

# Volta Finance Ltd

## Monthly Report - April 2024



### Data as of 30 Apr 2024

Gross Asset Value	€264.4m
NAV	€258.7m
NAV per share	€7.07
Outstanding Shares	36.6m
Share Price (Euronext)	€5.15
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>      **3.7%** Annualised over 5 years<sup>1</sup>      **1.3%** 1 month<sup>2</sup>

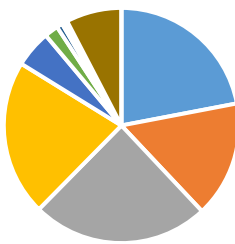
**€258.7m** NAV as of April 2024      **10.4%** Trailing 12-month Div. Yield<sup>3</sup>

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	2.8%	1.0%	2.3%	1.3%									<b>7.6%</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



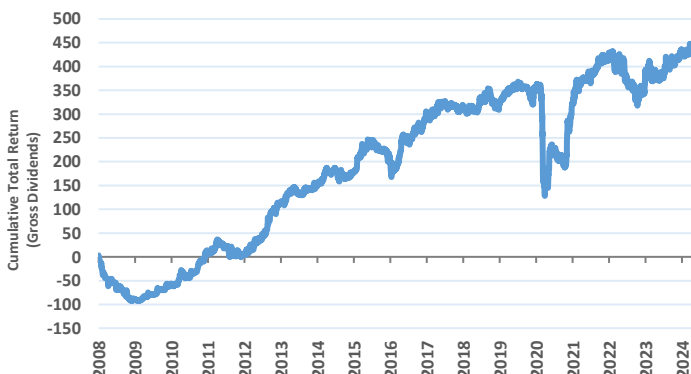
- USD CLO Equity 22.0%
- USD CLO Debt 16.0%
- EUR CLO Equity 24.4%
- EUR CLO Debt 21.4%
- CMV 5.1%
- CLO Warehouse 1.9%
- Bank Balance Sheet Transactions 0.8%
- Cash Corporate Credit Equity 0.5%
- ABS Residual Positions 0.3%
- Cash or equivalent 7.6%
- Others 0.0%

### Top 10 Underlying Exposures

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

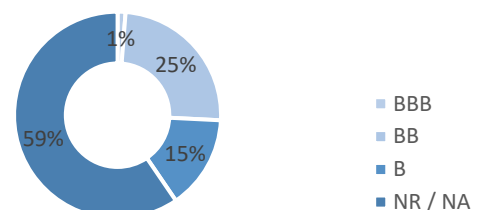
Source: Intex, Bloomberg, AXA IM Paris as of April 2024 – unaudited figures - not accounting for unsettled trades  
 Figures expressed in % of the NAV

### Historical Performance



Source: Bloomberg, as of April 2024

### Portfolio Rating Breakdown



Source: AXA IM, as of April 2024

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### Monthly Commentary

Volta Finance recorded again a positive month in April at +1.3%, bringing the year-to-date return to +7.6%. For context, US High Yield returned -1.0% on the month and +0.5% year-to-date, while European High Yield was flat on the month (+1.6% YtD).

The credit markets experienced volatility in mid-April, leading to a sharp repricing that was partially retraced by month-end. The US 10-year bond yields increased to 4.70% from 4.20% at the end of March, challenging the soft-landing narrative due to latest economic data and concerns regarding the persistence of high rates. The Fed delivered a rather dovish message though, expressing confidence in their restrictive policy to bring inflation back to target. Earnings season showed opposite directions for average earnings growth in the US and Europe, but both regions beat expectations. Regarding the leverage loan markets, the Morningstar LLI and ELLI 12-month rolling default rates settled respectively at 1.31% and 1.48%, a testimony of companies' ability to access financing. Pricing-wise, Euro Loans were up 50 cents at 97.15px while US Loans were slightly down (96.64px from 96.75px on the previous month).

CLO-wise, the broader market volatility impacted negatively CLO BB and single B tranches as well as CLO Equity tranches as risk premium rose. Volta Finance's book was not immune and mark-to-market valuations for both the CLOs Debt and Equity pockets closed down on the month. However, Volta benefited from strong CLO Equity payments, reaching record levels in April (5-year highs in Europe, 8-year highs in the US). As a result, cashflow generation kept on being strong with €28.8m equivalent of interests and coupons over the last 6 months on an annualized basis (i.e. 22% of the April 2024 NAV).

Volta's underlying sub asset classes monthly performances\*\* were as follow: +1.1% for Bank Balance Sheet transactions, +2.96% for CLO Equity tranches, +1.0% for CLO Debt tranches and -15.7% for Cash Corporate Credit and ABS\*\*\*.

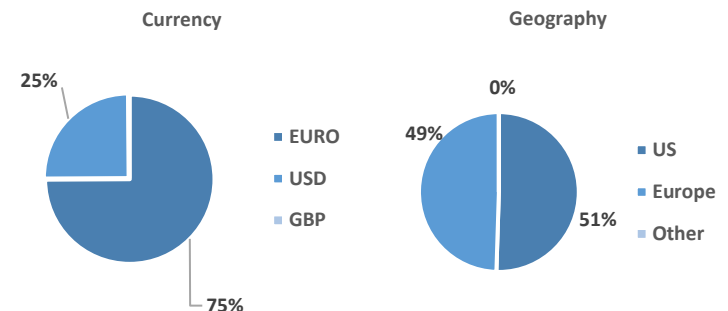
As of end of April 2024, Volta's NAV was €258.7m, i.e. €7.07 per share.

*\*It should be noted that approximately 5.6% 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 5.36% as at 30 March 2024, 0.24% as at 31 December 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.*

*\*\*\* 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 April 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	240.1	USD CLO Equity	22.0%
		USD CLO Debt	16.0%
		EUR CLO Equity	24.4%
		EUR CLO Debt	21.4%
		CMV	5.1%
		CLO Warehouse	1.9%
		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	20.2	Cash or equivalent	7.6%
<b>GAV</b>	<b>264.4</b>		
Liability	-	Debt from Repurchase Agreement	
Payables	(5.8)	Fees, dividend and other payables	(2.2)%
<b>Estimated NAV</b>	<b>258.7</b>	<b>Per Share</b>	<b>7.07</b>

Source: AXA IM, as of April 2024

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of April 2024

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