan PricingDirect from arranging banks or other market participants, or a combination thereof, where observed traded prices are unavailable.
- Fund investments are valued at NAV as of the year-end, except the CMV which is valued under a sum-of-the parts method with all CLO Equity investments valued based on JP Morgan PricingDirect (in line with CLO Equities directly held by the Company).
- Warehouse transactions are valued at the lower of: (i) the principal amount invested plus accrued income net of financing costs; and (ii) the mark-to-market value of the relevant proportion of the underlying portfolio, taking into account the buffer provided by the gross arranger fee compared to the net arranger fee commonly paid in the market, plus accrued income net of financing costs.
- The majority of other investments are valued on a mark-to-model basis using discounted projected cash flow valuations.

Where securities have been purchased less than one month prior to the relevant reporting date and up-to-date market prices are otherwise unavailable, such securities will be valued at cost plus accrued interest, if applicable.

Regarding non-binding quoted prices, it is likely that the arranging bank or market participant determines the valuation based on pricing models, which may or may not produce values that correspond to the prices that the Company could obtain if it sought to liquidate such positions. Such valuations generally involve subjective judgements on key model inputs, particularly default and recovery rates, and may not be uniform. Banks and other market participants may be unwilling to disclose all or any of the key model inputs or discount rates that have been used to produce such valuations and it is currently standard market practice to withhold such information. In such circumstances, the valuation continues to be sourced from such arranging bank, or other market participant, despite the lack of information on valuation assumptions.

The Investment Manager reviews the prices received from third parties for reasonableness against its own valuation models and may adjust the prices where such prices are not considered to represent a reliable estimation of fair value. Such adjustments are very rare, are only made after investigating the reasons underlying any differences identified and are also subject to approval by the Investment Manager's internal risk function. No such adjustments were made to prices at 31 July 2024 (31 July 2023: no such adjustments were made to prices).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

3. DETERMINATION OF FAIR VALUES (CONTINUED)

The Investment Manager's fair value calculations for the residual and debt tranche investments in securitisation vehicles are sensitive to the following key model inputs: default rates; recovery rates; prepayment rates; and reinvestment profiles. The Investment Manager's initial model assumptions are reviewed on a regular basis with reference to both current and projected data. In the case of a material change in the actual key model inputs, the model assumptions will be adjusted accordingly. The discount rate used by the Investment Manager when reviewing the fair value of the Company's portfolio is subject to similar review and adjustment in light of actual experience.

For certain investments targeted by the Company, the secondary trading market may be illiquid or may sometimes become illiquid. As a result, at such times there may be no regularly reported market prices for these investments. In addition, there may not be an agreed industry standard methodology for valuing the investments (e.g. in the case of residual income positions of asset-backed securitisations). In the absence of an active market for an investment and where a financial asset does not involve an arranging bank, or another market participant that is willing to provide valuations on a monthly basis, or if an arranging bank is unwilling to provide valuations, a mark-to-model approach has been adopted by the Investment Manager to determine the valuation. Such pricing models generally involve a number of valuation assumptions, many of which are based on subjective judgements. Key model inputs include (but are not limited to): asset spreads; expected defaults; expected recovery rates; and the price of uncertainty or liquidity through the interest rate at which expected cash flows are discounted. These inputs are derived by reference to a variety of market sources. The method of valuation depends on the nature of the asset.

JP Morgan PricingDirect, provide pricing for directly held CLO debt and CLO equity tranches, which in aggregate represent 84.8% as at 31 July 2024 (31 July 2023: 82.3%) of the Company's financial assets at fair value through profit or loss.

The Company's policy is to publish its NAV on a timely basis in order to provide Shareholders with appropriately up-to-date NAV information. However, the underlying NAVs as at the relevant month-end date for the fund investments held by the Company are normally available only after the Company's NAV has already been published. Consequently, such investments are valued using the most recently available NAV, as adjusted for any cash flows received/paid between that date and 31 July 2024 in respect of distributions/calls respectively.

As at the date of publication of the Company's NAV as at 31 July 2024, approximately 0.27% (31 July 2023: 1.6%) of the Company's financial assets at fair value through profit or loss comprised investments for which the relevant NAVs as at the month-end date were not yet available.

3. DETERMINATION OF FAIR VALUES (CONTINUED)

In accordance with Volta's valuation policy, the Company's financial assets at fair value through profit or loss as at 31 July 2024 was calculated using prices received from JP Morgan PricingDirect or other market participants for all assets except for those assets noted below:

Asset classes	% of financial assets at fair value through profit or loss as at 31 July 2024	% of financial assets at fair value through profit or loss as at 31 July 2023	Valuation methodology
SCC BBS	0.8%	4.4%	Discounted projected cash flow model-based valuation using discount rates within a range of 8.0% to 12.0% (31 July 2023: 8.0% to 12.0%) constant default rates within a range of 0.3% to 3.0% (31 July 2023: 0.3% to 3.0%), prepayment rates within a range of 0.0% to 25.0% (31 July 2023: 0.0% to 25.0%) and recovery rates within a range of 51.0% to 63.0% (31 July 2023: 51.0% to 63.0%). As at 31 July 2023, one BBS transaction (Colonnade 2017-1) was valued at par plus accrued based on information received of early repayment to occur in August 2023.
Investments in funds (includes CCC equity and SCC BBS positions)	0.5%	1.6%	Valued using the most recent valuation statements, or capital account statements where applicable, provided by the respective underlying fund administrators, as adjusted for any cash flows received/paid between that date and 31 July 2024 in respect of distributions/calls respectively.
SSC REO	-	1.0%	As at 31 July 2023, a discounted projected cash-flow model-based valuation using a yield of 16.0% was used.
Recently purchased assets	4.6%	1.2%	Being purchased within less than one month of the relevant reporting date, these assets were valued at cost which is considered the most appropriate fair value for newly acquired assets.
CLO Warehouse	4.1%	3.1%	Warehouse transactions are valued at the lower of: (i) the principal amount invested plus accrued income net of financing costs; and (ii) the mark-to-market value of the relevant proportion of the underlying portfolio, taking into account the buffer provided by the gross arranger fee compared to the net arranger fee commonly paid in the market, plus accrued income net of financing costs.
ABS Residual	0.2%	0.9%	Discounted projected cash flow model-based valuation using a discount rate of 8.96% on the weighted average life of contractual cash flows (31 July 2023: 8.96%) for Fintake European Leasing DAC.
CLO – CMV	4.8%	5.3%	Valued under a sum-of-the parts method with all CLO equities investments valued based on JP Morgan PricingDirect (in line with CLO Equities directly held by the Company). As at 31 July 2023, CMV was valued using a DCF model based on cash flow projection considering market and comparable transactions parameters.
Fee Rebates	0.2%	0.2%	Fee Rebates are valued using a DCF model based on cash flow projection considering market and comparable transactions parameters.
Total as a percentage of FAFVTPL	15.2%	17.7%	

Refer to note 9 for details regarding the fair value determination of the derivative positions.

4. NAV PERFORMANCE ANALYSIS

The following table represents the net gain on financial assets at fair value through profit or loss by asset class for the year ended 31 July 2024:

	Net realised (loss)/gain on sales and redemptions on financial assets at fair value through profit or loss	Net unrealised gain/(loss) on financial assets at fair value through profit or loss	Coupon income	Net gain/(loss) on financial assets at fair value through profit or loss
	€	€	€	€
CLO – USD equity	-	(14,187,438)	18,654,536	4,467,098
CLO – EUR equity	318,049	2,995,670	21,726,944	25,040,663
CLO – USD debt	(5,982,641)	10,636,600	5,635,947	10,289,906
CLO – EUR debt	648,570	4,968,944	6,273,336	11,890,850
CLO – CMV	-	1,629,266	2,296,477	3,925,743
CLO Warehouse	355,911	(96,565)	1,017,165	1,276,511
SCC BBS	(2,089,071)	1,768,731	623,243	302,903
CCC equity	(6,680)	(614,516)	19,456	(601,740)
ABS Residual	-	(1,369,600)	880,970	(488,630)
	(6,755,862)	5,731,092	57,128,074	56,103,304

The following table represents the net gain on financial assets at fair value through profit or loss by asset class for the year ended 31 July 2023:

	Net realised (loss)/gain on sales and redemptions on financial assets at fair value through profit or loss	Net unrealised (loss)/gain on financial assets at fair value through profit or loss	Coupon income	Net gain/(loss) on financial assets at fair value through profit or loss
	€	€	€	€
CLO – USD equity	(1,957,164)	(12,189,853)	15,736,843	1,589,826
CLO – EUR equity	37,656	1,190,507	15,725,802	16,953,965
CLO – USD debt	-	(7,132,957)	5,397,539	(1,735,418)
CLO – EUR debt	-	2,375,399	2,983,061	5,358,460
CLO – CMV	-	(220,485)	2,233,463	2,012,978
CLO Warehouse	168,217	768,882	975,858	1,912,957
SCC BBS	(1,668,852)	706,891	1,477,600	515,639
CCC equity	(12,552)	909,405	100,438	997,291
ABS Residual	-	(1,155,600)	2,414,141	1,258,541
	(3,432,695)	(14,747,811)	47,044,745	28,864,239

5. OPERATING EXPENSES

	Notes	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023 €
Directors' remuneration and expenses	5.1	(351,149)	(331,025)
Legal fees		(52,648)	(14,690)
Administration fees	5.2	(263,204)	(256,490)
Audit fees, audit related and non-audit related fees	5.3	(179,933)	(163,542)
Insurance fees		(45,736)	(57,528)
Depositary fees		(58,883)	(52,534)
Other operating expenses		(370,127)	(353,103)
		(1,321,680)	(1,228,912)

5.1 Directors' remuneration and expenses

	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023 €
Directors' fees (cash element, settled during the year)	244,410	231,628
Directors' fees (equity element, settled during the year)	80,374	73,125
Directors' fees (equity element, settled after the year end)	24,375	26,144
Directors' expenses (settled during the year)	1,990	128
	351,149	331,025

Each Director continues to receive 30% of their Director's fee in the form of shares. The remaining 70% of the fees are paid quarterly in cash. As previously reported, the Directors' remuneration shares are purchased in the secondary market. Thus, at current levels of discount between the NAV per Ordinary share and the share price, the true cost to the Company is approximately 7% less than the total amount quoted above. By applying this approach, the Board have relinquished their right to Director's remuneration of €24,731 (31 July 2023: €13,988). Refer to Note 15 for "Net settlement of Directors fees share based payment".

Should the shares trade at a premium to NAV in the future, the Directors may seek to amend the policy in the future.

Refer to the Directors Remuneration Report on page 30 for more detail regarding annual rates.

5.2 Administration fees

On 31 October 2018, the Company signed an agreement with BNP Paribas (the "Administrator") to provide administrative, compliance oversight and company secretarial services to the Company. Under the administration agreement, the Administrator will be entitled to a minimum annual fixed fee for fund administration services and company secretarial and compliance services. These fees are paid monthly in arrears. Ad hoc other administration services are chargeable on a time cost basis. In addition, the Company will reimburse the Administrator for any out of pocket expenses.

During the year ended 31 July 2024, administration fees incurred were €263,204 (31 July 2023: €256,490).

5.3 Audit fees, audit related and non-audit related fees

The audit fee expensed for the financial year ended 31 July 2024 was €179,933 (31 July 2023: €163,542). There were no non-audit services provided to the Company by the Auditor or its affiliates during the year (31 July 2023: £nil).

6. DIVIDENDS

The following dividends were declared during the years ended 31 July 2024 and 31 July 2023:

Declared during the year ended 31 July 2024:

Date Declared	Amount per Ordinary Share €	Total amount paid €
08/07/2024	0.1450	5,303,401
21/03/2024	0.1400	5,121,281
07/12/2023	0.1350	4,938,379
20/09/2023	0.1300	4,755,475
		20,118,536

Declared during the year ended 31 July 2023:

Date Declared	Amount per Ordinary Share €	Total amount paid €
10/07/2023	0.1300	4,755,203
15/03/2023	0.1300	4,754,752
08/12/2022	0.1200	4,389,199
20/09/2022	0.1300	4,753,497
		18,652,651

The Directors consider recommendation of a dividend having regard to various considerations, including the financial position of the Company and the solvency test as required by the Companies (Guernsey) Law 2008 (as amended). Subject to compliance with Section 304 of that law, the Board may at any time declare and pay dividends.

7. BASIC AND DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE

	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023€
Profit for the year and total comprehensive income	44,965,561	26,973,976
Basic and diluted earnings per Ordinary share	1.2292	0.7374

	Number	Number
Weighted average number of Ordinary shares during the year	36,580,580	36,580,580

8. NAV PER ORDINARY SHARE

	31 July 2024 €	31 July 2023 €
Net asset value	260,854,844	235,983,088
Net asset value per Ordinary share	7.1310	6.4510

	Number	Number
Number of Ordinary shares at year end (note 13)	36,580,580	36,580,580

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in Statement of Comprehensive Income.

