

## Closed End Investments



Source: LSEG, 2026

## Market data

EPIC/TKR	VTA.NA, VTA.LN, VTAS LN
Price (€)	5.86/5.85/527p
12m high (€)	7.02/7.15/620p
12m low (€)	5.54/5.53/482p
NAV p/sh (Mar26, €)	6.49
Disc. to NAV (%)	-10
Shares (m)	36.6
Mkt cap (€m)	214
Market (NL, UK)	AEX, LSE, LSE

## Description

Volta Finance (Volta) is a closed-ended, limited liability investment company with a diversified investment strategy across structured finance assets (primarily CLOs). It aims to provide a stable stream of income through quarterly dividends.

## Company information

Ind. Chair	Dagmar Kent Kershaw
Ind. NEDs	Simon Holden, Yedau Ogundele Joanne Peacegood
Fund Managers	BNP Paribas AM Europe
Co. Sec./ Administrator	BNP Paribas Securities Services SCA, Guernsey Branch

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## Key shareholders (31 Dec'25)

AXA SA Bank	21.75%
BNP Paribas (for clients)	15.71%
AXA Framlington IM	8.23%
BNP Wealth Mgt.	5.97%

## Diary

Mid-Jun	May factsheet
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## Analysts

Mark Thomas	<a href="mailto:mt@hardmanandco.com">mt@hardmanandco.com</a>
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# VOLTA FINANCE LIMITED

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In our note, **Credit resilience from CLO structure and manager**, we noted the fall in the prices of loans that could be affected by recent events in the Middle East (e.g. surge in energy prices). Also, concerns related to AI disruption have penalised software companies' loans. In our note, we reiterated why Volta's underlying portfolio exposure is limited, noting the double benefits from i) incremental protections embedded within CLO vehicles, ii) the manager's track record of better-than-CLO market risk management. MTM accounting means NAV will show sentiment-driven volatility, and we have now reflected a large write-down in FY'26 (ending July), largely recovered in FY'27. The underlying portfolio drives long-term performance.

- ▶ **Long term driven by CLO market protections and BNPP AM outperformance:** CLOs have exhibited low losses because of the embedded incremental risk protections built into these structures. We highlight Volta's performance in major market risk events and when there have been company-specific events.
- ▶ **MTM volatility:** YTD, Volta has seen a -6.5% return; in our view, primarily sentiment-driven. In periods of uncertainty, loan prices are marked down (and with them CLO debt and equity tranches) reflecting the "unknown unknowns". Historically, this has then reversed once stability resumed with large writeups.
- ▶ **Valuation:** Volta trades at a double discount: its share price is at a 10% discount to NAV, and we believe its NAV includes a sentiment-driven discount to the expected cashflows. Volta's yield (2027E: ca.11%) is a key attraction, and, we estimate it will be >2x covered, giving investors considerable comfort.
- ▶ **Risks:** Credit risk is a key sensitivity. We examined the valuation of assets, highlighting the multiple controls to ensure its validity, in our September 2018 [initiation note](#). The NAV is exposed to sentiment towards its own and underlying markets. Volta's long \$ position is only partially hedged.
- ▶ **Investment summary:** Volta is an investment for sophisticated investors, as both the NAV and the discount to NAV may be volatile over time. Fundamental, long-term share returns are reasonable: 8.7% p.a. (dividend reinvested basis) since inception to end-Mar 2026. Volta's returns for investments made after the financial crisis were double those in prior years.

## Financial summary and valuation (Hardman & Co adjusted basis)

Year-end July (£000)	2022	2023	2024	2025	2026E	2027E
Coupons & dividend	42.9	47.0	57.1	56.9	49.1	33.9
Operating income	41.6	44.1	51.5	29.4	42.7	27.5
Inv. manager fees	(3.9)	(5.6)	(10.1)	(7.5)	2.8	(11.3)
Expenses	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Total comp. income	33.4	35.2	41.0	23.5	34.2	21.9
Statutory PTP	(17.8)	27.0	45.0	35.4	(5.7)	50.0
Underlying EPS (€)	0.9	1.0	1.1	0.6	0.9	0.6
NAV per share (€)	6.22	6.45	7.13	7.49	6.71	7.48
S/P prem./disc (-) to NAV*	-16%	-21%	-27%	-9%	-13%	-22%
Gearing	0%	0%	0%	0%	0%	0%
Dividend (€)	0.57	0.51	0.55	0.61	0.63	0.60
Dividend yield	9.7%	8.7%	9.4%	10.4%	10.7%	10.2%

\*2022-25 actual NAV and share price, 2026-27 forecast NAV to current share price.

Source: Hardman & Co Research