

Volta Finance Ltd

Monthly Report- October 2023



Data as of 31 Oct 2023

Gross Asset Value	€243.7m
Liabilities	€4.3m
NAV	€239.4m
NAV per share	€6.54
Outstanding Shares	36.6m
Share Price (Euronext)	€5.08
Share Price (LSE)*	€4.99
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	2.7 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

7.7% Annualised since inception¹ **3.4%** Annualised over 5 years¹ **0.5%** 1 month²

€239.4m

NAV as of October 2023

10.0%

Trailing 12-month Div. Yield³

Returns	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%	1.6%	0.5%			19.1%
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)

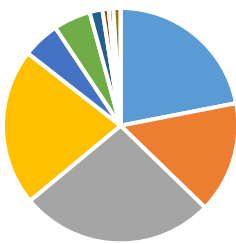
² Performance of published NAV (including dividend payments).

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



- USD CLO Equity 21.9%
- USD CLO Debt 15.3%
- EUR CLO Equity 26.7%
- EUR CLO Debt 21.6%
- CMV 5.1%
- CLO Warehouse 5.1%
- Bank Balance Sheet Transactions 1.8%
- Cash Corporate Credit Equity 0.9%
- ABS Residual Positions 0.6%
- Cash or equivalent 1.0%
- Others 0.0%

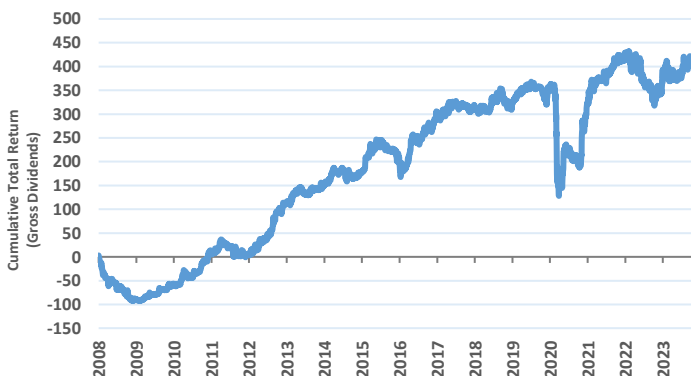
Source: AXA IM, as of October 2023

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.8%	Telecommunications
Virgin Media Secured Finance PLC	0.6%	Media
EG Group Ltd	0.6%	Retail
Nidda Healthcare Holding GmbH	0.5%	Pharmaceuticals
BMC Software Inc	0.4%	Software
McAfee LLC	0.4%	Computers
Verisure Holding AB	0.5%	Commercial Services
Asurion LLC	0.4%	Insurance
Masmovil Holdphone SA	0.4%	Telecommunications
Solera Holdings Inc	0.3%	Software

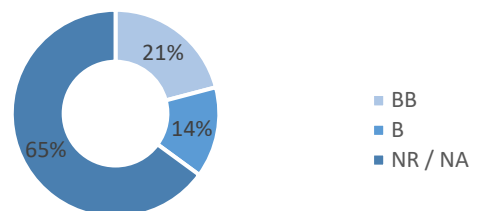
Source: Intex, Bloomberg, AXA IM Paris as of October 2023 – unaudited figures - not accounting for unsettled trades
Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of October 2023

Portfolio Rating Breakdown



Source: AXA IM, as of October 2023

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Monthly Commentary

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.

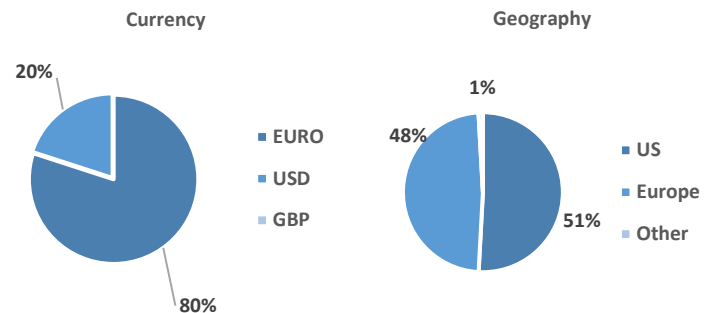
Our trading actions were skewed towards buyers of Risk as we deployed the proceeds of the asset sales implemented last month to buy c. Eur 10mm of low mezzanine risk – spread across five individual tickets. As market widened and offered opportunities fit for Volta Finance’s target return, we believe the entry point was right.

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

**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.*

Currency and Geography exposures (%)



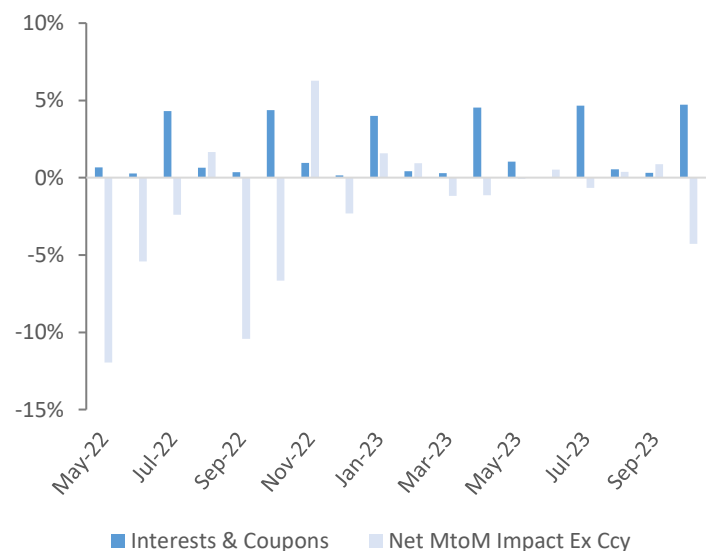
Source: Intex, Bloomberg, AXA IM Paris as of October 2023 – unaudited figures - not accounting for unsettled trades
Figures expressed in % of the NAV

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	233.3	USD CLO Equity	21.9%
		USD CLO Debt	15.3%
		EUR CLO Equity	26.7%
		EUR CLO Debt	21.6%
		CMV	5.1%
		CLO Warehouse	5.1%
		Synthetic Credit	4.3
		Synthetic Corporate Credit Debt	0.0%
Cash Corporate Credit	2.1	Bank Balance Sheet Transactions	1.8%
		Cash Corporate Credit Equity	0.9%
ABS	1.6	Cash Corporate Credit Debt	0.0%
		ABS Residual Positions	0.6%
Cash or equivalent	2.4	ABS Debt	0.0%
		Cash or equivalent	1.0%
GAV	243.7		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(4.3)	Fees due to Investment Manager	(1.8)%
Estimated NAV	239.4	Per Share	6.54

Source: AXA IM, as of October 2023

Last Eighteen Months Performance Attribution



Source: AXA IM, as of October 2023

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