	31 July 2024 €	31 July 2023 €
Fair value brought forward	220,300,413	214,055,782
Purchases	91,517,965	39,636,434
Sale and redemption proceeds	(58,194,349)	(15,211,297)
Net loss on financial assets at fair value through profit or loss (excluding coupon income)	(1,024,770)	(18,180,506)
Fair value carried forward	252,599,259	220,300,413

	31 July 2024 €	31 July 2023 €
Realised gain on sales and redemptions on financial assets at fair value through profit or loss	2,006,139	213,063
Realised loss on sales and redemptions on financial assets at fair value through profit or loss	(8,762,001)	(3,645,758)
Unrealised gain on financial assets at fair value through profit or loss	26,150,367	11,441,676
Unrealised loss on financial assets at fair value through profit or loss	(20,419,275)	(26,189,487)
Net loss on financial assets at fair value through profit or loss (excluding coupon income)	(1,024,770)	(18,180,506)

Fair value hierarchy

IFRS 13 – Fair Value Measurement requires an analysis of investments valued at fair value based on the reliability and significance of information used to measure their fair value.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities. Investments, whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include active listed equities. The quoted price for these instruments is not adjusted;

- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information; and

- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes “observable” requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Transfers between levels are determined based on changes to the significant inputs used in the fair value estimation. The Company recognises transfers between levels of the fair value hierarchy as at the beginning of the reporting period during which the change has occurred. Further information about the fair value hierarchy is disclosed below.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Fair value hierarchy (Continued)

The following tables analyse, within the fair value hierarchy, the Company's financial assets and liabilities (by class, excluding cash and cash equivalents, trade and other receivables and trade and other payables) measured at fair value at 31 July 2024 and 31 July 2023:

	31 July 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	€	**€**	**€**	**€**
Financial assets at fair value through profit or loss: – Securities	-	-	252,599,259	252,599,259
Financial assets at fair value through profit or loss: – Derivatives	-	2,624,718	-	2,624,718
Financial liabilities at fair value through profit or loss: – Derivatives	-	(1,753,881)	-	(1,753,881)
	-	**870,837**	**252,599,259**	**253,470,096**

	31 July 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	€	**€**	**€**	**€**
Financial assets at fair value through profit or loss: – Securities	-	-	220,300,413	220,300,413
Financial assets at fair value through profit or loss: – Derivatives	-	6,382,316	-	6,382,316
Financial liabilities at fair value through profit or loss: – Derivatives	-	(5,264,057)	-	(5,264,057)
	-	**1,118,259**	**220,300,413**	**221,418,672**

All of the Company's investments are classified within Level 3 as they have significant unobservable inputs and they may trade infrequently. The sources of these fair values are not considered to be publicly available information. The Company has determined the fair values of its investments as described in Note 3. The Company's derivatives held as at the reporting date are classified within Level 2 as their prices are not publicly available, but are derived from information that is publicly available, such as quoted forward exchange rates.

Financial assets at fair value through profit or loss reconciliation

The following table represents the movement in Level 3 instruments for the year ended 31 July 2024:

	31 July 2024	**31 July 2023**
	€	**€**
Fair value at 1 August	**220,300,413**	**214,055,782**
Purchases	91,517,965	39,636,434
Sale and redemption proceeds	(58,194,349)	(15,211,297)
Realised loss on sales and redemptions on financial assets at fair value through profit or loss	(6,755,862)	(3,432,695)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	5,731,092	(14,747,811)
Fair value at 31 July	**252,599,259**	**220,300,413**

The unrealised loss recognised in the year on Level 3 instruments held as at the year end was €451,184 (2023: €17,834,511).

The appropriate fair value classification level is reviewed for each of the Company's investments at each year end. Any transfers into or out of a particular fair value classification level are recognised at the beginning of the year following such re-classification at the fair value as at the date of re-classification. During the year ended 31 July 2024, there were no transfers between levels (31 July 2023: there were no transfers between levels).

In the opinion of the Directors, the following analysis gives an approximation of the sensitivity of the different asset classes to market risk as at 31 July 2024 that is reasonable considering the current market environment and the nature of the main risks underlying the Company's assets. This sensitivity analysis presents an approximation of the potential effects of events that could have been reasonably expected to occur as at the reporting date. Where valuations were based upon prices received from arranging banks or other market participants, or on a NAV provided by the underlying fund administrator, the sensitivity analysis are not necessarily based upon the assumptions used by such sources as these are not made available to the Company, as explained in Note 3.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial Assets at fair value through profit or loss reconciliation (Continued)

The sensitivity of the fair values of most of the assets held by the Company to the traditional risk variables is not the most relevant in the current environment. For example, the sensitivity to interest rates is interdependent with other, more significant, market variables. This analysis reflects the sensitivity to some of the most relevant determinants of the risks associated with each asset class. While every effort has been made to assess the pertinent risk factors, there is no assurance that all the risk factors have been considered. Other risk factors could become large determinants of the fair value.

CLO tranches

Two of the main risks associated with CLO tranches are the occurrence of losses and prepayments in the underlying portfolio.

The Directors believe it is reasonable to test the sensitivity of these assets to the following reasonably plausible changes to the base case scenarios, which have been derived from historically observed default rates and prepayment rates:

The rate of occurrence of losses at the underlying loan portfolio level.

The base case scenario is to project the rate of occurrence of defaults at the underlying loan portfolio level depending on the Moody's weighted average default rate (WARF) of each underlying portfolio: 15% of the CCC and 50% of the WARF are expected to default each year over the next 3 years, equivalent to circa 2% default rate over the next 3 years (after that a default rate equivalent to half the WARF is assumed to be defaulting each year). The 1st stress is assuming that 30% of the CCC and 75% of the WARF are expected to default each year over the next 2 years, equivalent to 4% default rate over the next 3 years (after that a default rate equivalent to half the WARF is assumed to be defaulting each year). The second stress is assuming that 40% of the CCC and 75% of the WARF are expected to default each year over the next 2 years, equivalent to c.6% default rate over the next 3 years (after that a default rate equivalent to half the WARF is assumed to be defaulting each year).

The rate of occurrence of prepayments is measured by the CPR at the underlying loan portfolio level.

The base case scenario is to project a CPR at circa 20% per year for the US and Europe. The Directors consider that reasonably plausible changes in the CPR would be a decrease in the CPR of the underlying loan portfolios from 20% to 10% for the US and Europe. The impact of the CPR is approximately linear, so the impact of an opposite test would be likely to result in an equal and opposite impact. The projected impact of a decrease in CPR from 20% to 10% for the US and Europe is detailed in the below table.

The increase in default rate and the decrease in CPR is combined with an increase in discount margin (DM) at which projected cash flows might be discounted in such scenario. In the below table DM (both for CLO debt and CLO equity positions) has been widened by 300bps for the first scenario & 500bps for the second scenario, while a shock was cause in terms of stress (increase in CCC bucket combined with an increase in defaults) in order to generate a scenario in line a 1.5 and a 2 time "base case scenario" default rate. We also stress a decrease of the CPR from 20% to 10% coupled with a 150bps DM increase to illustrate sensitivity to this simple assumption.

As at 31 July 2024

		Impact of an increase in default rate to 1.5x base case scenario		**Impact of an increase in default rate to 2.0x base case scenario**		**Decrease in CPR from 20% to 10% for US and Europe**	
Asset class	**% of NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**
USD CLO Equity	20.1%	(26.2)%	(5.1)%	(45.9)%	(8.9)%	(5.4)%	(1.0)%
EUR CLO Equity	27.2%	(17.6)%	(4.7)%	(33.7)%	(9.0)%	(3.6)%	(1.0)%
USD CLO Debt	15.9%	(10.5)%	(1.7)%	(20.7)%	(3.3)%	(5.4)%	(0.9)%
EUR CLO Debt	23.5%	(14.6)%	(3.4)%	(22.3)%	(5.2)%	(8.3)%	(2.0)%
All CLO tranches	86.7%		**(14.9)%**		**(26.4)%**		**(4.9)%**

As at 31 July 2023

		Impact of an increase in default rate to 1.5x base case scenario		**Impact of an increase in default rate to 2.0x base case scenario**		**Decrease in CPR from 20% to 10% for US and Europe**	
Asset class	**% of NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**	**Price impact**	**Impact on NAV**
USD CLO Equity	23.9%	(20.9)%	(4.9)%	(49.0)%	(11.4)%	(8.9)%	(2.1)%
EUR CLO Equity	23.1%	(11.9)%	(2.7)%	(36.6)%	(7.7)%	(7.0)%	(1.6)%
USD CLO Debt	17.1%	(12.2)%	(2.1)%	(22.6)%	(3.8)%	(6.4)%	(1.1)%
EUR CLO Debt	14.0%	(15.4)%	(2.1)%	(23.8)%	(3.3)%	(8.0)%	(1.1)%
All CLO tranches	**78.1%**		**(11.8)%**		**(26.2)%**		**(5.9)%**

As presented above, a reasonably plausible increase in the default rate in the underlying loan portfolios would have a negative impact on both the debt and equity tranches of CLOs. A decrease in the CPR would have a negative impact on the debt tranches (as principal payment will occur later) and would negatively impact equity tranches as shown above (in such an event excess cash flows to the equity tranches would last longer).

10. TRADE AND OTHER RECEIVABLES

	31 July 2024 €	31 July 2023 €
Prepayments and other receivables	35,529	26,699
Interest receivable	-	93,541
	35,529	**120,240**

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	31 July 2024 €	31 July 2023 €
Cash at bank	5,822,742	5,767,130
Treasury bills	22,333,067	16,810,080
	28,155,809	**22,577,210**

The foreign exchange effects on cash flows have been assessed as immaterial for the current and prior year and therefore have not been presented in the Statement of Cash Flows.

12. TRADE AND OTHER PAYABLES

	31 July 2024 €	31 July 2023 €
Investment Manager management fees	1,839,368	1,647,896
Investment Manager performance fees	6,528,317	2,289,213
Directors' fees (shares payable)	24,375	26,144
Amounts due to brokers	11,590,000	2,612,500
Accrued expenses and other payables	404,530	517,281
	20,386,590	**7,093,034**

The carrying value of the trade and other payables approximates their fair value.

13. SHARE CAPITAL

Authorised share capital

	31 July 2024 Number of shares	31 July 2023 Number of shares
Ordinary shares of no par value each	**Unlimited**	**Unlimited**
Class B convertible Ordinary share of no par value	**1**	**1**
Class C non-voting convertible Ordinary shares of no par value each	**Unlimited**	**Unlimited**

With respect to voting rights at general meetings of the Company, the Ordinary shares and Class B share confer on the holder of such shares the right to one vote for each share held, while the holders of Class C shares do not have the right to vote. Each class of share ranks pari passu with each other with respect to participation in the profits and losses of the Company.

The Class B share is identical in all respects to the Company's Ordinary shares, except that it entitles the holder of the Class B share (an affiliate of AXA S.A.) to elect a single Director to the Company's Board of Directors. At such time as the holdings of the AXA Group investors decline to less than 5% of the Company's equity capitalisation (with the Class B share and the other issued and outstanding Ordinary shares and Class C shares taken together), the Class B share shall be converted to an Ordinary share.

There are no Class C shares currently in issue and there is currently no mechanism by which any Class C shares can be issued in the future (31 July 2023: Nil Class C shares held).

Issued and fully paid

	Number of Ordinary shares in issue	Number of Class B shares in issue	Number of Class C shares in issue	Total number of shares in issue
Balance at 31 July 2022	36,580,580	1	-	36,580,581
Issued to Directors during the year	-	-	-	-
Balance at 31 July 2023	36,580,580	1	-	36,580,581
Issued to Directors during the year	-	-	-	-
Balance at 31 July 2024	36,580,580	1	-	36,580,581

13. SHARE CAPITAL (CONTINUED)

The Directors of the Company receive 30 percent of his or her Director's fee in the form of shares purchased on the secondary market. The Company purchased the following Ordinary shares on the secondary market during the year ended 31 July 2024:

- 1 August 2023: 4,124 Ordinary Shares at an average price of €5.14 per Ordinary share.
- 31 October 2023: 4,549 Ordinary Shares at an average price of €5.09 per Ordinary share.
- 31 January 2024: 3,936 Ordinary Shares at an average price of €5.13 per Ordinary share.
- 30 April 2024: 3,491 Ordinary Shares at an average price of €4.90 per Ordinary share.

Ordinary shares purchased on the secondary market during the year ended 31 July 2023:

- 1 August 2022: 4,362 Ordinary Shares at an average price of €5.24 per Ordinary share.
- 1 November 2022: 4,202 Ordinary Shares at an average price of €4.80 per Ordinary share.
- 1 February 2023: 4,174 Ordinary Shares at an average price of €5.35 per Ordinary share.
- 28 April 2023: 4,035 Ordinary Shares at an average price of €5.00 per Ordinary share.

