

# Volta Finance Ltd

## Monthly Report - June 2024



### Data as of 30 Jun 2024

Gross Asset Value	€271.6m
NAV	€263.9m
NAV per share	€7.21
Outstanding Shares	36.6m
Share Price (Euronext)	€5.35
Share Price (LSE)*	€5.08
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

**8.1%** Annualised since inception<sup>1</sup>      **4.5%** Annualised over 5 years<sup>1</sup>      **0.3%** 1 month<sup>2</sup>

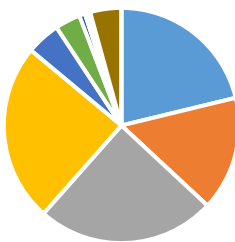
**€263.9m** NAV as of June 2024      **10.0%** Trailing 12-month Div. Yield<sup>3</sup>

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%							<b>9.8%</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



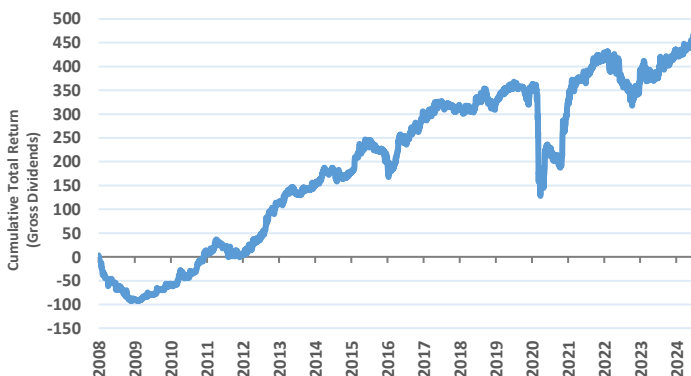
- USD CLO Equity 21.2%
- USD CLO Debt 15.7%
- EUR CLO Equity 24.6%
- EUR CLO Debt 24.5%
- CMV 4.7%
- CLO Warehouse 3.5%
- Bank Balance Sheet Transactions 0.8%
- Cash Corporate Credit Equity 0.5%
- ABS Residual Positions 0.3%
- Cash or equivalent 4.3%
- Others 0.0%

### Top 10 Underlying Exposures

Virgin Media Secured Finance PLC	0.8%	Media
Altice France SA/France	0.7%	Telecommunications
Laboratoire Cerba	0.5%	Healthcare-Services
Boxer Parent Co Inc	0.5%	Software
Nidda Healthcare Holding GmbH	0.5%	Pharmaceuticals
INEOS Group Holdings SA	0.5%	Chemicals
McAfee LLC	0.5%	Computers
Biogroup-LCD SCM	0.4%	Commercial Services
Emeria Europe SAS	0.4%	Real Estate
Solera Holdings Inc	0.4%	Software

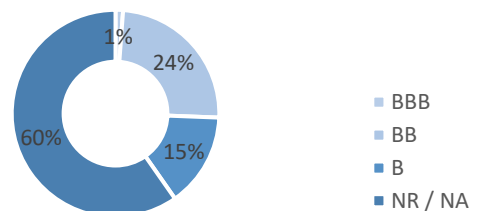
Source: Intex, Bloomberg, AXA IM Paris as of June 2024 – unaudited figures - not accounting for unsettled trades  
 Figures expressed in % of the NAV

### Historical Performance



Source: Bloomberg, as of June 2024

### Portfolio Rating Breakdown



Source: AXA IM, as of June 2024

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### Monthly Commentary

In June, Volta Finance had another positive month with a net performance of +0.28%, bringing the year-to-date return at +9.8%. This performance is to be put in perspective with broader Credit markets, especially US High Yield which returned +2.62% year-to-date and European High Yield which returned +3.13%.

However, June was quite volatile with market nervousness around the politic calendar given the French snap elections taking place as well as the looming UK general elections. The first round of the French elections calmed the markets as the far-right party did not gain a parliament majority, reducing de facto the probability of a Frexit-type of scenario. European equity markets rallied and the OAT-Bund spreads narrowed to their tightest levels on the month.

In terms of market performance, both High Yield Credit indices CDX (US) and Xover (Europe) widened by 20bps to 25bps+, thus erasing the gains made in May. Loan markets were also softer, European loans lost c. half a point while its US counterpart lost 35 cents. Despite this volatility, the Primary CLO markets continued to show strong momentum with significant issuance in the US and Europe. Spreads tightened across the capital structure although non-Investment Grade tranches were trading slightly wider in Secondary on a month-to-date basis.

Economically, weaker US data - US payroll growth slowing down, jobless rate up to 4.1% - raised hopes for additional Fed rate cuts in 2024. US government bonds yields declined while US equity markets reached record highs by the end of the month.

Loan fundamentals in both Europe and the US remained strong with default rates sub 1.5% in both regions and less than 10% of both loan markets trading at a price below 90.00% of par. Meanwhile, loan refinancings continued to gain momentum while recoveries finally trended back up towards \$60.00.

Volta Finance's investment portfolio was hit by the volatility, particularly in its US CLO Equity pocket, as lower loan valuations drove the prices of some amortizing CLO Equities down. All the other investment pockets were positive though, with CLO debts generating a steady stream of income. In terms of activity, in addition to funding of capital calls on the CLO warehouses, Volta Finance was a net buyer of BB and single-B risk purchasing respectively EUR 1.5mm and EUR 7.5mm of bonds (note that EUR 2.9mm of single-B risk paid par back). Objective was to reduce the overall cash balance of the fund and deploy into the CLO Primary debt tranches. The cashflow generation over the last 6 months remained strong at €28.3m equivalent of interests and coupons, representing c.21% of the month's NAV on an annualized basis.

Volta's underlying sub asset classes monthly performances\*\* were as follow: +1.0% for Bank Balance Sheet transactions, -0.45% for CLO Equity tranches, +1.35% for CLO Debt tranches and +0.1% for Cash Corporate Credit & ABS\*\*\*, cash representing c.4% of NAV.

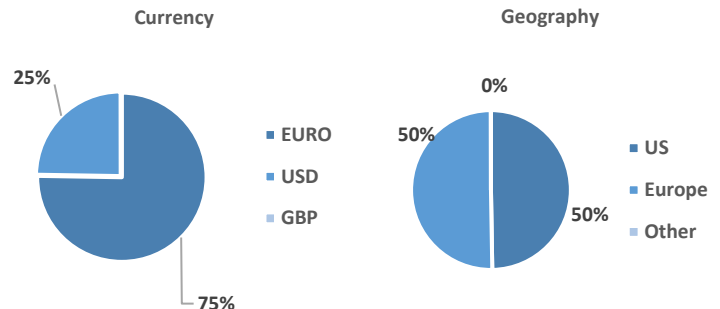
As of end of June 2024, Volta's NAV was €263.9m, i.e. €7.21 per share.

\*It should be noted that approximately 0.48% 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 0.25% as at 31 May 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 June 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	255.8	USD CLO Equity	21.2%
		USD CLO Debt	15.7%
		EUR CLO Equity	24.6%
		EUR CLO Debt	24.5%
		CMV	4.7%
		CLO Warehouse	3.5%
		Synthetic Credit	2.1
		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	11.6	Cash or equivalent	4.3%
<b>GAV</b>	<b>271.6</b>		
Liability	-	Debt from Repurchase Agreement	
Payables	(7.7)	Fees, dividend and other payables	(2.8)%
<b>Estimated NAV</b>	<b>263.9</b>	<b>Per Share</b>	<b>7.21</b>

Source: AXA IM, as of June 2024

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of June 2024

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