

Volta Finance Ltd

Monthly Report - January 2025



Data as of 31 Jan 2025

Gross Asset Value	€283.1m
NAV	€279.0m
NAV per share	€7.63
Outstanding Shares	36.6m
Share Price (Euronext)	€6.15
Share Price (LSE)*	€6.03
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 ⁴	2.7 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

9.1% Annualised since inception¹ 9.0% Annualised over 5 years¹ 1.7% 1 month²

€279.0m NAV as of January 2025 9.4% Trailing 12-month Div. Yield³

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	1.7%												1.7%
2024	2.8%	1.0%	2.3%	1.3%	1.7%	0.3%	0.9%	0.1%	2.3%	4.3%	2.1%	0.3%	21.2%
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%	24.5%
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%	-12.7%
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%	17.9%
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%	-5.7%

¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

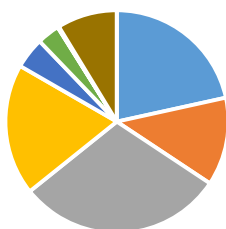
² Performance of published NAV (including dividend payments).

³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA).

⁴ Calculated as total income divided by the most recent annual dividend payments.

Asset Breakdown

As a % of Gross Assets Value



- USD CLO Equity 21.6%
- USD CLO Debt 12.8%
- EUR CLO Equity 29.9%
- EUR CLO Debt 19.1%
- CMV 4.5%
- CLO Warehouse 3.3%
- Bank Balance Sheet Transactions 0.0%
- Cash Corporate Credit Equity 0.2%
- ABS Residual Positions 0.0%
- Cash or equivalent 8.7%
- Others 0.0%

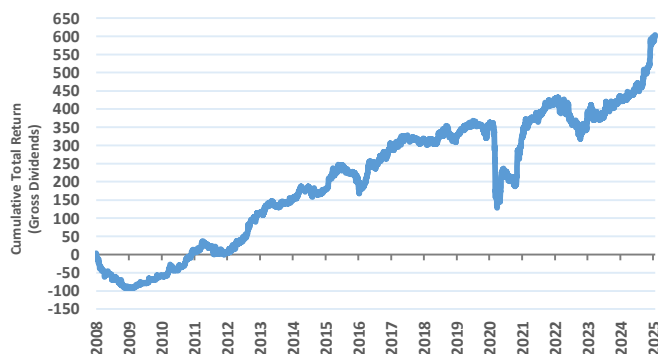
Source: AXA IM, as of January 2025
The sum of percentages may not add up to 100.00% due to rounding.

Top 10 Underlying Exposures

Virgin Media Secured Finance PLC	0.8%	Media
Altice France SA	0.6%	Telecommunications
Laboratoire Cerba	0.5%	Healthcare-Services
Action Holding BV	0.5%	Retail
Lorca Holdco Ltd	0.5%	Telecommunications
INEOS Group Holdings SA	0.5%	Chemicals
Biogroup-LCD SCM	0.5%	Commercial Services
Boxer Parent Co Inc	0.5%	Software
Emeria Europe SAS	0.4%	Real Estate
McAfee LLC	0.4%	Computers

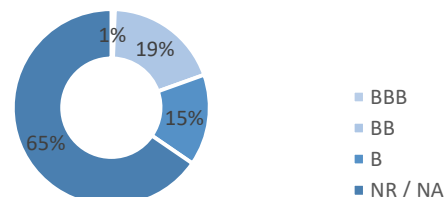
Source: Intex, Bloomberg, AXA IM Paris as of January 2025 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of January 2025

Portfolio Rating Breakdown



Source: AXA IM, as of January 2025

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Monthly Commentary

Volta Finance started 2025 on a positive note as net performance reached +1.7% in January while Financial Half Year net performance for Volta settled at 11.4%. Both our investments in CLO Debt and CLO Equity performed positively over the course of the month, benefiting from positive market conditions for risky assets.

In broader economic news, the Federal Reserve decided to keep interest rates unchanged for the first time since it started cutting rates last September. This has led markets to expect that the easing cycle might resume in 2026. In Europe, the eurozone economy showed no growth despite anticipations of a +0.1pp expansion, and Christine Lagarde announced a 25 basis points cut in key European Central Bank interest rates. Although largely backed by the data divergence with the US, it is interesting to note the striking difference in terms of monetary path between the US and the European Union as we anticipate further cuts in Europe.