As at 31 July 2024 and 31 July 2023, the Company held no treasury shares. Refer to page 31 for information on Director holdings in the Company's Ordinary shares.

14. SHARE PREMIUM ACCOUNT

The share premium account represents the issue proceeds received from, or value attributed to, the issue of share capital, except for the share premium amount of €285,001,174 arising from the Company's initial issue of share capital upon its IPO, which was transferred to other distributable reserves on 26 January 2007, following approval by the Royal Court of Guernsey (see Note 15).

15. RESERVES

	Other distributable reserves €	Retained earnings €
At 31 July 2022	**19,775,011**	**172,064,644**
Profit for the year and total comprehensive income	-	26,973,976
Net settlement of Directors fees share based payment	13,988	-
Dividends paid in cash	(18,652,651)	-
At 31 July 2023	**1,136,348**	**199,038,620**
Profit for the year and total comprehensive income	-	44,965,561
Net settlement of Directors fees share based payment	24,731	-
Dividends paid in cash	(1,161,079)	(18,957,457)
At 31 July 2024	**-**	**225,046,724**

Other distributable reserves represent the balance transferred from the share premium account on 26 January 2007, less dividends paid. The initial purpose of this reserve was to create a reserve from which dividend payments could be paid under the law prevailing at that time and the Company's Articles. However, the Companies (Guernsey) Law 2008 (as amended) became effective from 1 July 2008. Under this law, dividends can be paid from any source, provided that a company satisfies the relevant solvency test as prescribed under the law and the Directors make the appropriate solvency declaration.

Dividends for year ended 31 July 2024 was paid from the remaining other distributable reserves available and the remaining balance was paid from retained earnings. The balance of other distributable reserves as at the year ended 31 July 2024 is now €nil.

The retained earnings represent all profits and losses recognised through the Statement of Comprehensive Income to date, net of dividends paid.

16. FINANCIAL RISK MANAGEMENT

The main risks arising from the Company's financial instruments are market risk, valuation risk, interest rate risk, currency risk, credit risk, counterparty risk, concentration risk and liquidity risk.

Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates, credit spreads and equity prices, affecting the Company's income and/or the value of its holdings in financial instruments.

The Company's exposure to market risk is reflected through movements in the value of its investments.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising return. The Company's strategy for the management of market risk is driven by its investment objective to preserve capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends by investing in a variety of assets selected for the purpose of generating overall stable and predictable cash flows. The Company's exposure to market risk is managed on a frequent basis by the Investment Manager.

The Company seeks to mitigate market risk by pursuing where possible a diversified investment strategy involving direct and indirect investments in a number of asset types that naturally tend to involve a diversification of underlying market risk. The Company uses derivatives to manage its exposure to foreign currency risks and may also use derivatives from time to time to manage its exposure to interest rate and credit risks. The instruments used include interest rate swaps, forward contracts, futures and options. The Company does not apply hedge accounting. The Company's market positions are reviewed on a quarterly basis by the Board of Directors.

Valuation risk

Valuation risk is the risk that the investments are incorrectly valued and do not reflect the true value of the investments. The markets for many of the Company's investments, including residual income positions, are illiquid. Accordingly, many of the Company's investments are or will be illiquid. In periods of market uncertainty or distress, the markets for the Company's investments may become increasingly illiquid or even cease to function effectively for a period of time. In addition, investments that the Company may purchase in privately negotiated (also called "over-the-counter" or "OTC") transactions may not be registered under relevant securities laws or otherwise may not be freely tradable, rendering them less liquid than other investments. Tax or other attributes of securities or loans in which the Company invests may make them attractive to only a limited range of investors. There may also be contractual or other restrictions on transfers of the Company's investments. As a result of these and other factors, the Company's ability to vary its portfolio in a timely fashion and to receive a fair price in response to changes in economic and other conditions may be limited and the Company may be forced to hold investments for an indefinite period of time or until their maturity or early redemption.

Furthermore, where the Company acquires investments for which there is not a readily available market, the Company's ability to obtain reliable information about the resale value of such investments or the risks to which such investments are exposed may be limited. Illiquidity contributes to uncertainty about the values ascribed to investments when NAV determinations are made, which can cause those determinations to vary from amounts that could be realised if the Company were to seek to liquidate its investments. The Company could also face some difficulties when collecting reliable information about the value of its assets if some or all of the participants in the relevant market were to experience significant business difficulties or were to suspend their market activities. This could affect both the timing and the process for assessing the value of the Company's investments.

Although the Company and its agents are able to refer to reported OTC trading prices and prices from brokers when valuing its investments, for most investments the Company's pricing sources frequently need to rely on financial pricing models based on assumptions concerning a number of variables, some of which involve subjective judgements and may not be uniform.

If the Company were unable to collect reliable information about the value of its assets the Investment Manager has agreed to provide a monthly valuation based on pricing models. The Company engages an independent third party to review semi-annually the main assumptions employed by the Investment Manager and to report the fairness and reasonableness of those assumptions and valuations to the Board.

Interest rate risk

Changes in interest rates can affect the Company's net interest income, which is the difference between the interest income earned on interest earning investments and the interest expense incurred on interest bearing liabilities. Changes in the level of interest rates can also affect, among other things, the Company's ability to acquire loans and investments, the value of its investments and the Company's ability to realise gains from the settlement of such assets.

The CLO equity tranches held by the Company would be negatively impacted by an increase in interest rates due to a mismatch between the assets and liabilities base rate fixing date. In addition, Companies can elect at each reset of base rate, to use either 1 month, 3 month or 6 month option depending on the loan documentation. Conversely, any increase in such interest rates would generally benefit the Company's floating rate assets.

The Company may enter into hedging transactions for the purposes of efficient portfolio management, where appropriate, to protect its investment portfolio from interest rate fluctuations. These instruments may be used to hedge as much of the interest rate risk as the Investment Manager determines is in the best interests of the Company, given the cost of such hedges. The Company may bear a level of interest rate risk that could otherwise be hedged when the Investment Manager believes, based on all relevant facts, that bearing such risk is advisable.

Interest rate risk is analysed by the Investment Manager on a frequent basis and is communicated to and monitored by the Board through the quarterly business report.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest risk (continued)

It should be noted that the Company does not present an effective interest figure for its investments held and therefore does not calculate the effective interest rates applicable to its investments. In the Directors' opinion, it is not feasible to accurately estimate the effective interest rates applicable to many of the Company's financial assets. In the Directors' opinion, market interest rate risk on the Company's investments is not considered to be material when compared to the risk factors that are considered to be significant, as described in the sensitivity analyses given earlier.

Currency risk

Currency risk is the risk that the values of the Company's assets and liabilities are adversely affected by changes in the values of foreign currencies by reference to the Company's functional currency.

The Company's accounts are presented in Euro, the Company's functional and reporting currency, while investments are made and realised in both Euro and other currencies. Changes in rates of exchange may have an adverse effect on the reported value, price or income of the investments. A change in foreign currency exchange rates may adversely impact reported returns on the Company's non-Euro denominated investments. The Company's principal non-Euro currency exposure is the US Dollar, but this may change over time.

The Company's policy is to partially hedge its currency risk on an overall portfolio basis. The Company may bear a level of currency risk that could otherwise be hedged where the Investment Manager considers that bearing such risk is advisable or is in the best interest of the Company considering the liquidity risk that is attached to any derivative contracts that could be used (e.g. margin calls on those contracts). The Investment Manager had put into place arrangements to hedge into Euro part of the US Dollar exposure associated with the US Dollar-denominated assets. In order to reduce the risk of having to post a potentially unlimited amount of cash with respect to forward Euro/US Dollar foreign exchange swaps, the Investment Manager has capped and floored those amounts using short to mid-term options. Consequently, there is no guarantee that hedging the currency exposure generated by US Dollar assets can continue to be performed in the future if volatility in the US Dollar/Euro cross rate is very high.

Currency risk, and any associated liquidity risk, is analysed by the Investment Manager on a frequent basis and is communicated to and monitored by the Board through the quarterly business report.

Currency risk profile as at 31 July 2024	**Denominated in EUR €**	**Denominated in USD €**	**Denominated in GBP €**	**Total €**
Financial assets at fair value through profit or loss	140,287,250	112,312,009	-	252,599,259
Derivative contracts – assets	2,624,718	-	-	2,624,718
Derivative contracts – liabilities	(1,753,881)	-	-	(1,753,881)
Trade and other receivables	20,637	-	14,892	35,529
Cash and cash equivalents	6,847,113	21,280,914	27,782	28,155,809
Balances due from broker – margin accounts	-	-	-	-
Balances due to broker – margin accounts	(420,000)	-	-	(420,000)
Trade and other payables	(20,279,435)	-	(107,155)	(20,386,590)
	127,326,402	**133,592,923**	**(64,481)**	**260,854,844**

The following foreign exchange swaps and options were unsettled as at 31 July 2024:

Description of open positions	**Nominal amount USD**	**Average strike price $/€**
Forward foreign exchange contracts (USD sold forward vs. EUR)	84,500,000	1.09
Long position – USD calls vs. EUR	80,000,000	0.99
Short position – USD puts vs. EUR	80,000,000	1.16

Derivative contracts and balances due from/to broker - margin accounts subject to offsetting, enforceable master netting arrangements and similar arrangements

31 July 2024				**Related amounts not set off in the SoFP**			
Counterparty	**Gross amount of derivative contracts - assets €**	**Gross amount of derivative contracts - liabilities €**	**Net amount of derivative contracts presented in the SoFP €**	**Gross amount of derivative contracts - assets €**	**Gross amount of derivative contracts - liabilities €**	**Balances due from/to broker – margin accounts €**	**Net amount €**
Credit Agricole	1,452,744	(1,081,178)	-	1,452,744	(1,081,178)	-	371,566
Barclays Bank Plc	1,155,274	(664,703)	-	1,155,274	(664,703)	(420,000)	70,571
Citibank	16,700	(8,000)	-	16,700	(8,000)	-	8,700
Total	**2,624,718**	**(1,753,881)**		**2,624,718**	**(1,753,881)**		

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

The impact of an appreciation or depreciation in foreign exchange rates on the NAV has been measured at the underlying portfolio level, hedging effect included. The Directors consider a change in foreign exchange rates by 10% to be a reasonably plausible change.

Currency rate sensitivity as at 31 July 2024	Impact of an appreciation in foreign exchange rates by 10% vs €		Impact of a depreciation in foreign exchange rates by 10% vs €	
	Price impact on NAV	Percentage impact on NAV	Price impact on NAV	Percentage impact on NAV
USD/EUR	6,922,903	2.65%	(9,328,685)	(3.58)%

Currency risk profile as at 31 July 2023	Denominated in EUR €	Denominated in USD €	Denominated in GBP €	Denominated in CHF €
Financial assets at fair value through profit or loss	102,974,038	117,326,375	-	220,300,413
Derivative contracts – assets	6,382,316	-	-	6,382,316
Derivative contracts – liabilities	(5,264,057)	-	-	(5,264,057)
Trade and other receivables	18,130	93,540	8,570	120,240
Cash and cash equivalents	6,649,456	15,925,024	2,730	22,577,210
Balances due from broker – margin accounts	5,130,000	-	-	5,130,000
Balances due to broker – margin accounts	(6,170,000)	-	-	(6,170,000)
Trade and other payables	(6,881,377)	-	(211,657)	(7,093,034)
	102,838,506	133,344,939	(200,357)	235,983,088

The following foreign exchange swaps and options were unsettled as at 31 July 2023:

Description of open positions	Nominal amount USD	Average strike price $/€
Forward foreign exchange contracts (USD sold forward vs. EUR)	120,000,000	1.09
Forward foreign exchange contracts (EUR sold forward vs. USD)	10,000,000	1.09
Long position – USD calls vs. EUR	80,000,000	0.99
Short position – USD puts vs. EUR	80,000,000	1.16

Derivative contracts and balances due from/to broker - margin accounts subject to offsetting, enforceable master netting arrangements and similar arrangements

31 July 2023				Related amounts not set off in the SoFP			
Counterparty	Gross amount of derivative contracts - assets €	Gross amount of derivative contracts - liabilities €	Net amount of derivative contracts presented in the SoFP €	Gross amount of derivative contracts - assets €	Gross amount of derivative contracts - liabilities €	Balances due from/to broker – margin accounts €	Net amount €
Credit Agricole	-	(4,192,128)	-	-	(4,192,128)	4,700,000	507,872
Barclays Bank Plc	6,043,367	(355,450)	-	6,043,367	(355,450)	(6,170,000)	(482,083)
Citibank	338,949	(716,479)	-	338,949	(716,479)	430,000	52,470
Total	**6,382,316**	**(5,264,057)**		**6,382,316**	**(5,264,057)**		

The impact of an appreciation or depreciation in foreign exchange rates on the NAV has been measured at the underlying portfolio level, hedging effect included. The Directors consider a change in foreign exchange rates by 10% to be a reasonably plausible change.

