

# Volta Finance Ltd

## Monthly Report- December 2023



### Data as of 31 Dec 2023

Gross Asset Value	€256.8m
NAV	€245.1m
NAV per share	€6.70
Outstanding Shares	36.6m
Share Price (Euronext)	€5.20
Share Price (LSE)*	€5.00
Tickers	VTA.NA VTA.LN VTAS.LN
ISIN	GG00B1GHHH78

### Fund Facts

Launch Date	Dec-2006
Fund Domicile	Guernsey
Listing and Trading	AEX LSE
Type of Fund	Closed-ended
Dividend	Quarterly
Dividend Cover <sup>4</sup>	2.6 times
Base currency	EUR
Asset types	Corporate Credit and ABS

### Background and Investment Objective

AXA Investment Managers Paris ("AXA IM") has been the Investment Manager of Volta Finance Limited ("Volta") since inception. Volta's investment objectives are to preserve capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends. For this purpose, Volta pursues a multi-asset investment strategy on deals, vehicles and arrangements that provide leveraged exposure to target Underlying Assets (including corporate credit, residential and commercial mortgages, auto and student loans, credit card and lease receivables).

### Fund Performance

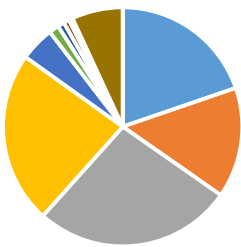
<b>8.0%</b>	<b>5.1%</b>	<b>2.6%</b>
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>	1 month <sup>2</sup>
<b>€245.1m</b>		<b>10.1%</b>
NAV as of December 2023		Trailing 12-month Div. Yield <sup>3</sup>

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	5.5%	1.7%	-1.5%	3.0%	1.9%	0.0%	3.8%	1.3%	1.6%	0.5%	1.8%	2.6%	<b>24.5%</b>
2022	1.7%	-3.9%	1.5%	2.3%	-11.8%	-4.6%	4.5%	2.8%	-7.2%	-2.6%	6.3%	-0.9%	<b>-12.7%</b>
2021	3.9%	1.0%	1.1%	2.1%	0.4%	2.2%	1.9%	-0.5%	1.9%	1.2%	1.0%	0.3%	<b>17.9%</b>
2020	1.1%	-2.6%	-32.4%	5.7%	4.5%	6.9%	-1.2%	1.9%	4.8%	1.6%	7.2%	4.3%	<b>-5.7%</b>
2019	3.1%	0.4%	0.5%	1.9%	1.4%	-1.0%	0.5%	-1.5%	0.4%	-2.6%	0.4%	3.3%	<b>6.8%</b>
2018	-0.4%	0.7%	-0.2%	0.9%	2.4%	0.2%	0.6%	1.2%	-0.4%	1.3%	-1.4%	-4.8%	<b>0.0%</b>

<sup>1</sup> Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)  
<sup>2</sup> Performance of published NAV (including dividend payments).  
<sup>3</sup> Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA).  
<sup>4</sup> Calculated as total income divided by the most recent annual dividend payments.

### Asset Breakdown

#### As a % of Gross Assets Value



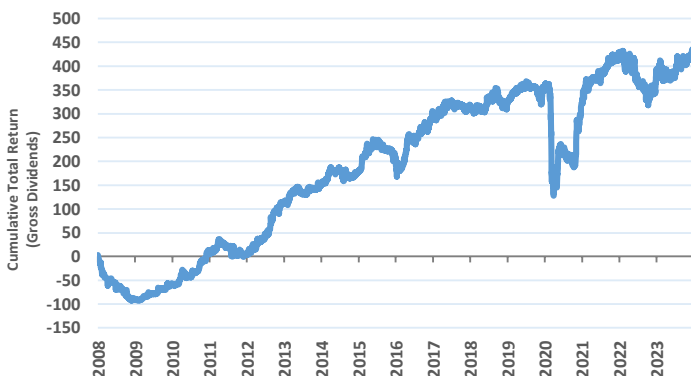
- USD CLO Equity 19.7%
- USD CLO Debt 14.9%
- EUR CLO Equity 27.0%
- EUR CLO Debt 23.3%
- CMV 4.6%
- CLO Warehouse 1.4%
- Bank Balance Sheet Transactions 0.9%
- Cash Corporate Credit Equity 0.8%
- ABS Residual Positions 0.5%
- Cash or equivalent 6.9%
- Others 0.0%

### Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.88%	Telecommunications
Virgin Media Secured Finance PLC	0.64%	Media
Nidda Healthcare Holding GmbH	0.51%	Pharmaceuticals
BMC Software Inc	0.50%	Software
McAfee LLC	0.46%	Computers
Verisure Holding AB	0.45%	Commercial Services
Masmovil Holdphone SA	0.44%	Telecommunications
Asurion LLC	0.41%	Insurance
Solera Holdings Inc	0.38%	Software
Nouryon Finance BV	0.36%	Chemicals

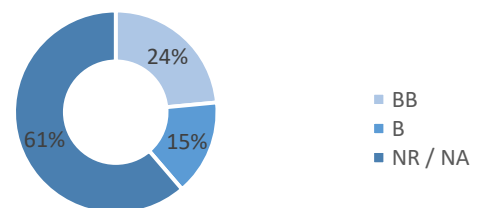
Source: Intex, Bloomberg, AXA IM Paris as of December 2023 – unaudited figures - not accounting for unsettled trades  
 Figures expressed in % of the NAV

### Historical Performance



Source: Bloomberg, as of December 2023

### Portfolio Rating Breakdown



Source: AXA IM, as of December 2023

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### Monthly Commentary

Volta Finance posted yet another positive monthly performance of +0.6% in December 2023 (+2.6% including the January dividend payment). This concluded a calendar year where Volta recorded a positive production each month of year to the exception of March (-1.5% MoM) and June (flat). All-in, the year-to-date performance settled at +24.5%, Volta's strongest since 2013.

