

Volta Finance Ltd

Monthly Report – August 2023



Data as of 31 Aug 2023

Gross Asset Value	€243.8m
Liabilities	€4.9m
NAV	€239.0m
NAV per share	€6.53
Outstanding Shares	36.6m
Share Price (Euronext)	€5.18
Share Price (LSE)*	€5.13
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	2.6 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

7.8%
Annualised since inception¹
2.8%
Annualised over 5 years¹
1.3%
1 month²

€239.0m

NAV as of August 2023

9.8%

Trailing 12-month Div. Yield³

Returns ²	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%					16.6%
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%
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%	0.0%

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

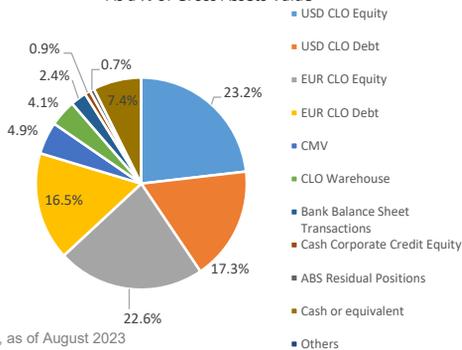
² Performance of published NAV (including dividend payments)

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



Source: AXA IM, as of August 2023

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.79%	Telecommunications
Virgin Media Secured Finance PLC	0.59%	Media
EG Group Ltd	0.63%	Retail
Nidda Healthcare Holding GmbH	0.55%	Pharmaceuticals
Asurion LLC	0.43%	Insurance
McAfee LLC	0.41%	Computers
BMC Software Inc	0.41%	Software
Verisure Holding AB	0.40%	Commercial Services
Masmovil Holdphone SA	0.39%	Telecommunications
Laboratoire Cerba	0.43%	Healthcare-Services

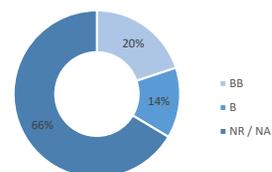
Source: Intex, Bloomberg, AXA IM Paris as of August 2023 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of August 2023

Portfolio Rating Breakdown



Source: AXA IM, as of August 2023

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Monthly Commentary

Volta is pleased to report another positive monthly performance in August 2023 (+1.3%) leading to a YTD performance of 16.6%.

The performance of Volta was supported by the generous carry that CLOs offer indeed, but it was ultimately the confirmation that the asset class successfully managed to withstand the volatility induced by rates and the banking sector jitters.

Volta's underlying sub asset classes monthly performances** were as follow: +1.6% for Bank Balance Sheet transactions, +1.4% for CLO Equity tranches, +1.1% for CLO Debt tranches and -8.6% for Cash Corporate Credit and ABS (which now represents c.1.5% of the fund's NAV). This month, being long USD against Euro provided circa +0.35% of performance.

In August, US and European leveraged loan market prices moved up again (ELLI was up 1.48% while US LLI was up 1.17% according to Pitchbook LCD) as some CLO were ramping in preparation for a September launch and that some prepayments were also visible on the calendar.

In terms of cashflows, August is generally a slow month as most CLO paid in July. Still, Volta received €1.3m of distributions through the month, leading to €25.7m cashflow generation over the last 6 months. In addition, Volta received the principal repayment at par of one Bank Balance Sheet transaction for \$8m resulting in Bank balance sheet exposure to reduce to 2.4%. Such proceeds will be reinvested in the CLO asset class through the month to come as Volta is transitioning to a pure CLO player (c.97.5% of the exposure today excluding cash).

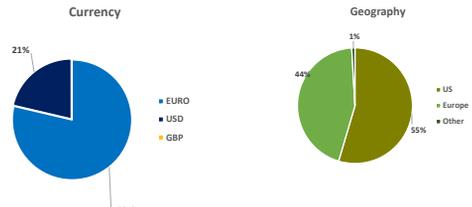
Through the month, we remained active with €2.2m additional fundings to our European CLO warehouse, \$1m invested in the opening of a new US warehouse as well as €6.5m of investments in European CLO debt tranches purchased in the secondary market.

As of end of August 2023, Volta's NAV was €239.0m, i.e. €6.53 per share.

**It should be noted that approximately 6.41% 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 6.01% as at 31 July 2023, 0.40% as at 30 June 2023.*

** "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: AXA IM, as of August 2023 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	216.1	USD CLO Equity	23.2%
		USD CLO Debt	17.3%
		EUR CLO Equity	22.6%
		EUR CLO Debt	16.5%
		CMV	4.9%
		CLO Warehouse	4.1%
Synthetic Credit	5.9	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	2.4%
Cash Corporate Credit	2.1	Cash Corporate Credit Equity	0.9%
		Cash Corporate Credit Debt	0.0%
ABS	1.7	ABS Residual Positions	0.7%
		ABS Debt	0.0%
Cash or equivalent	18.1	Cash or equivalent	7.4%
GAV	243.8		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(4.9)	Fees due to Investment Manager	(2.0)%
Estimated NAV	239.0	Per Share	6.53

Source: AXA IM, as of August 2023

Last Eighteen Months Performance Attribution



Source: AXA IM, as of August 2023

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