Currency rate sensitivity as at 31 July 2023	Impact of an appreciation in foreign exchange rates by 10% vs €		Impact of a depreciation in foreign exchange rates by 10% vs €	
	Price impact on NAV	Percentage impact on NAV	Price impact on NAV	Percentage impact on NAV
USD/EUR	5,926,335	2.51%	(7,049,639)	(2.99)%

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit counterparty risk (continued)

Credit and counterparty risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. At the reporting date, the Company's financial assets exposed to credit risk are financial assets at fair value through profit or loss, open foreign exchange contracts, interest rate derivatives and cash and cash equivalents.

The positions in the CLO asset class are residual or mezzanine debt tranches of CLOs, which may suffer losses depending upon the level of losses that occur in the underlying loan portfolio and the rate at which such losses might occur. Residual tranches are the first tranche in a CLO capital structure that would suffer losses, followed by mezzanine tranches according to their relative levels of seniority. However, being term leveraged structures at a fixed margin, it is possible for residual tranches to generate more excess payments through re-investments when markets are under stress for relatively short periods than under normal circumstances. A residual position on a CLO also gives access to the amount that remains in the structure once the debt tranches are paid back (at maturity if the normal process of deleveraging the structure takes place, sooner if the deal is called by the residual holders). It can be possible to measure the principal amount of the underlying loan portfolios (defaulted loans are valued at their market value) against the principal amount of the outstanding CLO debt tranches at any point in time.

CLO residual positions are negatively exposed to an increase in default rates, to an increase in the percentage of assets rated CCC or below and to a significant decrease in underlying loan prices. Nonetheless, the spread tightening impact can also be mitigated through a refinancing or reset of the CLO liabilities at any point in time after the end of the CLO non-call period.

As at 31 July 2024, the Company directly held 38 positions in debt tranches of CLOs (31 July 2023: 25) accounting for 39.4% of Volta's end-of-year NAV (31 July 2023: 31.1%). The investments in debt tranches of CLOs have been in tranches initially rated between BB (second loss position) and BBB (generally third loss position). These positions, as for the residual holdings, have cash flows that are sensitive to the level of defaults and the percentage of assets rated CCC or lower in the underlying loan portfolio. Nevertheless, these tranches are structured to be able to absorb a higher level of defaults in the underlying loans portfolio than residual holdings, given their second, third and even higher loss ranking.

Each CLO debt asset held by the Company, at the time of purchase, was expected to repay its principal in full at maturity and was expected to be able to sustain a certain level of stress. Depending on the ability to find opportunities in the market and on the timing of the purchases, the Company has been able to purchase assets with different levels of initial subordination and IRR.

As at the year ended 31 July 2024, the Company held two (31 July 2023: one) CLO Warehouse investments.

The Company is also exposed to a Capitalised Manager Vehicle which is exposed to similar risks as CLO equity and Warehouse exposures globally. The targeted return from the investment is in the mid to high-teens for a six to nine-year weighted average life. In addition to the CLO equity risks defined above, it is also exposed to liquidity risk and to regulation risk given that a change in regulation in the US or in Europe could alter the business purpose of the entity or certain levels of restructuring costs. As it is capitalising a single entity, it is also incorporating correlation risks between the various sub-investments as well as a strong reliance on key people and processes inside each CLO manager's entity.

The ABS positions comprise of one (31 July 2023: one) investment: French leases ABS Residual position (Fintake European Leasing DAC), representing 100.0% (31 July 2023: 100.0%) of the fair value of this asset class and 0.2% (31 July 2023: 0.8%) of the NAV.

The Cash Corporate Credit assets include two positions: one loan fund (Tennenbaum Opportunities Fund V) and one private debt fund (Crescent European Specialty Lending Fund). The Synthetic Corporate Credit bucket comprises first-loss positions in credit portfolios, representing 0.5% (31 July 2023: 5.7%) of the NAV. There have not been any credit event on loan fund positions during the year.

As previously stated, the Company is subject to credit risk with respect to its investments. The Company and its Investment Manager seek to mitigate credit risk by actively monitoring the Company's portfolio of investments and the underlying credit quality of its holdings. The Company's investment strategy is designed to diversify credit risk by pursuing investments in assets that are expected to generate cash flows from underlying portfolios that have, in aggregate at the time of purchase, diverse characteristics such as low historical default rates and/or high expected recovery rates in the event of default and/or significant granularity.

On 1 August 2018, the Company appointed BNP Paribas as Depositary and, subsequently, all of the Company's cash is held with BNP Paribas. Bankruptcy or insolvency by BNP Paribas may cause the Company's rights with respect to the cash held there to be delayed or limited. To limit the Company's exposure to any single counterparty, the Board has requested that the Investment Manager should avoid holding cash balances in excess of 6% of GAV at BNP Paribas, or in excess of 3% of GAV at any other single counterparty, other than on a short-term basis if necessary. Cash in excess of this level for any significant length of time is invested in short-term money market funds, short-term government treasury bills or other cash equivalents.

The Company may invest in forward foreign currency transactions, foreign currency options, total return swaps, credit default swaps and other derivatives with various financial institution counterparties for the purposes of hedging or securing investment exposure to portfolios of diverse underlying reference obligations. The table below shows an analysis of derivative assets and derivative liabilities outstanding at 31 July.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit counterparty risk (continued)

	Derivative assets		Derivative liabilities	
	Fair Value / EUR Equivalent	Notional amount €	Fair Value / EUR	Notional amount €
31 July 2024				
Foreign exchange forward derivatives	374,541	38,878,007	(443,033)	(38,341,889)
Foreign exchange option derivatives	136,220	81,030,912	(163,160)	(68,767,376)
Interest rate swaps	2,113,957	130,000,000	(1,147,688)	(97,500,000)
	2,624,718	**249,908,919**	**(1,753,881)**	**(204,609,265)**

	Derivative assets		Derivative liabilities	
	Fair Value / EUR Equivalent	Notional amount €	Fair Value / EUR	Notional amount €
31 July 2023				
Foreign exchange forward derivatives	3,172,752	86,476,140	(638,193)	(33,206,259)
Foreign exchange option derivatives	174,690	72,681,021	(1,020,000)	(72,681,021)
Swaptions	-	-	(537,559)	(65,000,000)
Interest rate swaps	3,034,874	97,500,000	(3,068,305)	(97,500,000)
	6,382,316	**256,657,161**	**(5,264,057)**	**(268,387,280)**

The Company has not offset any financial assets and financial liabilities in the Statement of Financial Position.

The Company is exposed to counterparty credit risk in respect of these transactions. The Investment Manager employs various techniques to limit actual counterparty credit risk, including the requirement for cash margin payments or receipts for foreign currency derivative transactions on a weekly basis, or more frequently during years of high volatility. As at and during the financial year end, the Company's derivative counterparties were Crédit Agricole Corporate, Barclays Bank Plc and Citi Bank.

The Company monitors its counterparty risk by monitoring the credit ratings of Crédit Agricole, Barclays Bank, Citi Bank, Goldman Sachs, and BNP Paribas as reported by Standard & Poor's, Moody's or Fitch, and analyses any information that could imply deterioration in the financial position of its counterparties.

The current long-term issuer credit ratings assigned to each of these counterparties as at 31 July 2024 are as follows:

Counterparties	Moody's	Standard & Poor's	Fitch
Crédit Agricole	Aa2 (stable)	AA- (stable)	AA- (stable)
Barclays Bank Plc	Baa1 (stable)	BBB+ (stable)	A (stable)
Citibank	A3 (stable)	BBB+ (stable)	A (stable)
BNP Paribas	Aa3 (stable)	A+ (stable)	AA- (stable)

The Company's investment guidelines establish criteria for certain investment exposures and synthetic arrangements entered into by the Company that are intended to limit the investment risk of the Company. Shareholders should, however, be prepared to bear the risks of direct and indirect investment in special purpose structured finance vehicles and arrangements, which often involve reliance on techniques intended to achieve bankruptcy remoteness and protection through security arrangements that may not function as intended in unexpected scenarios.

Risk relating derivatives

The Company's transactions using derivative instruments and any credit default or total return swap arrangements or other synthetic investments entered into by the Company or any of its funding vehicles may involve certain additional risks, including counterparty credit risk. Moreover, as referred to in the preceding paragraph, the Company has established criteria for synthetic arrangements that are intended to limit its investment risk. Certain derivative transactions into which the Company may enter may be sophisticated and innovative and as a consequence may involve tax or other risks that may be misjudged.

Concentration risk

Concentration risk is risk of loss in value of an investment portfolio if an individual or group of exposures move together in an unfavourable direction. The Company may be exposed at any given time to any one corporate credit, counterparty, industry, region, country or asset class or to particular services or asset managers (in addition to the Investment Manager). As a result it may therefore be exposed to a degree of concentration risk. However, the Board considers that the Company is, in general, very diversified and that concentration risk is therefore not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Concentration risk (continued)

Nevertheless, the Company monitors the concentration of its portfolio and from time to time and, as long as market opportunities and liquidity permit, might rebalance its investment portfolio accordingly, although there can be no assurance that it will succeed. This is because in a stressed situation, which may be characterised by high volatility in the value of the Company's assets and/or significant changes in the market expectation of default rates and/or significant changes in the liquidity of its assets, the ability of the Company to mitigate its concentration risk could be significantly affected.

As the Company invests primarily in structured finance assets, it is exposed to concentration risks at two levels: direct concentration risk from the Company's positions in particular deals/transactions and indirect concentration risk arising from the exposures underlying those positions.

A measure of the direct exposure to certain asset types as at the reporting date is given below:

Main asset class	Detailed classification	As at 31 July 2024 % (based on NAV)	As at 31 July 2023 % (based on NAV)
CLO	USD CLO Equity	20.1	23.9
	EUR CLO Equity	27.2	23.1
	USD CLO Debt	15.9	17.1
	EUR CLO Debt	23.5	14.0
	CMV	4.6	5.0
	CLO Warehouse	4.0	2.8
Synthetic Corporate Credit	Bank Balance Sheet transactions	0.8	5.7
Cash Corporate Credit	Cash Corporate Credit Equity	0.5	0.9
ABS	ABS Residual	0.2	0.8
Net position	(includes cash, other liquid assets and trade payables)	3.2	6.7

Indirect exposures to underlying concentrations can be complex and will vary by asset type and factors such as subordination. In general, the Company's investment portfolio is well diversified. The Company's principal concentration exposures are derived from its positions in CLO equity tranches. Based on reports provided to the Investment Manager, the largest 20 underlying exposures aggregated across all the Company's CLO equity tranches are listed in the table below. These exposures are stated as the gross exposure to the individual issuers listed below of the underlying CLO collateral pool before taking into account the effect of leverage due to the relative subordination of the CLO tranche held by the Company:

As at 31 July 2024 Issuer name	Industry group	Average exposure to individual issuers in the underlying CLO equity sub- portfolios as a % of Volta's NAV	Average exposure to individual issuers in the underlying CLO equity sub- portfolios as a % of Volta's total CLO equity positions
Virgin Media Secured Finance PLC	Media	0.80%	1.7%
Altice France SA/France	Telecommunications	0.68%	1.5%
Nidda Healthcare Holding GmbH	Pharmaceuticals	0.44%	1.0%
Laboratoire Cerba	Healthcare-Services	0.49%	1.0%
Biogroup-LCD SCM	Commercial Services	0.46%	1.0%
Emeria Europe SAS	Real Estate	0.46%	1.0%
Boxer Parent Co Inc	Software	0.51%	1.1%
Clarios	Telecommunications	0.41%	0.9%
Solera Holdings Inc	Software	0.39%	0.8%
Verisure Holding AB	Commercial Services	0.43%	0.9%
McAfee LLC	Computers	0.47%	1.0%
Philadelphia Energy Solutions Refining and Marketing LLC	Oil&Gas	-	-
INEOS Group Holdings SA	Chemicals	0.43%	09%
Froneri International Ltd	Food	0.31%	0.7%
Ziggo Bond Co BV	Media	0.37%	0.8%
Action Nederland BV	Retail	0.40%	0.9%
Asurion LLC	Insurance	0.41%	0.9%
Lorca Holdco Ltd	Telecommunications	0.45%	1.0%
Altice Financing SA	Media	0.41%	0.9%
Zayo Group LLC	Telecommunications	0.31%	0.7%

