

GNW Net Asset Value(s)



## **VOLTA FINANCE LIMITED - NET ASSET VALUE AS AT 31 DECEMBER 2024**

[VOLTA FINANCE LIMITED](#)

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**Volta Finance Limited (VTA / VTAS)  
December 2024 monthly report**

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**Guernsey, January 22<sup>th</sup>, 2025**

*AXA IM has published the Volta Finance Limited (the "Company" or "Volta Finance" or "Volta") monthly report for December 2024. The full report is attached to this release and will be available on Volta's website shortly ([www.voltafinance.com](http://www.voltafinance.com)).*

### **Performance and Portfolio Activity**

Dear Investors,

Volta Finance achieved a net performance of +0.3% in the final month of the calendar year - including a dividend payment of 15 cents per share - , bringing the return of the portfolio to +21.2% for the full calendar year 2024. While our CLO Debt investments performed favourably, CLO Equity valuations were slightly down on the month amid increased volatility into year-end.

The Federal Open Market Committee (FOMC) meeting in December gave contradictory signals. They reduced interest rates as expected, but they also indicated that they might not lower rates in the future due to inflation staying above 2%. This caused 10-year U.S. Treasury bond yields to rise above 4.5% and led to market volatility worldwide. The VIX, an index that measures expected market volatility, reached its highest level since summer.

In Europe, Moody's downgraded France's credit rating to Aa3 due to political instability and President Macron's struggles to form a stable government. Similarly, German Chancellor Olaf Scholz lost a confidence vote, which could lead to early elections in 2025.

High Yield bond indices in Europe and the U.S. widened by 16bps. European leveraged loans closed flat at 98% of par, while U.S. leveraged loans improved slightly at 97.33%. The primary CLO markets remained active, but some transactions were delayed until the new year in anticipation of improved market conditions and potentially tighter markets.

In terms of performance, CLO markets have outperformed broader credit markets this year. BB-rated CLO tranches saw a total return of +19.2%. For comparison, U.S. High Yield returned +8.2%, Euro High Yield returned +8.6%, and Global Loans returned +7.3% during the same period.

Regarding 2025, major credit rating agencies expect loan default rates to decrease, with US defaults estimated to stay around 1.5% default rate (between 3%-3.5% when including restructurings). In the US, the percentage of CCC-rated loans in CLO collateral portfolios has slightly decreased from 5.0% to 4.7%, while US loan repayment rates have remained constant at 28%. In Europe, loan repayment rates have slightly decreased from 14% to 13%. Thus, we have a constructive

outlook for the beginning of 2025 regarding loans. Nonetheless, we do expect further loan spread compression coming which should show into the level of CLO Equity distributions through 2025 requiring an active refinancing and reset strategy for existing CLO.

Turning to Volta, cashflow generation continued to be steady, highlighting the strength of the book's risk positioning. Over the last 6 month period, the cashflow generation was stable at c.€30m equivalent of interests and coupons, representing c.22% of December's NAV on an annualized basis.

In terms of portfolio activity, it was actually a rather busy month with notably the redemption in full of a US BB-rated position as well as profit taking on high cash price BB-rated and single-B rated Euro CLO tranches. Proceeds were used to fund our warehouse commitments as well as purchasing a significant stake in a European CLO Equity tranche from the new issue market.

Over the month, Volta's CLO Equity tranches returned -1.0% performance\*\* while CLO Debt tranches returned +1.4% performance\*\*, cash representing c.1.2% of NAV. The fund being c.27% exposed to USD, the recent appreciation of USD vs EUR had a positive impact of +0.6% on the overall performance.

As of end of December 2024, Volta's NAV was €274.4m, i.e. €7.50 per share.

*\*It should be noted that approximately 4.29% 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 0.35% as at 30 November 2024, 3.90% 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.*

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## ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) and listed on Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. 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 the AFM, being the regulator for financial markets in the Netherlands.

Volta's Investment objectives are 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. The Company currently seeks to achieve its investment objectives by pursuing exposure predominantly to CLO's and similar asset classes. A more diversified investment strategy across structured finance assets may be pursued opportunistically. The Company has appointed AXA Investment Managers Paris an investment management company with a division specialised in structured credit, for the investment management of all its assets.

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## ABOUT AXA INVESTMENT MANAGERS

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with 2,700 professionals and €844 billion in assets under management as of the end of December 2023.

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The figures provided that relate to past months or years and past performance cannot be relied on as a guide to future performance or construed as a reliable indicator as to future performance. Throughout this review, the citation of specific trades or strategies is intended to illustrate some of the investment methodologies and philosophies of Volta Finance, as implemented by AXA IM. The historical success or AXA IM's belief in the future success, of any of these trades or strategies is not indicative of, and has no bearing on, future results.

The valuation of financial assets can vary significantly from the prices that the AXA IM could obtain if it sought to liquidate the positions on behalf of the Volta Finance due to market conditions and general economic environment. Such valuations do not constitute a fairness or similar opinion and should not be regarded as such.

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#### Attachment

- [Volta - Monthly report-December 2024](#)

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