

# Volta Finance Ltd

## Monthly Report - May 2024



### Data as of 31 May 2024

Gross Asset Value	€270.1m
NAV	€262.9m
NAV per share	€7.19
Outstanding Shares	36.6m
Share Price (Euronext)	€5.20
Share Price (LSE)*	€5.04
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

**7.9%** Annualised since inception<sup>1</sup>      **3.8%** Annualised over 5 years<sup>1</sup>      **1.7%** 1 month<sup>2</sup>

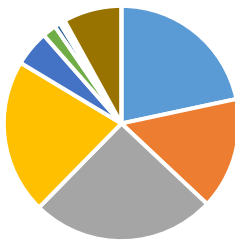
**€262.9m** NAV as of May 2024      **10.3%** Trailing 12-month Div. Yield<sup>3</sup>

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%								9.5%
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%
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%	6.8%

<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



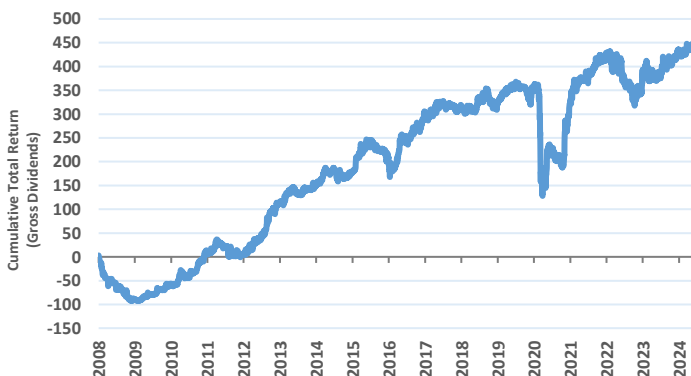
- USD CLO Equity 21.7%
- USD CLO Debt 15.3%
- EUR CLO Equity 25.3%
- EUR CLO Debt 21.3%
- CMV 4.9%
- CLO Warehouse 1.9%
- Bank Balance Sheet Transactions 0.8%
- Cash Corporate Credit Equity 0.5%
- ABS Residual Positions 0.3%
- Cash or equivalent 8.0%
- Others 0.0%

### Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Virgin Media Secured Finance PLC	0.8%	Media
Altice France SA/France	0.7%	Telecommunications
Verisure Holding AB	0.5%	Commercial Services
Laboratoire Cerba	0.5%	Healthcare-Services
Nidda Healthcare Holding GmbH	0.5%	Pharmaceuticals
Masmovil Holdphone SA	0.5%	Telecommunications
Boxer Parent Co Inc	0.5%	Software
McAfee LLC	0.5%	Computers
INEOS Group Holdings SA	0.5%	Chemicals
Solera Holdings Inc	0.4%	Software

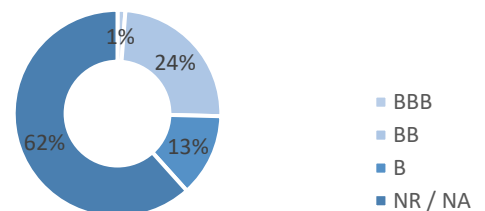
Source: Intex, Bloomberg, AXA IM Paris as of May 2024 – unaudited figures - not accounting for unsettled trades  
 Figures expressed in % of the NAV

### Historical Performance



Source: Bloomberg, as of May 2024

### Portfolio Rating Breakdown



Source: AXA IM, as of May 2024

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### Monthly Commentary

May was a strong month for Volta Finance, with a net performance of 1.7% and year-to-date return close to +9.5%. In comparison, US High Yield returned +1.63% year-to-date while European High Yield returned +2.57%.

Despite volatile markets, credit markets performed well in May. The momentum was fueled – in Europe - by anticipation of imminent rate cuts from the European Central Bank, which were eventually implemented early June. Both High Yield Credit indices CDX (for the US) and Xover (for Europe) tightened by 20bps+ on the month while US 10-year treasuries decreased from 4.68% to 4.50%. Leveraged Loan markets also showed strength as Euro Loans gained one point to 98.15px while the US index closed 30 cents up at 96.94px.

Primary CLO markets remained extremely active, with significant issuance in both markets: there was circa USD 47bn of supply in the US (BSL + MML) and EUR 8.5bn in Europe. Spreads tightened across the capital structure with AAAs moving 5bps tighter to +140bps ; Non-Investment Grade assets also gained momentum as Tier One CLO managers managed to place their BB-rated tranches well inside +600bps in the US.

Fundamentals in both underlying loan markets continued to display no sign of weakness, notably with default rates down to 1.08% in the US and 1.48% in Europe. At the same time, the pick-up in loan refinancings has been increasing the speed of prepayments in amortizing CLOs and fueling CLO refinancing and reset activity.

Volta Finance's investment portfolio benefited from this search for yield, with mark-to-market valuations for CLO debt tranches increasing and CLO Equity investments returning over 3% on the month due to a combination of both higher valuation and strong payments. Through the month, Volta engaged in various transactions, including swapping from an amortizing US CLO debt tranche into a longer profile one, adding to an existing CLO Equity (€0.1m) and funding €1.6m of a European CLO warehouse. The cashflow generation over the last 6 months remained strong at c. €28.4mm equivalent of interests and coupons on an annualized basis, representing 22% of this month's NAV.

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	244.3	USD CLO Equity	21.7%
		USD CLO Debt	15.3%
		EUR CLO Equity	25.3%
		EUR CLO Debt	21.3%
		CMV	4.9%
		CLO Warehouse	1.9%
Synthetic Credit	2.1	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	0.8%
Cash Corporate Credit	1.3	Cash Corporate Credit Equity	0.5%
		Cash Corporate Credit Debt	0.0%
ABS	0.7	ABS Residual Positions	0.3%
		ABS Debt	0.0%
Cash & equivalent	21.7	Cash or equivalent	8.0%
<b>GAV</b>	<b>270.1</b>		
Liability	-	Debt from Repurchase Agreement	
Payables	(7.2)	Fees, dividend and other payables	(2.7)%
<b>Estimated NAV</b>	<b>262.9</b>	<b>Per Share</b>	<b>7.19</b>

Source: AXA IM, as of May 2024

Volta's underlying sub asset classes monthly performances\*\* were as follow: +1.4% for Bank Balance Sheet transactions, +3.2% for CLO Equity tranches, +2.4% for CLO Debt tranches and -1.3% for Cash Corporate Credit & ABS\*\*\*, cash representing c.8% of NAV.

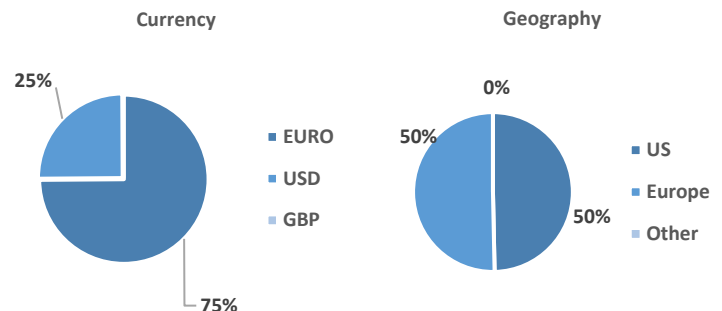
As of end of May 2024, Volta's NAV was €262.9m, i.e. €7.19 per share.

*\*\* It should be noted that approximately 0.49% 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 0.26% as at 30 April 2024, 0.23% as at 31 March 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 0.8% of GAV.*

### Currency and Geography exposures (%)



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

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of May 2024

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