16. FINANCIAL RISK MANAGEMENT (CONTINUED)
Concentration risk (Continued)

As at 31 July 2023 Issuer name	Industry group	Average exposure to individual issuers in the underlying CLO equity sub- portfolios as a % of Volta's NAV	Average exposure to individual issuers in the underlying CLO equity sub- portfolios as a % of Volta's total CLO equity positions
Altice France SA/France	Telecommunications	0.85%	1.8%
EG Group Ltd	Retail	0.66%	1.4%
Virgin Media Secured Finance PLC	Media	0.65%	1.4%
Nidda Healthcare Holding GmbH	Pharmaceuticals	0.61%	1.3%
Asurion LLC	Insurance	0.51%	1.1%
Emeria Europe SAS	Real Estate	0.47%	1.0%
BMC Software Inc	Software	0.46%	1.0%
Upfield BV	Food	0.46%	1.0%
McAfee LLC	Computers	0.46%	1.0%
Verisure Holding AB	Commercial Services	0.45%	1.0%
IVC Acquisition Ltd	Pharmaceuticals	0.43%	0.9%
Masmovil Holdphone SA	Telecommunications	0.45%	0.9%
Laboratoire Cerba	Healthcare-Services	0.42%	0.9%
United Group BV	Internet	0.41%	0.9%
Nouryon Finance BV	Chemicals	0.41%	0.9%
Auris Luxembourg III Sarl	Healthcare- Products	0.41%	0.9%
Solera Holdings Plc	Software	0.40%	0.9%
Biogroup-LCD SCM	Commercial Services	0.39%	0.8%
INEOS Group Holdings SA	Chemicals	0.38%	0.8%
Altice Financing SA	Media	0.37%	0.8%

Based on the current weighting of CLO equity positions 47.3% of NAV (31 July 2023: 46.3% of NAV), the default as at 31 July 2024 of one underlying loan representing for example 1.0% (31 July 2023: 1.0%) of all the CLO equity underlying portfolios would have caused a decline of approximately 4.7% (31 July 2023: 2.7%) of NAV on a mark-to-market basis, assuming: liquidation of the relevant CLO equity tranches rather than the continuation of ongoing cash flow receipts from such CLO equity tranches; a standard recovery rate on the defaulted loan of 65.0% (31 July 2023: 65.0%); and, that CLO equity positions represent, on average, approximately a ten times leverage on the underlying loan portfolios. In practice, at the time of such default, it is likely that the impact on NAV would be mitigated by the fact that CLO equity valuations take into account the ongoing payments from these positions as well as the liquidation value. As a result, the Company has limited exposure to indirect concentration risk. Accumulation of defaults at the level of the underlying credit portfolios represents a greater risk to the Company.

Re-investment risk

A majority of the Company's directly held investments (CLO debt, most of the Bank Balance Sheet transactions and CLO equity positions) may be sensitive to spread compression. Spread compression in the loan market might increase the prepayment rate of loans causing the underlying loan portfolio of CLOs to carry a lower spread and then leading to lower ongoing cash flows for the CLO equity positions. This may be counter-balanced by the ability of CLOs to refinance and/or reset the cost of their liabilities in order to re-establish better terms for the CLO equity position. CLO debt and Bank Balance Sheet transactions are issued with a non-call period (usually between two and three years), after such non-call period, in the event of spread compression in these markets, Volta might experience these assets being called and might face the challenge of reinvesting in a context of a lower spread environment. One virtue of having a multi-asset-class strategy is that flexibility exists to re-allocate between asset classes in such cases.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Many of the assets in which the Company invests are illiquid. Changes in market sentiment may make significant portions of the Company's investment portfolio rapidly more illiquid, particularly with regard to types of assets for which there is not a broad well-established trading market or for which such a market is linked to a fewer number of market participants. Portfolio issuers and borrowers may experience changes in circumstance that adversely affect their liquidity, leading to interruptions in cash flows. The Company can seek to manage liquidity needs by borrowing, but turns in market sentiment may make credit expensive or unavailable. Liquidity may also be addressed by selling assets in the Company's portfolio, but selling assets may in some circumstances be significantly disadvantageous for the Company or even almost impossible if liquidity were to disappear for the Company's assets. In the event of such adverse liquidity conditions the Company might be unable to fund margin calls on its derivative positions and might consequently be unable to fund the payment of dividends. Liquidity risk is analysed by the Investment Manager on a frequent basis and is communicated to and monitored by the Board through the quarterly business report.

All liabilities of the Company are due within one financial year.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

31 July 2024	**Carrying amount**	**Contractual cash flows**
	€	**0-1 year**
		€
Derivatives at fair value through profit or loss	1,753,881	(1,753,881)
Trade and other payables	20,386,590	(20,386,590)
Balances due to broker – margin accounts	420,000	(420,000)
	22,560,471	**(22,560,471)**

31 July 2023	**Carrying amount**	**Contractual cash flows**
	€	**0-1 year**
		€
Derivatives at fair value through profit or loss	5,264,057	(5,264,057)
Trade and other payables	7,093,034	(7,093,034)
Balances due to broker – margin accounts	6,170,000	(6,170,000)
	18,527,091	**(18,527,091)**

Risks relating to leveraged exposure

The Company's investment strategy involves a high degree of exposure to the risks of leverage. Investors in the Company must accept and be able to bear the risk of investment in a highly leveraged investment portfolio. Predominantly the leverage is provided through investment in structured leveraged instruments (embedded leverage) with no recourse to the Company's assets, but the Company may also participate in direct leverage transactions with recourse and consequent increased liquidity needs such as the loan financing received under the Repo in prior years.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Company's capital is represented by the shares, share premium account, other distributable reserves and retained earnings. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objectives. The Company seeks to attain its investment objectives by pursuing a multi-asset-class investment strategy. The investment strategy focuses on direct and indirect investments in, and exposures to, a variety of assets selected for the purpose of generating cash flows for the Company. The Board of Directors also monitors the level of dividends to Ordinary Shareholders.

There were no changes in the Company's approach to capital management during the year.

17. INTERESTS IN OTHER ENTITIES

Interests in unconsolidated structured entities

IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements.

A structured entity often has some of the following features or attributes:

A) restricted activities;
B) a narrow and well defined objective;
C) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
D) financing in the form of multiple contractually linked instruments that create concentrations of credit or other risks.

Involvement with unconsolidated structured entities

The Company has concluded that positions in which it invests, that are not subsidiaries for financial reporting purposes, meet the definition of unconsolidated structured entities because:

- the voting rights in the positions are not the dominant rights in deciding who controls them, as they relate to administrative tasks only;
- each of the positions activities are restricted by its prospectus; and
- the positions have narrow and well-defined objectives to provide investment opportunities to investors.

The Company's purpose is to provide access to various forms of underlying credit assets and it does this by investing in various entities which are structured in such a way as to enable the Company to obtain access to a diversified pool of such assets. These entities are created and promoted by various parties (and sometimes by the Company's own investment manager), to facilitate such access by various investors, but never solely for the Company's benefit. The Company's maximum notional holding out of all the notional holdings of any single entity is 33.3%. Other than uncalled commitments totalling €10.0m, the Company has no contingent liabilities to any of these entities or to other participants in them, nor does it provide financial support, or intend to provide financial support, to any party. The Company fair values all such structured entities and so the maximum loss it can suffer is capped at the current carrying value plus uncalled commitments.

IFRS 12 requires certain information to be disclosed in respect of "unconsolidated structured entities" to enable users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in an unconsolidated structured entity; and
- the effects of those interests on its financial position, financial performance and cash flows.

The Directors believe that such information is provided in various places in these financial statements, and in the paragraph above, but the following table summarises the information required by IFRS 12 in respect of the principal classes of structured entities held by the Company.

17. INTERESTS IN OTHER ENTITIES (CONTINUED)
Interests in unconsolidated structured entities (Continued)
Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 July 2024:

Structured Entity ("SE")	Line item in the statement of financial position	Nature	No of Investments	Range of the size of SEs Notional in €m	Average Notional of SEs in €m	Company's Holding Fair Value in €m	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses and commitments in €m	Other*
Mezzanine Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	7	200-472	280	22.3	8.8%	22.3	Non-recourse
Europe									
Country of Incorporation: Jersey	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	7	367-378	372	18.9	7.5%	18.9	Non-recourse
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	23	350-505	411	60.9	24.1%	60.9	Non-recourse
Total Mezzanine Note CLOs	**Financial assets at FVTPL**		**37**			**102.1**	**40.4%**	**102.1**	
Income Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	15	15-562	348	30.1	11.9%	30.1	Non-recourse
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Middle Market sub-Investment Grade Secured Loans	1	392	392	1.4	0.5%	1.4	Non-recourse
Europe									
Country of Incorporation: Jersey	Financial assets at FVTPL	Middle Market sub-Investment Grade Secured Loans	5	367-454	392	20.7	8.2%	20.7	Non-recourse
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	22	55-549	368	65.7	26.0%	65.7	Non-recourse
Country of Incorporation: Netherlands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	3	246-410	340	4.8	1.9%	4.8	Non-recourse
Total Income Note CLOs	**Financial assets at FVTPL**		**46**			**122.7**	**48.5%**	**122.7**	

17. INTERESTS IN OTHER ENTITIES (CONTINUED)

Interests in unconsolidated structured entities (Continued)

Structured Entity ("SE")	Line item in the statement of financial position	Nature	No of Investments	Range of the size of SEs Notional in €m	Average Notional of SEs in €m	Company's Holding Fair Value in €m	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses and commitments in €m	Other*
Investment Funds									
North America									
Country of Incorporation: United States	Financial assets at FVTPL	Directly originated sub-Investment Grade Secured Loans and Residential Mortgage Backed Securities	1	51.5	51.5	0.7	0.3%	0.7	Non-recourse
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Directly originated sub-Investment Grade Secured Loans and Residential Mortgage Backed Securities	1	8.1	8.1	0.5	0.2%	0.5	Non-recourse
Europe									
Country of Incorporation: France	Financial assets at FVTPL	Leases to corporates	1	36.8	36.8	0.6	0.2%	0.6	Non-recourse
Country of Incorporation: Ireland	Financial assets at FVTPL	Subordinated Notes	2	16.5	16.5	7.0	2.8%	7.0	Non-recourse
Country of Incorporation: Jersey	Financial assets at FVTPL	Subordinated Notes	1	554.2	554.2	12.0	4.7%	12.0	Non-recourse
Total Investment Funds	**Financial assets at FVTPL**		**6**			**20.8**	**8.2%**	**20.8**	
Total			**89**			**245.6**	**97.1%**	**245.6**	

As at 31 July 2024, the Company did not hold any subsidiaries.

The Company has a percentage range of 0.01% - 33.3% notional holding out of the entire outstanding notional balances of the structured entities as at 31 July 2024.

During the financial year ended 31 July 2024, the Company did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support. The assessment was done for the Company as a whole.

* The investments are non-recourse securities with no contingent liabilities, where the Company's maximum loss is capped at the current carrying value.

17. INTERESTS IN OTHER ENTITIES (CONTINUED)

Interests in unconsolidated structured entities (Continued)

Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 July 2023:

Structured Entity ("SE")	Line item in the statement of financial position	Nature	No of Investments	Range of the size of Ses Notional in €m	Average Notional of Ses in €m	Company's Holding Fair Value in €m	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses and commitments in €m
Mezzanine Note CLOs								
North America								
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	12	348-562	424	36.8	16.7%	36.8
Europe								
Country of Incorporation: Jersey	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	1	361	361	3.7	1.7%	3.7
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	12	372-505	434	33.0	15.0%	33.0
Total Mezzanine Note CLOs	**Financial assets at FVTPL**		**25**			**73.5**	**33.4%**	**73.5**
Income Note CLOs								
North America								
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	15	32-552	380	42.7	19.4%	42.7
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Middle Market sub-Investment Grade Secured Loans	1	383	383	2.4	1.1%	2.4
Europe								
Country of Incorporation: Jersey	Financial assets at FVTPL	Middle Market sub-Investment Grade Secured Loans	3	361-447	391	10.9	4.9%	10.9
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	20	259-549	417	50.0	22.7%	50.0
Country of Incorporation: Luxembourg	Financial assets at FVTPL	Real Estate properties	1	17.0	17.0	2.2	1.0%	2.2
Country of Incorporation: Netherlands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans	3	358-416	395	4.2	1.9%	4.2
Total Income Note CLOs	**Financial assets at FVTPL**		**43**			**112.4**	**51.0%**	**112.4**

17. INTERESTS IN OTHER ENTITIES (CONTINUED)

Interests in unconsolidated structured entities (Continued)

Structured Entity ("SE")	Line item in the statement of financial position	Nature	No of Investments	Range of the size of Ses Notional in €m	Average Notional of Ses in €m	Company's Holding Fair Value in €m	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses and commitments in €m	Other*
Investment Funds									
North America									
Country of Incorporation: United States	Financial assets at FVTPL	Directly originated sub-Investment Grade Secured Loans and Residential Mortgage Backed Securities	1	94.8	94.8	1.1	0.5%	1.1	Non-recourse
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Directly originated sub-Investment Grade Secured Loans and Residential Mortgage Backed Securities	1	13.3	13.3	1.0	0.5%	1.0	Non-recourse
Europe									
Country of Incorporation: France	Financial assets at FVTPL	Leases to corporates	1	36.8	36.8	1.9	0.9%	1.9	Non-recourse
Country of Incorporation: Ireland	Financial assets at FVTPL	Subordinated Notes	1	16.9	16.9	6.7	3.0%	6.7	Non-recourse
Country of Incorporation: Jersey	Financial assets at FVTPL	Subordinated Notes	1	544.6	544.6	11.9	5.3%	11.9	Non-recourse
Total Investment Funds	**Financial assets at FVTPL**		**5**			**22.6**	**10.2%**	**22.6**	**Non-recourse**
Total			**73**			**208.5**	**94.6%**	**208.5**	

As at 31 July 2023, the Company did not hold any subsidiaries.

