

# Volta Finance Ltd

## Monthly Report - September 2024



### Data as of 30 Sep 2024

Gross Asset Value	€276.4m
NAV	€261.9m
NAV per share	€7.16
Outstanding Shares	36.6m
Share Price (Euronext)	€5.45
Share Price (LSE)*	€5.20
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>	2.8 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

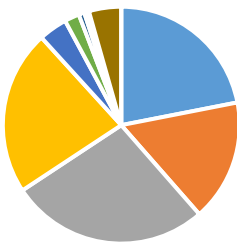
<b>8.4%</b>	<b>5.9%</b>	<b>2.3%</b>
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>	1 month <sup>2</sup>
<b>€261.9m</b>		<b>10.4%</b>
NAV as of September 2024		Trailing 12-month Div. Yield <sup>3</sup>

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	2.8%	1.0%	2.3%	1.3%	1.7%	0.3%	0.9%	0.1%	2.3%				<b>13.5%</b>
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>

<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 21.9%
- USD CLO Debt 16.6%
- EUR CLO Equity 27.2%
- EUR CLO Debt 22.5%
- CMV 3.9%
- CLO Warehouse 2.0%
- Bank Balance Sheet Transactions 0.8%
- Cash Corporate Credit Equity 0.4%
- ABS Residual Positions 0.2%
- Cash or equivalent 4.4%
- Others 0.0%

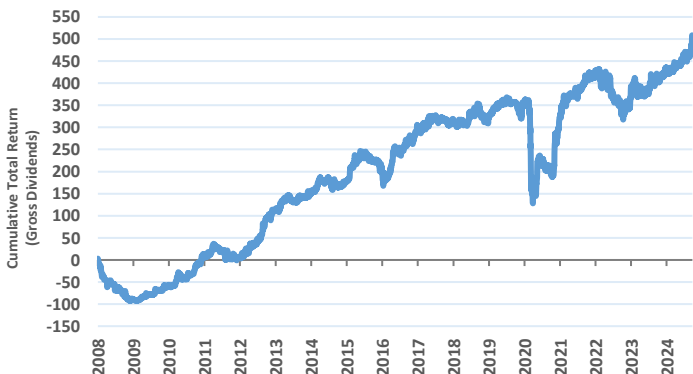
Source: AXA IM, as of September 2024  
The sum of percentages may not add up to 100.00% due to rounding.

### Top 10 Underlying Exposures

Virgin Media Secured Finance PLC	0.8%	Media
Altice France SA/France	0.6%	Telecommunications
Laboratoire Cerba	0.5%	Healthcare-Services
Lorca Holdco Ltd	0.5%	Telecommunications
McAfee LLC	0.4%	Computers
Biogroup-LCD SCM	0.4%	Commercial Services
INEOS Group Holdings SA	0.4%	Chemicals
Emeria Europe SAS	0.4%	Real Estate
Nidda Healthcare Holding GmbH	0.4%	Pharmaceuticals
Solera Holdings Inc	0.4%	Software

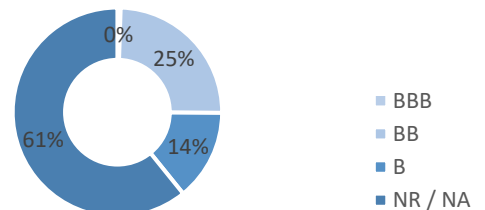
Source: Intex, Bloomberg, AXA IM Paris as of September 2024 - unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

### Historical Performance



Source: Bloomberg, as of September 2024

### Portfolio Rating Breakdown



Source: AXA IM, as of September 2024

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### Monthly Commentary

Volta Finance recorded a net performance of +2.3% in September bringing the year-to-date return to +13.5%. This positive performance is built on the strong performance of its CLO equity investments through the month, Volta being almost fully invested in CLO Equity and debt tranches.

Markets found some momentum in September on the back of a rather constructive macro backdrop. In Europe, inflation headline numbers dropped to 1.8% YoY and were below the 2% target for the first time in almost three years. Core inflation also came in lower and beat estimates with 2.7% YoY, opening the door for further cut rates possibly as early as October. In the US, the Fed implemented a 50bp rate cut by mid-month while the US flash PMIs showed economic resilience at 54.4 (vs. 54.3 expected).

Credit markets were relatively stable despite some volatility intra-month, High Yield indices in Europe (Xover) were marginally wider following the index's roll in the +315bps context while the US CDX High-Yield one settled at c. +330bps (+8bps MoM). On the Loan side, Euro Loans closed 25 cents down at c. 97.60px (Morningstar European Leveraged Loan Index), their US counterparts were trading flat at 96.70px.

Primary CLO markets remained extremely busy once again, we recorded circa USD 42bn of issuance in the US and EUR 7bn in Europe. Spreads moved sideways across the capital structure with AAAs pricing +130bps context and non-Investment Grade BB-rated tranches at +600bps in Europe (inside +550 for top tier US bonds).

Looking at fundamentals, both US and European default rates were roughly unchanged at 0.80% while the proportion of CCC-rated Loans within CLO collateral portfolios was slightly lower at 5.4% in US CLOs and slightly higher at 3.7% in Europe, while Loan repayment rates were stable at 26% in the US (-2% YoY growth rate of the Loan market) and 14% in Europe (+6% YoY growth).