Credit markets tightened significantly this month, although we noted heightened volatility in line with broader macro headlines around mid-month. In Europe, High Yield indices were roughly 20bps tighter while US CDX High-Yield tightened by 11bps. On the Loan side, Euro Loans prices increased by about 40cts up to 98.41% (Morningstar European Leveraged Loan Index), while US Loans rose by 28cts to 97.61%.

The primary CLO markets started strong this year, especially in Europe with New Issue volumes up 120% vs. Jan 24 (down 21% in the US vs. Jan 24). In terms of performance, CLO markets performed in line with US High Yield at +1.4% over the month and better than Global Loans +0.9%. In line with all major rating agencies that expect Loan default rates to go down in 2025 we remain constructive on the CLO asset class and the performance of the underlying loan portfolios this year.

CLO Equity distributions remained healthy in January, although as expressed earlier, the spread compression in the Loan market has slightly lowered these distributions. Over the last 6 month period, the cashflow generation was c. €27m equivalent of interest and coupons, representing c.19% of January's NAV on an annualized basis, compared to c. €30m equivalent of interests and coupons received 6 months ago. Refinancing or Resetting CLO liabilities will continue to be a key focus for us in 2025.

Regarding our portfolio activities, we took profits on a US Mezzanine position as the market was risk-on (c. USD 7mm nominal) while another USD 3mm of US CLO mezzanine debt redeemed at face value.

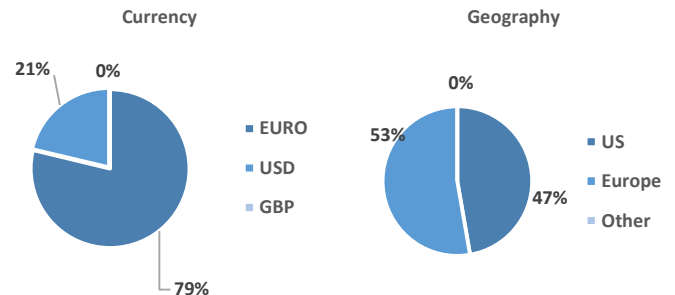
Over the month, Volta's CLO Equity tranches returned a 3% performance** while CLO Debt tranches returned +1.6% performance**, cash representing c.9.0% of NAV. The fund being c.25% exposed to USD, the recent currency moves had a negative impact of -0.1% on the overall performance.

As of end of January 2025, Volta's NAV was €279.0m, i.e. €7.63 per share.

**It should be noted that approximately 0.16% 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 0.05% as at 31 December 2024, 0.11% as at 30 September 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.*

Currency and Geography exposures (%)



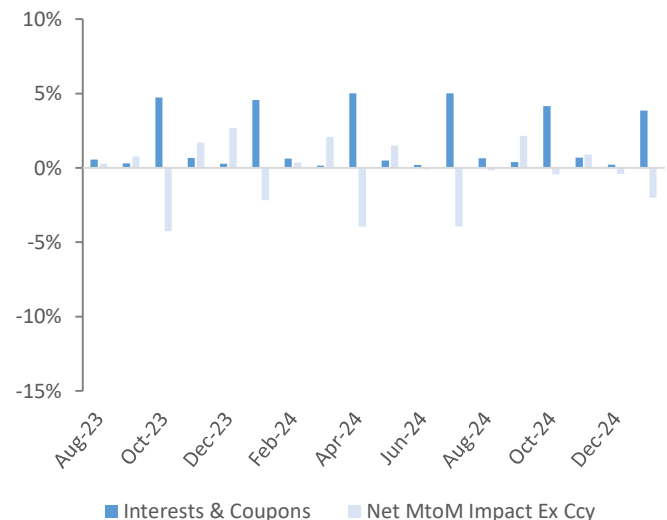
Source: Intex, Bloomberg, AXA IM Paris as of January 2025 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	257.8	USD CLO Equity	21.6%
		USD CLO Debt	12.8%
		EUR CLO Equity	29.9%
		EUR CLO Debt	19.1%
		CMV	4.5%
		CLO Warehouse	3.3%
Synthetic Credit	0.1	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	0.0%
Cash Corporate Credit	0.5	Cash Corporate Credit Equity	0.2%
		Cash Corporate Credit Debt	0.0%
ABS	-	ABS Residual Positions	0.0%
		ABS Debt	0.0%
Cash or equivalent	24.7	Cash or equivalent	8.7%
GAV	283.1		
Liability	-	Debt from Repurchase Agreement	0.0%
Payables	(4.1)	Fees, dividend and other payables	(1.4)%
Estimated NAV	279.0	Per Share	7.63

Source: AXA IM, as of January 2025

Last Eighteen Months Performance Attribution



Source: AXA IM, as of January 2025

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