The Company has a percentage range of 0.01% - 33.3% notional holding out of the entire outstanding notional balances of the structured entities as at 31 July 2023.

During the financial year ended 31 July 2023, the Company did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support. The assessment was done for the Company as a whole.

18. RELATED PARTIES

Transactions with Directors

For disclosure of Directors' remuneration, refer to Note 5. As at the year ended 31 July 2024, Directors' fees to be paid in cash of €nil had been accrued but not paid (31 July 2023: €nil). Directors' fees to be paid in shares of €24,375 (31 July 2023: €26,144) had been accrued but not paid and Directors' expenses of €nil (31 July 2023: €nil) had been accrued but not paid.

As at 31 July 2024, the Directors of the Company owned 0.19% (31 July 2023: 0.24%) of the voting shares of the Company.

Transactions with the Investment Manager

Fee structure prior to 31 March 2024

AXA IM was entitled to receive from the Company an investment manager fee equal to the aggregate of:

a) an amount equal to 1.5% of the lower of NAV and €300 million; and
b) if the NAV is greater than €300 million, an amount equal to 1.0% of the amount by which the NAV of the Company exceeds €300 million.

The investment management fee was calculated for each six-month period ending on 31 July and 31 January of each year on the basis of the Company's NAV as of the end of the preceding period and payable semi-annually in arrears. The investment management fee payable to AXA IM was subject to reduction for investments in AXA IM Managed Products as set out in the Company's Investment Guidelines.

The Investment Manager was also entitled to receive a performance fee of 20% of any NAV outperformance over an 8% hurdle on an annualised basis, subject to a high-water mark and adjustments for dividends paid, share issuances, redemptions and buybacks. The performance fee would be calculated and paid annually in respect of each twelve-month month period ending on 31 July (each an "Incentive Period"). Notwithstanding the foregoing, performance fees payable to AXA IM in respect of any Incentive Period should not exceed 4.99% of the NAV at the end of such Incentive Period.

Fee structure post 31 March 2024

On 28 February 2024, the Board announced that the Company has agreed an alteration of the fee structure with AXA IM with effect from 31 March 2024, as follows:

AXA IM will be entitled to receive from the Company an investment management fee equal to the aggregate of:

a) an amount equal to 1.5% per annum, of the lower of the NAV and €236 million (as opposed to the previous threshold which was €300 million); and
b) if the NAV is greater than €236 million, an amount equal to 1.0% per annum of the amount by which the NAV exceeds €236 million.

The investment management fee will continue to be calculated for each six month period ending on July 31 and January 31 of each year on the basis of the Company's NAV as of the end of the preceding period and payable semi-annually in arrears. The investment management fee payable to AXA IM will continue to be subject to reduction for investments in AXA IM Managed Products as set out in the Company's existing Investment Guidelines.

AXA IM will be entitled to receive a performance fee of 20% of any NAV outperformance over an 8% hurdle on an annualised basis, subject to a high water mark (which will be equal to the latest audited NAV per Ordinary share multiplied by (1+8%)) and adjustments for dividends paid, share issuances, redemptions and buybacks. The performance fee will be calculated and paid annually in respect of each 12 month period ending on 31 July (each an "Incentive Period").

Notwithstanding the foregoing, performance fees payable to AXA IM in respect of any Incentive Period shall not exceed 4.99% of the NAV at the end of such Incentive Period.

During the year, the investment management fees incurred were €3,602,064 (2023: €3,341,218). Investment management fees accrued but unpaid as at 31 July 2024 were €1,839,368 (2023: €1,647,896).

During the year, performance fees incurred were €6,528,317 (2023: €2,289,213). Performance fees accrued but unpaid as at 31 July 2024 were €6,528,317 (2023: €2,289,213).

The Investment Manager also acts as investment manager for the following of the Company's investments held as at the year-end which together represented 2.19% of NAV as at 31 July 2024: Adagio V CLO DAC Subordinated Notes; Adagio VI CLO DAC Subordinated Notes; Adagio VII CLO DAC Subordinated Notes; Adagio VIII CLO DAC Subordinated Notes; and Bank Deleveraging Opportunity Fund (31 July 2023: 3.67% of NAV – Adagio V CLO DAC Subordinated Notes; Adagio VI CLO DAC Subordinated Notes; Adagio VII CLO DAC Subordinated Notes; Adagio VIII CLO DAC Subordinated Notes; Bank Capital Opportunity Fund and Bank Deleveraging Opportunity Fund).

The Investment in Bank Deleveraging Opportunity Fund are classified as AXA IM Managed Product and the investments in Adagio V CLO DAC Subordinated Notes, Adagio VI CLO DAC Subordinated Notes, Adagio VII CLO DAC Subordinated Notes and Adagio VIII CLO DAC Subordinated Notes are classified as Restricted AXA IM Managed Products.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

18. RELATED PARTIES (CONTINUED)

Transactions with the Investment Manager (continued)

The Investment Manager earns investment management fees, including incentive fees where applicable, directly from each of the above investment vehicles, in addition to its investment management fees earned from the Company. However, with respect to AXA IM Managed Products, there is no duplication of investment management fees as adjustment for these investments is made in the calculation of the investment management fees payable by the Company such that AXA IM earns investment management fees only at the level of the Company.

Due to the fact that the Company's investments in Adagio V CLO DAC Subordinated Notes, Adagio VI CLO DAC Subordinated Notes, Adagio VII CLO DAC Subordinated Notes and Adagio VIII CLO DAC Subordinated Notes are classified as Restricted AXA IM Managed Products, AXA IM earns investment management fees at the level of the Restricted AXA IM Managed Product rather than at the Company level. It is, however possible for AXA IM to earn incentive fees at the level of both the Restricted AXA IM Managed Product and the Company.

Except for the Company's Restricted AXA IM Managed Products and AXA IM Managed Products, (as detailed above), all other investments in products managed by the Investment Manager were made by way of secondary market purchases on a bona fide arm's length basis from parties unaffiliated with the Investment Manager. Therefore, the Company pays investment management fees with respect to these investments calculated in the same way as if the investment manager of these deals were an independent third party.

AXA Group held 27.50% (31 July 2023: 27.50%) of the voting shares in the Company as at 31 July 2024 and 27.50% as at the date of approval of this report.

19. COMMITMENTS

As at 31 July 2024, the Company had the following remaining uncalled commitments in funds and warehouses outstanding:

a) Crescent European Specialty Lending Fund (a CCC Equity transaction exposed to sub-investment grade corporate credits) – €1,931,660 (31 July 2023: €1,983,409) remaining commitment from an original commitment of €7,500,000;
b) Aurium XII CLO Warehouse - €2,972,500 (31 July 2023: €nil) remaining commitment from an original commitment of €7,500,000 and
c) Madison Park Warehouse - €5,886,223 (31 July 2023: €nil) remaining commitment from an original commitment of €11,500,000.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events for the Company from 1 August 2024 to 23 October 2024, the date the financial statements were available to be issued. No particular event has materially affected the Company. However, the following points are pertinent:

On 1 August 2024, the Company purchased 3,380 Ordinary shares of no par value in the Company at an average price of €5.20 per Ordinary share. These Ordinary shares purchased in the secondary market were transferred to the Directors as part payment of their Directors' fees, as allocated below:

Stephen Le Page – 728 Ordinary shares
Dagmar Kershaw – 1,040 Ordinary shares
Yedau Ogoundele - 728 Ordinary shares
Joanne Peacegood - 884 Ordinary shares

In August 2024, the AXA Group has announced it has entered into exclusive negotiations for the potential sale of AXA Investment Managers to BNP Paribas Group. The combination with BNP Paribas Asset Management (BNPP AM) would create one of the largest asset managers in Europe with over €1.5 trillion of AUM. In order to materialize, the proposed transaction requires the completion of the relevant works council information and consultation process, and regulatory approvals. The completion of the transaction could be expected to be finalized by the second quarter of 2025.

On 16 September 2024, the investment in Aurium XII CLO warehouse was fully redeemed.

On 19 September 2024, the Company declared a quarterly interim dividend of €0.145 per Ordinary share, which is payable on 22 October 2024, amounting to approximately €5.30 million.

ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

Alternative performance measures disclosure
In accordance with ESMA Guidelines on APMs the Board has considered what APMs are included in the Annual Financial Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs are as follows:

NAV to market price discount / premium
The NAV per Ordinary share is the value of all the Company's assets, less any liabilities it has, divided by the total number of Ordinary Shares. However, because the Company's Ordinary shares are traded on the Euronext Amsterdam and London Stock Exchange, the share price may be higher or lower than the NAV. The difference is known as a discount or premium. The Company's discount / premium to NAV is calculated by expressing the difference between the share price (closing price) and the NAV per Ordinary share on the same day compared to the NAV per Ordinary share on the same day.

The discount or premium per Ordinary share is a key indicator of the discrepancy between the market value and the intrinsic value of the Company.

	31 July 2024	31 July 2023
Closing share price per Euronext	5.2000	5.0800
NAV per Ordinary share	7.1310	6.4510
Discount	**(27.1)%**	**(21.3)%**

Ongoing charges
The principal ongoing charges ratio (excluding performance fees) for the year ended 31 July 2024 was 1.93% (31 July 2023: 2.02%) and the ongoing charges ratio (including performance fees) for the year ended 31 July 2024 was 4.53% (31 July 2023: 3.04%). The AIC's methodology for calculating an ongoing charges figure is based on annualised ongoing charges (refer to table below) divided by average NAV in the period of €251,146,473 (31 July 2023: €224,097,239).

Calculating ongoing charges
The ongoing charges are based on actual costs incurred in the year excluding any non-recurring fees in accordance with the AIC methodology. Expense items have been excluded in the calculation of the ongoing charges figure when they are not deemed to meet the following AIC definition:

"Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs."

Please refer below for the principal ongoing charges (excluding performance fees) and the ongoing charges (including performance fees) reconciliation for the years ended 31 July 2024 and 31 July 2023:

	31 July 2024 €	31 July 2023 €
Expenses included in the calculation of ongoing charges figures, in accordance with AIC's methodology:		
Investment Manager management fees	(3,602,064)	(3,341,218)
Director's remuneration and expenses	(351,149)	(331,025)
Administration fees	(263,204)	(256,490)
Audit fees, audit related and non-audit related fees	(179,933)	(163,542)
Insurance fees	(45,736)	(57,528)
Depository fees	(58,883)	(52,534)
Other operating expenses	(344,669)	(317,267)
Total principal ongoing charges for the year	**(4,845,638)**	**(4,519,604)**
Investment Manager performance fees	(6,528,317)	(2,289,213)
Total ongoing charges for the year (including performance fees)	**(11,373,955)**	**(6,808,817)**

Calculating an average NAV
The AIC's methodology for calculating average NAV for the purposes of the ongoing charges figure is to use the average of NAV at each NAV calculation date. On this basis the average NAV figure has been calculated using the monthly published NAVs over the years ended 31 July 2024 and 31 July 2023.

Internal Rate of Return
The Internal Rate of Return is calculated as the gross projected future return on Volta's investment portfolio as at 31 July 2024 under standard AXA IM assumptions. As at 31 July 2024, the IRR is 12.7% (31 July 2023: 21.8%).

ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED) (CONTINUED)

Internal Rate of Return (continued)
The IRR is calculated using projected cash flows and a DCF model from the investment portfolio, which are consistent with the Company's accounting policies.

The IRR reflects the projected gross future return on the investment portfolio and helps to assess the potential profitability and efficiency of the Company's investments over time.

Dividend Yield
Dividend yield is calculated by annualising the last dividend paid during the financial period, divided by the share price as at year end.

Dividend yield is calculated to measure the Company's distribution of dividends to the Company's Ordinary Shareholders relative to share price to allow comparability to other companies in the market.

Dividend yield is calculated as follows:

	31 July 2024	31 July 2023
Last dividends declared and paid for the year	0.145	0.13
Annualised dividend	0.58	0.52
Closing share price per Euronext	5.20	5.08
Dividend yield	**11.2%**	**10.2%**

NAV total return
NAV total return per Ordinary share is calculated as the movement in the NAV per Ordinary share plus the total dividends paid per Ordinary share during the financial year, with such dividends paid being re-invested at NAV at the ex-dividend date, as a percentage of the NAV per Ordinary share as at year end.

NAV total return summarises the Company's true growth over time while taking into account both capital appreciation and dividend yield.