Despite challenges stemming from geopolitical tensions and Central Bank policy anticipations, broader markets remained composed in December and managed to shrug volatility off as central banks indicated by mid-month that they would maintain rates unchanged. This essentially signaled a pause in the rate hikes cycle as the Federal Reserve acknowledged indications of softer economic growth, prompting traders to price three rate cuts for 2024. Fixed income markets rallied, for instance both Investment Grade and High Yield spreads tightened over the quarter.

In the CLO space, market remained active both in Primary and Secondary. As Primary gradually slowed down into Christmas, spreads tightened significantly across all rated tranches and lifted valuations up. We saw notably a decent appetite on low mezzanine assets especially for tranches that had underperformed their peers price-wise due to worsening collaterals quality. A pivot in rates may provide relief to the weakest companies those CLOs are specifically exposed to, prompting bids up.

Volta's underlying sub asset classes monthly performances\*\* were as follow: +1.0% for Bank Balance Sheet transactions, +4.0% for CLO Equity tranches, +5.0% for CLO Debt tranches and -5.9% for Cash Corporate Credit and ABS.

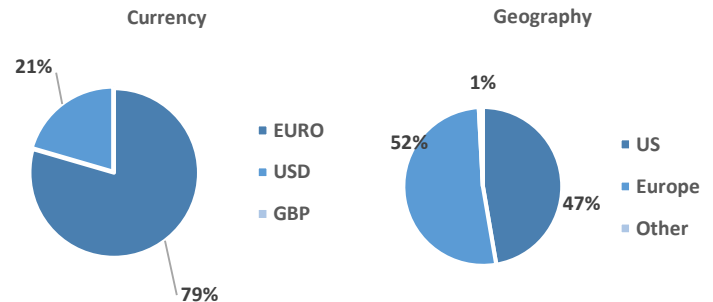
In terms of fund management, while Volta's 2015-3 Equity piece from Oak Hill Advisors was redeemed, USD 5.00mm of BB-rated risk (+885bps) as well as EUR 2.00mm of Single-B risk (+1125bps) were sourced, both from the Primary market since it offered better value and cleaner collateral pools compared to the Secondary offerings that were available.

As of end of December 2023, Volta's NAV was €245.1m, i.e. €6.70 per share.

*\*It should be noted that approximately 7.16% of Volta's GAV comprises investments for which the relevant NAVs as at the month-end date are normally available only after Volta's NAV has already been published. Volta's policy is to publish its NAV on as timely a basis as possible to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments are valued using the most recently available NAV for each fund or quoted price for such subordinated notes. The most recently available fund NAV or quoted price was 1.72% as at 21 December 2023, 5.44% as at 30 November.*

*\*\* "performances" of asset classes are calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at period ends, payments received from the assets over the period, and ignoring changes in cross-currency rates. Nevertheless, some residual currency effects could impact the aggregate value of the portfolio when aggregating each bucket.*

### Currency and Geography exposures (%)



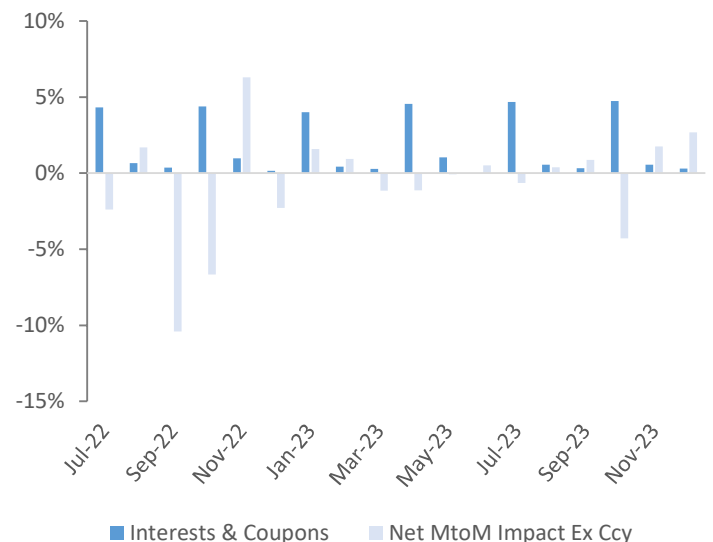
Source: Intex, Bloomberg, AXA IM Paris as of December 2023 – unaudited figures - not accounting for unsettled trades  
Figures expressed in % of the NAV

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	233.5	USD CLO Equity	19.7%
		USD CLO Debt	14.9%
		EUR CLO Equity	27.0%
		EUR CLO Debt	23.3%
		CMV	4.6%
		CLO Warehouse	1.4%
Synthetic Credit	2.2	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	0.9%
Cash Corporate Credit	2.0	Cash Corporate Credit Equity	0.8%
		Cash Corporate Credit Debt	0.0%
ABS	1.4	ABS Residual Positions	0.5%
		ABS Debt	0.0%
Cash or equivalent	17.7	Cash or equivalent	6.9%
<b>GAV</b>	<b>256.8</b>		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(11.7)	Fees due to Investment Manager	(4.6)%
<b>Estimated NAV</b>	<b>245.1</b>	<b>Per Share</b>	<b>6.70</b>

Source: AXA IM, as of December 2023

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of December 2023

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