

# Volta Finance Ltd

## Monthly Report - November 2024



### Data as of 30 Nov 2024

Gross Asset Value	€281.3m
NAV	€279.2m
NAV per share	€7.63
Outstanding Shares	36.6m
Share Price (Euronext)	€5.60
Share Price (LSE)*	€5.48
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

**8.5%** Annualised since inception<sup>1</sup>      **7.1%** Annualised over 5 years<sup>1</sup>      **2.1%** 1 month<sup>2</sup>

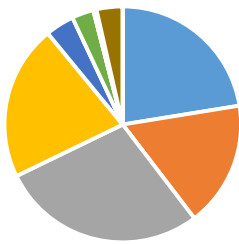
**€279.2m** NAV as of November 2024      **10.1%** Trailing 12-month Div. Yield<sup>3</sup>

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%	0.9%	0.1%	2.3%	4.3%	2.1%		<b>20.9%</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 22.5%
- USD CLO Debt 17.2%
- EUR CLO Equity 28.1%
- EUR CLO Debt 21.3%
- CMV 4.0%
- CLO Warehouse 2.9%
- Bank Balance Sheet Transactions 0.0%
- Cash Corporate Credit Equity 0.3%
- ABS Residual Positions 0.1%
- Cash or equivalent 3.6%
- Others 0.0%

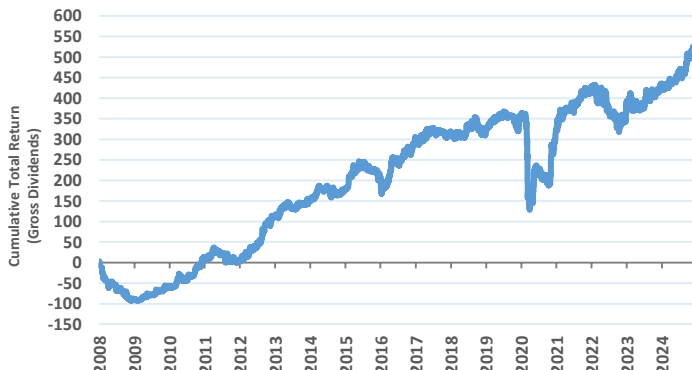
Source: AXA IM, as of November 2024  
The sum of percentages may not add up to 100.00% due to rounding.

### Top 10 Underlying Exposures

Company	Percentage	Industry
Virgin Media Secured Finance PLC	0.8%	Media
Altice France SA/France	0.6%	Telecommunications
Laboratoire Cerba	0.5%	Healthcare-Services
Lorca Holdco Ltd	0.5%	Telecommunications
Biogroup-LCD SCM	0.5%	Commercial Services
McAfee LLC	0.5%	Computers
INEOS Group Holdings SA	0.4%	Chemicals
Emeria Europe SAS	0.4%	Real Estate
Asurion LLC	0.4%	Insurance
Solera Holdings Inc	0.4%	Software

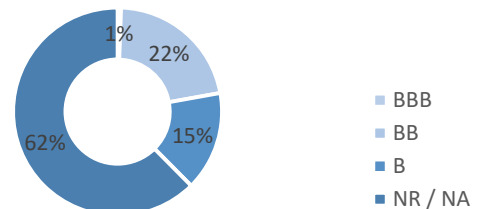
Source: Intex, Bloomberg, AXA IM Paris as of November 2024 - unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

### Historical Performance



Source: Bloomberg, as of November 2024

### Portfolio Rating Breakdown



Source: AXA IM, as of November 2024

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### Monthly Commentary

Volta Finance achieved a net performance of +2.1% in November bringing the year-to-date return of the portfolio to +20.9%. Both our CLO Debt and our CLO Equity investments benefitted from a supportive macro backdrop and performed favorably.

The US presidential elections were obviously the main event of the month, with Donald Trump securing a large and undisputed victory. His election boosted global markets despite the concerns about the potential implementation of a shift in US policies in the context of the geopolitical landscape (tariffs) as well as US domestic fiscal guidance. The dollar and US stocks rose sharply while Bitcoin hit all-time highs with a +90% YTD performance. US Treasuries yields also moved higher testing 4.45% and settling at around 4.2% as the CPI reports came broadly in-line with expectations.

Credit markets were unsurprisingly much stronger over the month and fully benefited from the rally from the broader markets. High Yield indices in Europe (Xover) were roughly 15bps tighter in the +300bps context while US CDX High-Yield tightened by 40bps to +295bps. On the Loan side, Euro Loans closed slightly higher, 45 cents up at c. 98.00px (Morningstar European Leveraged Loan Index), while their US counterparts closed at 97.22px (up +32 cents). With returns of +20.9% Volta Finance continued to outperform broader Credit on a year-to-date basis: US High Yield returned +8.67%, Euro High Yield +7.93% and Global Loans +7.23% (SPLGAL).