NAV total return per Ordinary share has been calculated as follows:

	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023 €
Opening NAV per Ordinary share as disclosed in the SOFP	6.4510	6.2232
Closing NAV per Ordinary share as disclosed in the SOFP	7.1310	6.4510
	0.6800	0.2278
Capital return per Ordinary share (%)	**10.5%**	**3.7%**
Dividends paid during the year	0.5500	0.5100
Impact of dividend re-investment (%)	**8.5%**	**9.0%**
NAV total return per Ordinary share	1.2300	0.7378
NAV total return per Ordinary share (%)	**19.7%**	**12.7%**

Share Price total return
Share price total return is calculated as the movement in the share price plus the total dividends paid per Ordinary share during the financial year, with such dividends paid being re-invested at share price at the ex-dividend date, as a percentage of the share price as at year end.

Share price total return provides a clear measure of the Company's share performance, including both price appreciation and dividends, over a specified period.

Share Price Total Return per Ordinary share has been calculated as follows:

	1 August 2023 to 31 July 2024 €	1 August 2022 to 31 July 2023 €
Opening share price per Euronext	5.08	5.24
Closing share price per Euronext	5.20	5.08
	0.12	(0.16)
Share price movement (%)	**2.4%**	**(3.1%)**
Dividends paid during the year	0.55	0.51
Impact of dividend re-investment (%)	**10.8%**	**10.5%**
Share Price total return	0.67	0.35
Share Price total return (%)	**13.6%**	**7.4%**

LEGAL AND REGULATORY DISCLOSURES (UNAUDITED)

Alternative Investment Fund Managers Directive
The AIFM Directive seeks to regulate managers of AIFs that are marketed or managed in the European Economic Area. In compliance with the AIFMD, the Company has appointed AXA IM to act as its AIFM and appointed BNP Paribas to act as its Depositary.

AXA IM is authorised to act as the Company's AIFM by the AMF in France. In order to maintain such authorisation and to be able to continue to undertake this role, AXA IM is required to comply with various obligations prescribed under the AIFMD. In conformity with Article 53 of the Commission delegated regulation (EU) No. 231/2013, AXA IM has established appropriate policies and procedures regarding the credit risk of each of the structured credit positions (positions arising from the securitisation of underlying exposures) held by Volta, in order to monitor information regarding the performance of the underlying exposures on a timely basis and to manage such credit risk where applicable and possible. Such policies and procedures are considered as being appropriate to the risk/return profile of these positions. AXA IM also regularly implements stress tests on these positions.

Information on the investment strategy, geographic and sector investment focus, and principal exposures is included in the Investment Manager's Report and Note 16 to the financial statements. None of the Company's assets are subject to special arrangements arising from their illiquid nature, where "special arrangements" refers to arrangements such as side pockets, gates or other similar arrangements, whereby the rights of some investors, usually over certain assets, differ from those of other investors. Note 16 to the financial statements and the Principal Risk Factors section commencing on page 20 of this report describe the risk profile and risk management systems in place.

Certain regulatory changes have arisen from the implementation of the AIFMD that may, in some circumstances, impair the ability of the Investment Manager to manage the investments of the Company and this may adversely affect the Company's ability to carry out its investment strategy and achieve its investment objectives. In addition, the AIFMD may limit the Company's ability to market future issuances of its shares in some EU jurisdictions. Certain EU member states may impose stricter rules or interpretations of the AIFM Directive on the AIFM in respect of the marketing of shares than those either required under the AIFMD or as interpreted by other EU member states, as the Company is a non-EU AIF. The Board and the Company's advisors will continue to monitor implications of the AIFM Directive.

Staffing and remuneration disclosures regarding the AIFM

Remuneration paid for the calendar year 2023 and 2022 to all AXA Investment Managers Group personnel, split into fixed and variable remuneration paid [(1)]

	2023 Total	2022 Total
Fixed remuneration[(2)] (€ million)	288.8	248.6
Variable remuneration[(3)] (€ million)	179.6	309.5
Number of staff[(4)]	2,808	2,675

Aggregate remuneration paid and/or awarded[(1)] for the calendar year 2023 and 2022 to senior management and members of staff whose actions have a material impact on the risk profile of Volta

	Managers and other employees having a direct impact on the risk profile of Volta	Other senior executives	2023 Total
Fixed remuneration[(2)] and variable[(3)] remuneration (€ million)	101.1	45.2	146.3
Number of staff[(4)]	277	62	339

	Managers and other employees having a direct impact on the risk profile of Volta	Other senior executives	2022 Total
Fixed remuneration[(2)] and variable[(3)] remuneration (€ million)	154.0	86.0	240.0
Number of staff[(4)]	277	62	339

Notes:
(1) Information on remuneration does not include employer contributions.
(2) Fixed remuneration comprises the base salary and all other components of fixed remuneration paid in the calendar year.
(3) Variable remuneration comprises discretionary, immediate and deferred elements of variable pay and includes:
- amounts allocated on account of the performance of the previous year and paid out in full during the calendar year (variable, non-deferred remuneration);
- amounts allocated on account of the performance of previous years and the calendar year and paid out in instalments subject to maintaining the performance over several years (variable deferred remuneration); and
- long term incentive bonuses awarded by the AXA Group.
(4) The total number of employees includes permanent and temporary contracts other than internships at calendar year.

LEGAL AND REGULATORY DISCLOSURES (UNAUDITED) (CONTINUED)

FORWARD-LOOKING STATEMENTS

This report includes statements that are, or may be considered, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “plans”, “expects”, “targets”, “aims”, “intends”, “may”, “will”, “can”, “can achieve”, “would” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report, including in the Chair’s Statement. They include statements regarding the intentions, beliefs or expectations of the Company or the Investment Manager concerning, among other things, the investment objectives and investment policies, financing strategies, investment performance, results of operations, financial condition, liquidity prospects, dividend policy and targeted dividend levels of the Company, the development of its financing strategies and the development of the markets in which it, directly and through special purpose vehicles, will invest and issue securities and other instruments. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments of the Company and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause differences include, but are not limited to: changes in economic conditions generally and in the structured finance and credit markets particularly; fluctuations in interest and currency exchange rates, as well as the degree of success of the Company’s hedging strategies in relation to such changes and fluctuations; changes in the liquidity or volatility of the markets for the Company’s investments; declines in the value or quality of the collateral supporting any of the Company’s investments; legislative and regulatory changes and judicial interpretations; changes in taxation; the Company’s continued ability to invest its cash in suitable investments on a timely basis; the availability and cost of capital for future investments; the availability of suitable financing; the continued provision of services by the Investment Manager and the Investment Manager’s ability to attract and retain suitably qualified personnel; and competition within the markets relevant to the Company.

These forward-looking statements speak only as at the date of this report. Subject to its legal and regulatory obligations (including under the rules of Euronext Amsterdam, the FCA and the London Stock Exchange) the Company expressly disclaims any obligations to update or revise any forward-looking statement (whether attributed to it or any other person) contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all such forward-looking statements by these cautionary statements. Please keep these cautionary statements in mind while reading this report.

BOARD OF DIRECTORS

Dagmar Kent Kershaw
Independent Director – appointed 30 June 2021
Ms Kent Kershaw has over 25 years' experience in financial markets, leading and developing fund management and alternative debt businesses. She headed Prudential M&G's debt private placement activities, and launched its Structured Credit business in 1998, which she led for ten years. In 2008, she joined Intermediate Capital Group to head its European and Australian credit business including institutional funds, CLOs, direct lending and hedge funds. Since 2017, she has held non-executive positions and is currently a director of Brooks Macdonald plc, Royal London Asset Management and Scotiabank Ireland, and a Senior Advisor to Strategic Value Partners. Ms Kent Kershaw holds a BA in Economics and Economic History from York University.

Stephen Le Page
Independent Director – appointed 16 October 2014
Mr Le Page has served as a non-executive director on a number of boards since his retirement from his role as Senior Partner (equivalent to Executive Chair) of Pricewaterhouse Coopers in the Channel Islands in 2013. Throughout his thirty year career with that firm he worked with many different types of financial organisation as both auditor and advisor, particularly with both listed and unlisted investment companies. He is currently the Audit Committee Chair of two London listed funds, Tufton Oceanic Assets Limited and Amedeo Air Four Plus Limited, and of Channel Island Property Fund Limited, which is listed on The International Stock Exchange. Mr Le Page is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Tax Advisor. He is a past president of the Guernsey Society of Chartered and Certified Accountants and a past Chair of the Guernsey International Business Association.

Yedau Ogoundele
Independent Director – appointed 1 July 2022
Ms Ogoundele has over 25 years' experience in financial markets, developing fixed income activities and leading financial services businesses. She was Europe, the Middle East and Africa's Head of Market Specialists at Bloomberg, then headed an enterprise sales department. Previously, she worked for over 17 years in investment banking at Credit Agricole CIB and Natixis in various roles including head of credit structuring where she specialised in CLO structuring and secondary loan trading. Since 2021, she has worked as a senior advisor for financial institutions and advises investors, asset managers, and corporates on fundraising and risk management solutions. She is currently an independent director of a pan-African financial institution. Ms Ogoundele holds a Master's degree in Management & Finance from EM Lyon Business School.

Joanne Peacegood
Independent Director – appointed 1 July 2023
Ms Peacegood has over 25 years of experience in the asset management sector including Listed Companies and Investment Trusts. Prior to becoming a non-executive director, Ms Peacegood worked for PwC in the Channel Islands, UK and Canada and was responsible for leading teams to deliver both audit and controls engagements. Ms Peacegood has significant experience in auditing complex valuations and also has 10 years' experience in Risk and Quality. Ms Peacegood is a Fellow of the Institute of Chartered Accountants in England and Wales, graduating with an Honours degree in Accounting and holds the Institute of Directors Diploma. Ms Peacegood is the Chair of Castelnau Group Limited (A London Listed company) and the Audit Committee Chair of NextEnergy Solar Fund Limited (A FTSE 250 Listed Company). She is also the Deputy Chair of the Guernsey International Business Association Council. Ms Peacegood resides in Guernsey.

BOARD OF DIRECTORS (CONTINUED)

Director who retired during the year:

Graham Harrison
Independent Director – appointed 19 October 2015 – retired on 6 December 2023
Mr Harrison is co-founder and Group Managing Director of ARC Group Limited, a specialist investment advisory and research company. ARC was established in 1995 and provides investment advice to ultra-high net worth families, complex trust structures, charities and similar institutions. Mr Harrison has fund Board experience spanning a wide range of asset classes including hedge funds, commodities, property, structured finance, equities, bonds and money market funds. Prior to setting up ARC, he worked for HSBC in its corporate finance division, specialising in financial engineering. Mr Harrison is a Chartered Wealth Manager and a Chartered Fellow of the Chartered Institute of Securities and Investment. He holds a BA in Economics from the University of Exeter and an MSc in Economics from the London School of Economics.

COMPANY INFORMATION

Volta Finance Limited
Company registration number: 45747 (Guernsey, Channel Islands)

Registered office
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA
Channel Islands

Website: www.voltafinance.com

Administrator and Company Secretary
BNP Paribas S.A.,
Guernsey Branch[1]
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA
Channel Islands

Depositary
BNP Paribas S.A.,
Guernsey Branch[1]
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA
Channel Islands

Legal advisors as to English Law
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG
United Kingdom

Legal advisors as to Dutch Law
De Brauw Blackstone Westbroek N.V.
Claude Debussylaan 80
PO Box 75084
1070 AB Amsterdam
The Netherlands

Legal advisors as to Guernsey Law
Mourant Ozannes
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 4HP
Channel Islands

Investment Manager
AXA Investment Managers Paris S.A.
Tour Majunga La Défense 6 Place de la Pyramide 92800 Puteaux
France

Corporate Broker and Corporate Finance Advisor
Cavendish Securities plc
(previously known as Cenkos Securities plc)
6.7.8 Tokenhouse Yard
London
EC2R 7AS
United Kingdom

Independent Auditor
Deloitte LLP
Deloitte LLP
PO Box 403,Gaspe House
66-72 Esplanade, St Helier
Jersey, JE4 8WA

Listing agent (Euronext Amsterdam)
ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam
The Netherlands

Registrar
Computershare Investor Services (Guernsey) Limited
C/o Queensway House Hilgrove Street
St Helier
Jersey
JE1 1ES
Channel Islands

[1] BNP Paribas S.A., Guernsey Branch is regulated by the GFSC

Listing Information
The Company's Ordinary shares are listed on Euronext Amsterdam and the Equity Share (Commercial Companies) segment (previously the 'Premium segment') of the London Stock Exchange's Main Market for listed securities. The ISIN number of the Company's listed shares is GG00B1GHHH78 and the tickers for the relevant markets are listed below:
- Euronext Amsterdam Stock Exchange, Euro quote: VTA.NA
- London Stock Exchange, Euro quote: VTA.LN
- London Stock Exchange, Sterling quote: VTAS.LN

