

Volta Finance Limited (VTA / VTAS) – October 2023 monthly report

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Guernsey, 16 November 2023

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for October 2023. The full report is attached to this release and will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

Volta Finance posted another positive monthly performance in October 2023 (+0.5%) bringing the YTD performance to 19.1%.

As Portfolio Managers, we always try to think outside the box and implement our views in order to optimize returns whilst keeping enough flexibility to face “exogenous shocks” should they arise. The breakout of an unexpected full-blown conflict in the Middle-East had – and still has – grounds to embody such an event as its implications may send shockwaves far beyond the peninsula. In the meantime, we were also conscious of the mixed economic indicators released worldwide as on one side the US and China displayed favorable GDP growth numbers hinting to a recovery in terms of consumer spending while on the other side Europe was facing stagnant growth outlooks amid fiscal concerns. The trajectory of the Leveraged Loan Index (ELLI) was dictated by those elements, it peaked at 96.7% in late September then retraced to 95.0% by mid-October. Following the dovish stance from the Fed post data release, it rebounded and closed at 95.4% on the 1st of November. The price moves on CLO debt tranches were down, unsurprisingly: the average USD CLO BB tranche price moved from 88.9% in September to 87.7% in October (JPM CLO Index).

Volta’s underlying sub asset classes monthly performances** were as follow: -2.2% for Bank Balance Sheet transactions, +0.8% for CLO Equity tranches, -0.3% for CLO Debt tranches and +5% for Cash Corporate Credit and ABS. No real impact of FX in October (long USD vs. EUR), with a contribution – although positive – of only +0.1% in terms of performance.

In terms of activity, we remain invested in two US CLO warehouses while the European warehouse stake will be converted imminently into the CLO’s Equity tranche as well as the Single-B. For the reminder, the warehouse’s IRR is expected in the 20% and the overall investment above 15% IRR. Our trading actions were skewed towards buyers of Risk as we deployed the proceeds of the asset sales implemented last month to buy c. Eur 10mm of low mezzanine risk – spread across five individual tickets. As market widened and offered opportunities fit for Volta Finance’s target return, we believe the entry point was right.

As of end of October 2023, Volta’s NAV was €239.4m, i.e. €6.54 per share.



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**It should be noted that approximately 5.95% of Volta's GAV comprises investments for which the relevant NAVs as of 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 5.55% as of 31 September 2023, 0.40% as of 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.*

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ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) and listed on Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the AFM, being the regulator for financial markets in the Netherlands.

Volta's Investment objectives are to preserve its capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends that it expects to distribute on a quarterly basis. The Company currently seeks to achieve its investment objectives by pursuing exposure predominantly to CLO's and similar asset classes. A more diversified investment strategy across structured finance assets may be pursued opportunistically. The Company has appointed AXA Investment Managers Paris an investment management company with a division specialised in structured credit, for the investment management of all its assets.

ABOUT AXA INVESTMENT MANAGERS

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with 2,600 professionals and €824 billion in assets under management as of the end of June 2023.

This press release is published by AXA Investment Managers Paris ("AXA IM"), in its capacity as alternative investment fund manager (within the meaning of Directive 2011/61/EU, the "AIFM Directive") of Volta Finance Limited (the "Volta Finance") whose portfolio is managed by AXA IM.

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Any target information is based on certain assumptions as to future events which may not prove to be realised. Due to the uncertainty surrounding these future events, the targets are not intended to be and should not be regarded as profits or earnings or any other type of forecasts. There can be no assurance that any of these targets will be achieved. In addition, no assurance can be given that the investment objective will be achieved.

The figures provided that relate to past months or years and past performance cannot be relied on as a guide to future performance or construed as a reliable indicator as to future performance. Throughout this review, the citation of specific trades or strategies is intended to illustrate some of the investment methodologies and philosophies of Volta Finance, as implemented by AXA IM. The historical success or AXA IM's belief in the future success, of any of these trades or strategies is not indicative of, and has no bearing on, future results.

The valuation of financial assets can vary significantly from the prices that the AXA IM could obtain if it sought to liquidate the positions on behalf of the Volta Finance due to market conditions and general economic environment. Such valuations do not constitute a fairness or similar opinion and should not be regarded as such.

Editor: AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6, Place de la Pyramide - 92800 Puteaux. AXA IMP is authorized by the *Autorité des Marchés Financiers* under registration number GP92008 as an alternative investment fund manager within the meaning of the AIFM Directive.