Primary CLO markets remained extremely busy, we recorded circa USD 62bn of issuance in the US and EUR 12bn in Europe. Spreads closed tighter across the capital structure as BB-rated tranches broke the +600bps resistance level in Europe, and tested sub +500bps in the US.

Loan fundamentals showed no deviation from the path observed since the beginning of year with contained default rates under 1% and a stable proportion of CCC-rated Loans in CLO collateral portfolios (5% in US CLOs and 4% in Europe). Loan repayment rates kept on increasing at 28% in the US (+1% YoY growth rate of the Loan market) and 14% in Europe (+8% YoY market growth).

The cashflow generation continued to be steady, highlighting the strength of Volta's risk positioning. Over the last 6 month period, the cashflow generation was stable at c.€29m equivalent of interests and coupons, representing c.21% of November's NAV on an annualized basis.

Looking at Volta's portfolio, two BB-rated debt tranches paid off at Par (\$6.5m) with proceeds reinvested into New Issue US BB-rated CLO tranches. Additionally, c. \$4m was reinvested across three CLO Equities and profits were taken on a short-dated European Equity to benefit from market strength and improve the portfolio's maturity profile.

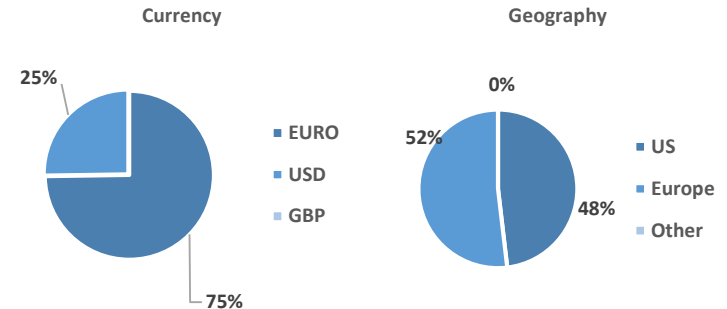
Over the month, Volta's CLO Equity tranches returned +2.3% performance\*\* while CLO Debt tranches returned +1.3% performance\*\*, cash representing c.3% of NAV. The fund being c.25% exposed to USD, the recent appreciation of USD vs EUR had a positive impact of +0.7% on the overall performance.

As of end of November 2024, Volta's NAV was €279.2m, i.e. €7.63 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 0.21% as at 31 October 2024, 4.08% 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.*

### Currency and Geography exposures (%)



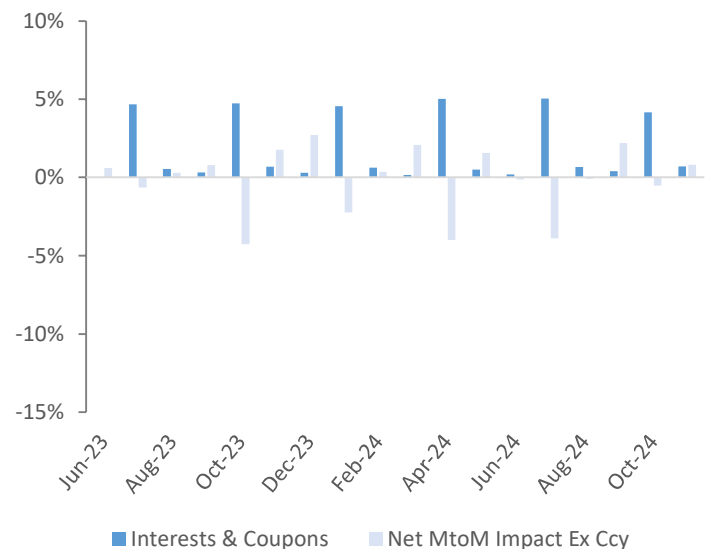
Source: Intex, Bloomberg, AXA IM Paris as of November 2024 - unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	270.0	USD CLO Equity	22.5%
		USD CLO Debt	17.2%
		EUR CLO Equity	28.1%
		EUR CLO Debt	21.3%
		CMV	4.0%
		CLO Warehouse	2.9%
Synthetic Credit	0.1	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	0.0%
Cash Corporate Credit	0.9	Cash Corporate Credit Equity	0.3%
		Cash Corporate Credit Debt	0.0%
ABS	0.3	ABS Residual Positions	0.1%
		ABS Debt	0.0%
Cash or equivalent	10.0	Cash or equivalent	3.6%
<b>GAV</b>	<b>281.3</b>		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(2.1)	Fees due to Investment Manager	(0.7%)
<b>Estimated NAV</b>	<b>279.2</b>	<b>Per Share</b>	<b>7.63</b>

Source: AXA IM, as of November 2024

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of November 2024

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