GLOSSARY

Definitions and explanations of methodologies used:

Terms	**Definitions**
ABS	Asset-backed securities.
AGM	Annual General Meeting.
ABS Residual positions	Residual income positions, which are a sub-classification of ABS, being backed by any of the following: residential mortgage loans; commercial mortgage loans; automobile loans; student loans; credit card receivables; or leases.
AIC	the Association of Investment Companies, of which the Company is a member.
AIC Code	the AIC Code of Corporate Governance effective from 1 January 2019.
AFM	the Netherlands Authority for the Financial Markets (the “Autoriteit Financiële Markten” or “AFM”), being the financial markets supervisor in the Netherlands.
AIF	Alternative Investment Fund.
AIFM	Alternative Investment Fund Manager, appointed in accordance with the AIFMD.
AIFMD	the Alternative Investment Fund Managers Directive.
AMF	The Autorité des Marchés Financiers is the stock market regulator in France.
APM	Alternative performance measure. We assess our performance using a variety of measures that are not specifically defined under IFRS as adopted by the EU and are therefore termed alternative performance measures. The APMs that we use may not be directly comparable with those used by other companies. The APMs disclosed in the Annual Report and Audited Financial Statements reflect those measures used by management to measure performance. These APMs provide readers with important additional information and will enable comparability of performance in future periods. The calculation methodology of each APM has been disclosed on pages 75 to 76.
Articles	the Articles of Incorporation of the Company.
Auditors	Deloitte LLP.
AXA IM, Investment Manager or Manager	AXA Investment Managers Paris S.A.
BBS	Bank Balance Sheet transactions: Synthetic transactions that permit banks to transfer part of their exposures such as exposures to corporate loans, mortgage loans, counterparty risks, trade finance loans or any classic and recurrent risks banks take in conducting their core business.
BNP Paribas	BNP Paribas S.A., Guernsey Branch.
Board	the Board of Directors of the Company.
BofA	Bank of America.
CCC or Cash Corporate Credit	Deals structured credit positions predominantly exposed to corporate credit risks by direct investments in cash instruments (loans and/or bonds).
CCC Equity	Cash Corporate Credit Equity.
Cavendish, Corporate Broker or Broker	Cavendish Securities plc.
CLOs or CLO	Collateralised Loan Obligations.
Company or Volta	Volta Finance Limited, a limited liability company registered in Guernsey under the Companies (Guernsey) Law 2008 (as amended) with registered number 45747.
CMV or Capitalised Manager Vehicle	a CMV is a long-term closed-ended structure which is established to act as a CLO manager and to also provide capital in order to meet risk retention obligations when issuing a CLO and also to provide warehousing capabilities.
CPR	Constant prepayment rate.
DB	Deutsche Bank.
DCF	Discounted Cash Flow.
Discount – APM	Calculated as the NAV per Ordinary share as at 31 July 2024 less Volta’s closing share price on Euronext Amsterdam as at that date, divided by the NAV per Ordinary share as at that date.
Dividend Yield – APM	Last quarter dividend paid during the financial period 31 July 2024 annualised, divided by the share price as at 31 July 2024.
DM	Discount Margin.
ECB	The European Central Bank.
EPS	Earnings per Ordinary share.
ESG	Environmental, Social and Governance.
Euronext Amsterdam	Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V.
EU	The European Union.
FAFVTPL	Financial assets at fair value through profit and loss.
FED	United States’ Federal Reserve.
Financial year	The period from 1 August 2023 to 31 July 2024.
FRC	Financial Reporting Council (United Kingdom).
FRN	Floating Rate Note.
FVTPL	Fair value through profit and loss.
FX	Foreign exchange.
GAV	Gross Asset Value includes: all of the assets in the Company’s portfolio revalued to the month-end fair value, as adjusted for any amounts due to/from brokers/counterparties; all of the Company’s cash; all open derivative positions revalued to the month-end fair value, net of any margin amounts paid or received.
GDP	Gross Domestic Product.
GFC	Global Financial Crisis 2008.
GFSC	Guernsey Financial Services Commission.
IAS	International Accounting Standards.
IASB	International Accounting Standards Board.
IFRIC	International Financial Reporting Interpretations Committee.
IFRS	International Financial Reporting Standards.
IRR	Internal rate of return.
ISAE	International Standard on Assurance Engagements.
JP Morgan Pricing Direct	An independent valuation service which is a wholly-owned subsidiary of JPMorgan Chase & Co.
KPMG	KPMG Channel Islands Limited.
LBO	Leveraged Buyout.

GLOSSARY (CONTINUED)

LME	Liability Management Exercises.
LSE	London Stock Exchange.
Memorandum	the Memorandum of Incorporation of the Company.
M&A	Mergers and Acquisitions.
N/a	Not applicable.
NAV	Net asset value.
NAV Total Return – APM	NAV total return per Ordinary share is calculated as the movement in the NAV per Ordinary share plus the total dividends paid per Ordinary share during the financial year, with such dividends paid being re-invested at NAV at the ex-dividend date, as a percentage of the NAV per Ordinary share as at year end.
OAT	Obligation Assimilable du Trésor.
Ordinary shares	Ordinary shares of no par value in the share capital of the Company.
OTC	Over the counter.
PMI	Purchasing Managers' Index.
PRI	Principles of Responsible Investment.
Projected portfolio yield	Calculated as the gross projected future return on Volta's investment portfolio as at 31 July 2024 under standard AXA IM assumptions.
Prospectus	Final prospectus dated 4 December 2006.
REO	Real Estate Owned.
Repo	Repurchase agreement entered into with Société Générale.
Reset	Consist in calling all the debt tranches of a CLO, re-marketing a full new debt package, with new CLO documentation, almost as if it is a new CLO.
RI	Responsible Investment.
RP	Reinvestment period.
SCC BBS	Synthetic Corporate Credit Bank Balance Sheet.
SE	Structured Entity.
Share or Shares	All classes of the shares of the Company in issue.
Shareholder	Any Ordinary Shareholder.
Share price Total Return - APM	The percentage increase or decrease in the share price on Euronext Amsterdam plus the total dividends paid per Ordinary share during the reference period, with such dividends re-invested in the shares. Obtained from Bloomberg using the TRA function.
SOFP	Statement of Financial Position.
SSC or Synthetic Corporate Credit	Structured credit positions predominantly exposed to corporate credit risks by synthetic contracts.
TCFD	Task Force on Climate-related Financial Disclosures.
Underlying 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; commercial mortgage loans; automobile loans; student loans; credit card receivables; leases; and debt and equity interests in infrastructure projects.
UK	United Kingdom.
UK code	UK Corporate Governance Code 2018, effective from 1 January 2019.
UKLR	United Kingdom Listing Rules.
UN	United Nations.
UNGC	United Nations Global Compact.
US	United States of America.
USD	United States Dollar.
Warehouse	a Warehouse is a short-term structure put in place before a CLO happens in order to accumulate assets in order to facilitate the issue of the CLO. A Warehouse is leveraged and can be marked to market.
WARF	Weighted Average Rating Factor.

NOTICE OF MEETING

Volta Finance Limited
A closed-ended limited liability company registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered number CMP45747 and registered with the Netherlands Authority for the Financial Markets pursuant to Section 1:107 of the Dutch Financial Markets Supervision Act (the “Company”).

Notice of the seventeenth Annual General Meeting of the Company
In accordance with the Company’s Articles of Incorporation (the “Articles”), notice is hereby given that the seventeenth Annual General Meeting of the Company will be held at the Company's registered office, BNP Paribas House, St Julian’s Avenue, St Peter Port, Guernsey GY1 1WA Channel Islands, at 14:30hrs GMT on Thursday 5 December 2024.

Agenda

Ordinary business

To consider and, if thought fit, pass the following as Ordinary Resolutions:

(1) To adopt the audited financial statements of the Company for the year ended 31 July 2024, including the reports of the Board of Directors of the Company (the “Board”) and the Auditor (together the “Accounts”).

(2) To re-appoint Deloitte LLP of PO Box 403,Gaspe House, 66-72 Esplanade, St Helier, Jersey, JE4 8WA as the Company’s Auditor to hold office until the conclusion of the next AGM.

(3) To authorise the Board to negotiate and fix the remuneration of the Auditor in respect of the year ending 31 July 2024.

(4) To re-elect Dagmar Kershaw as an Independent Director of the Company.

(5) To re-elect Stephen Le Page as an Independent Director of the Company.

(6) To re-elect Yedau Ogoundele as an Independent Director of the Company.

(7) To elect Joanne Peacegood as an Independent Director of the Company

(8) To approve the quarterly dividend policy of paying approximately 8% of NAV per annum, absent of a notable change in circumstances, with a dividend payment date in January, April, July and October.

Special Business

To consider and, if thought fit, pass the following as Special Business:

Special Resolution

(9) **THAT** in accordance with Article 5(7) of the Articles, the Board be and is hereby authorised to issue equity securities (within the meaning of the Articles) as if Article 5(2) of the Articles did not apply to any such issue, provided that this power shall be limited to the issue of up to a maximum number of 3,658,058 Ordinary shares (being not more than 10% of the number of Ordinary shares in issue as at the date of this notice) or such other number being not more than 10% of the Ordinary shares in issue at the date of the AGM, whether in respect of the sale of shares held as treasury shares, the issue of newly created shares or the grant of rights to subscribe for, or convert securities into, shares which, in accordance with the Listing Rules, could only be issued at or above net asset value per Ordinary share (unless offered pro rata to existing Shareholders or pursuant to further authorisation by Shareholders). This authority will expire on the conclusion of the next AGM of the Company unless previously renewed, varied or revoked by the Company at a general meeting, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired. For further information, please see Note 9 below.

Ordinary Resolutions

(10) That the Company be generally and unconditionally authorised to make market purchases, for the purposes of Section 315 of the Companies (Guernsey) Law, 2008 (as amended), of Ordinary shares in the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

(a) the maximum number of Ordinary shares hereby authorised to be acquired is 5,483,429, representing not more than 14.99% of the issued Ordinary share capital of the Company as at the date of this notice;

(b) the minimum price (excluding expenses) payable by the Company for each Ordinary share is €0.01. The maximum price (excluding expenses) which may be paid for any such Ordinary share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an Ordinary share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the amount stipulated by Article 3(2) of the EU Buy-back and Stabilisation Regulation (2016/1052/EU) being the higher of the price of the last independent trade and the highest current independent bid for an Ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution will be carried out (provided that (ii) shall not apply where the purchases would not bear the risk of breaching the prohibition on market abuse);

(c) the authority hereby conferred shall expire at the end of the next Annual General Meeting of the Company unless previously renewed, varied or revoked by the Company in general meeting; and

NOTICE OF MEETING (CONTINUED)

(d) the Company may make a contract to purchase the Ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its Ordinary shares in pursuance of any such contract.

* See directors' biographies on page 79.

Notes

1. The Company's Accounts were published on 22 October 2024
2. Copies of the Company's Memorandum and Articles of Incorporation and its 2024 Accounts are available for inspection at the Company's registered office during normal business hours and are available on request free of charge from the Company Secretary, BNP Paribas S.A., Guernsey Branch, BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA, Channel Islands (guernsey.bp2s.volta.cosec@bnpparibas.com) and from the Listing Agent, ING Bank N.V., Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands, or from the Company's website (www.voltafinance.com).
3. Only those investors holding Ordinary shares as at 14:30hrs GMT on 3 December 2024 shall be entitled to attend and/or exercise their voting rights attached to such shares at the AGM.
4. Investors holding Ordinary shares via a broker/nominee who wish to attend or to exercise the voting rights attached to the shares at the AGM should contact their broker/nominee as soon as possible.
5. Should the Class B Shareholder being entitled to vote wish to attend or exercise the voting rights attached to the share at the AGM they should contact the Company Secretary as soon as possible.
6. A Shareholder who is entitled to attend, speak and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company.
7. More than one proxy may be appointed provided each proxy is appointed to exercise the rights attached to different shares.
8. The quorum requirements for the conduct of Ordinary Business and Special Business are set out under Article 17 of the Articles.
9. In accordance with the Articles, the notice period for an AGM of the Company is 21 clear calendar days (plus 24 hours deemed service of notice).
10. Article 5 of the Articles requires that where Ordinary shares are issued, or rights to subscribe for, or convert any securities into, Ordinary shares are granted, wholly for cash, or where Ordinary shares are sold out of treasury wholly for cash, either Shareholder approval must be sought to make a non-pre-emptive offer or a pre-emptive offer must be made to all existing Shareholders.
11. Electronic receipt of proxies:
    CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

    In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (the CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services (Guernsey) Limited (CREST participant 3RA50) by no later than 14:30hrs GMT on Tuesday 3 December 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Guernsey) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

    CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions, it is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) or the Uncertified Securities Regulations 2001.

For and on behalf of
BNP Paribas S.A., Guernsey Branch
Company Secretary
22 October 2024