Volta Finance's activity over the month was focused on CLO Equity. \$7mm of USCLO Equity were purchased as well as tickets of c. €1.4m in a Reset and €2.0mm in Secondary. Also, 2 transactions in which Volta is invested were reset through the month generating mark-to-market gains for Volta in addition to the strong distribution generated by the closing of one European CLO warehouse.

CLO debt investments performed in excess of their carry, driven by some spread compression. Overall, the cashflow generation over the last 6 months remained strong at c.€30m equivalent of interests and coupons, representing c.23% of the month's NAV on an annualized basis.

Volta's underlying sub asset classes monthly performances\*\* were as follow: +1.1% for Bank Balance Sheet transactions, +4.1% for CLO Equity tranches, +1.4% for CLO Debt tranches and 0.0% for Cash Corporate Credit & ABS\*\*\*, cash representing c.4% of NAV. The fund being c.26% exposed to USD, the depreciation of USD vs EUR had a negative impact of -0.2% on the overall performance.

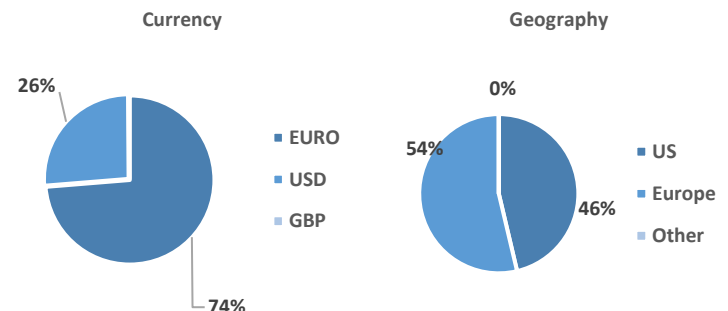
As of end of September 2024, Volta's NAV was €261.9m, i.e. €7.16 per share.

\*It should be noted that approximately 0.44% of Volta's GAV comprises investments for which the relevant NAVs as at the month-end date are normally available only after Volta's NAV has already been published. Volta's policy is to publish its NAV on as timely a basis as possible to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments are valued using the most recently available NAV for each fund or quoted price for such subordinated notes. The most recently available fund NAV or quoted price was 0.24% as at 31 August 2024, 0.20% as at 31 July 2024.

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

\*\*\* The cash Corporate Credit and ABS bucket is currently made of 3 legacy assets representing 0.6% of GAV.

### Currency and Geography exposures (%)



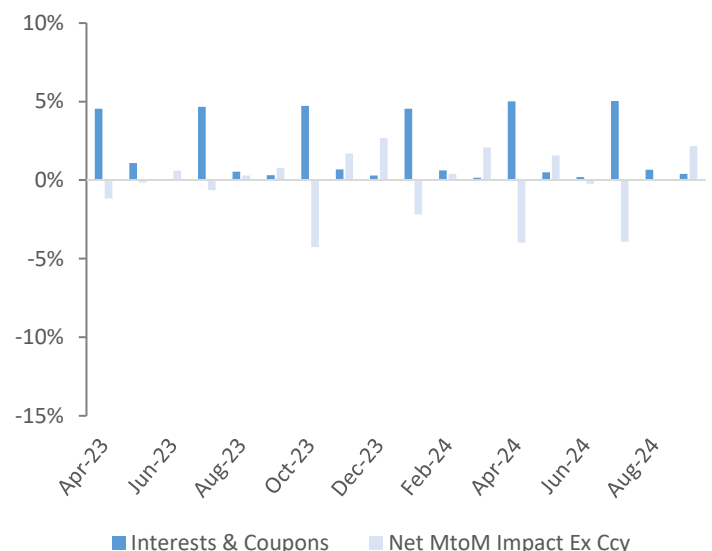
Source: Intex, Bloomberg, AXA IM Paris as of September 2024 - unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	260.3	USD CLO Equity	21.9%
		USD CLO Debt	16.6%
		EUR CLO Equity	27.2%
		EUR CLO Debt	22.5%
		CMV	3.9%
		CLO Warehouse	2.0%
		Synthetic Credit	2.1
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	0.8%
Cash Corporate Credit	1.2	Cash Corporate Credit Equity	0.4%
		Cash Corporate Credit Debt	0.0%
ABS	0.6	ABS Residual Positions	0.2%
		ABS Debt	0.0%
Cash or equivalent	12.2	Cash or equivalent	4.4%
<b>GAV</b>	<b>276.4</b>		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(14.5)	Fees due to Investment Manager	(5.2)%
<b>Estimated NAV</b>	<b>261.9</b>	<b>Per Share</b>	<b>7.16</b>

Source: AXA IM, as of September 2024

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of September 2024

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### Contact:

#### For the Investment Manager

AXA Investment Managers Paris

François Touati

[Francois.touati@axa-im.com](mailto:Francois.touati@axa-im.com)

+33 (0) 1 44 45 80 22

#### Company Secretary and Administrator

BNP Paribas S.A, Guernsey Branch

[guernsey.bp2s.volta.cosec@bnpparibas.com](mailto:guernsey.bp2s.volta.cosec@bnpparibas.com)

+44 (0) 1481 750 853