Volta Finance Ltd

Monthly Report - January 2024



Data as of 31 Jan 2024

Gross Asset Value	€260.3m
NAV	€251.9m
NAV per share	€6.89
Outstanding Shares	36.6m
Share Price (Euronext)	€5.10
Share Price (LSE)*	€5.13
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

7.8% Annualised since inception[1]

4.0% Annualised over 5 years[1]

2.8% 1 month[2]

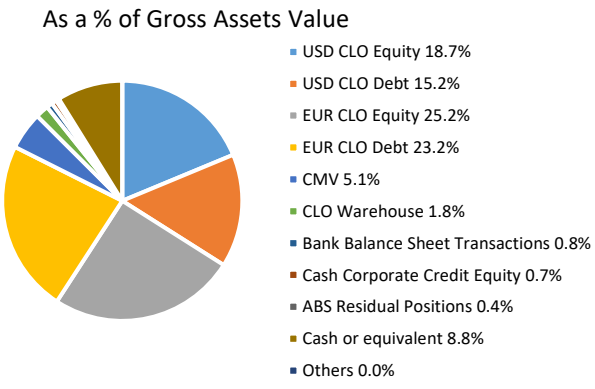
€251.9m NAV as of January 2024

10.3% Trailing 12-month Div. Yield[3]

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	2.8%												**2.8%**
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%	**24.5%**
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%**

[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



Source: AXA IM, as of January 2024

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.82%	Telecommunications
Virgin Media Secured Finance PLC	0.63%	Media
Nidda Healthcare Holding GmbH	0.47%	Pharmaceuticals
McAfee LLC	0.46%	Computers
Verisure Holding AB	0.45%	Commercial Services
Laboratoire Cerba	0.45%	Healthcare-Services
Masmovil Holdphone SA	0.44%	Telecommunications
Asurion LLC	0.41%	Insurance
Nouryon Finance BV	0.38%	Chemicals
Solera Holdings Inc	0.38%	Software

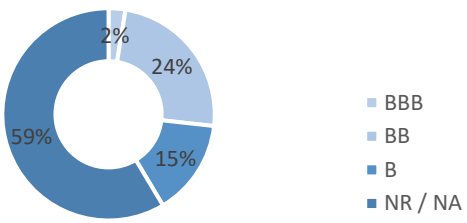
Source: Intex, Bloomberg, AXA IM Paris as of January 2024 – unaudited figures - not accounting for unsettled trades
Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of January 2024

Portfolio Rating Breakdown



Source: AXA IM, as of January 2024

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Monthly Commentary

Volta Finance started the year on a positive note as the fund achieved a performance of +2.8% in January 2024. This was the extension of Volta's strong momentum as the fund recorded its seventh positive month in a row. The performance since July-end 2023 consequently reached double digits, at +11.1%.

CLOs delivered solid returns in January and outperformed traditional credit markets, especially US Corporates (+0.16%, ICE BofA Corp Index) and US High Yield (+0.04%, ICE BofA HY Index). While imminent rate cuts were priced-in, markets were caught off-guard by strong data releases and the subsequent uncertainty regarding central banks' next move. Floaters such as CLOs fully benefited from the repricing of the rates curve, capturing more income on their floating leg while credit margins tightened due to the increased demand for the asset class given the superior risk/reward profile of CLOs compared to traditional credits.

Looking at CLO Equity, we closely monitor loan dynamics and particularly the current repricing action taking place both in the US and Europe. In fact, the proportion of loans trading above par topped at 40% in early January before tipping down to 13% at month-end in the US market / 17% in the European market. This should lead to more loan repricing activity for the months to come and thus we are now seeing the loans' weighted average spread within CLO underlying portfolios being at their top.

Still, in terms of cashflows, January 2024 was a good month for Volta: it received the equivalent of €11.5m of interests and coupons (in line with the previous quarter). Over the last 6-month period, Volta received €27.2m of interests and coupons, ie a 21.6% annualized cash flow to NAV. This compares well with the 21.6% annualized cash flow to NAV measured as of January 2023 where the NAV per share was standing at 6.16.

In terms of management, we used the January's strength to keep on rotating from a post-reinvestment period CLO debt tranche into a new-issue transaction: as expressed in earlier communications, we favor clean collateral pool of assets as the full impact of the aggressive rate hikes over the past two years sinks in. Also, we kept on investing in our 2 US CLO warehouses recognizing that CLO debt tranches tightening is improving CLO Equity arbitrage and that one of our CLO managers is scrutinizing to make the CLO take-out.

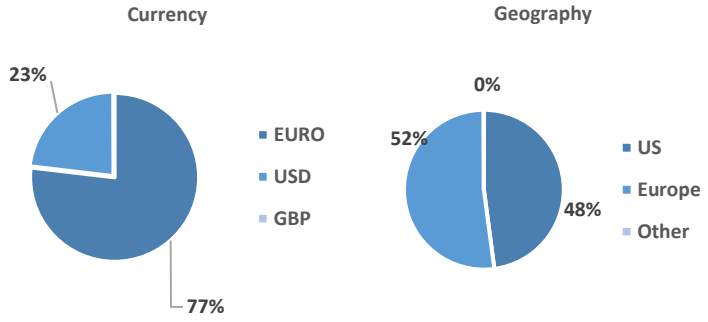
Volta's underlying sub asset classes monthly performances** were as follow: +0.9% for Bank Balance Sheet transactions, +2.2% for CLO Equity tranches, +4.8% for CLO Debt tranches and -1.2% for Cash Corporate Credit and ABS.

As of end of January 2024, Volta's NAV was €251.9m, i.e. €6.89 per share.

**It should be noted that approximately 0.68% 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 0.42% as at 29 December 2023 and 0.25% as at 30 September 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 (%)



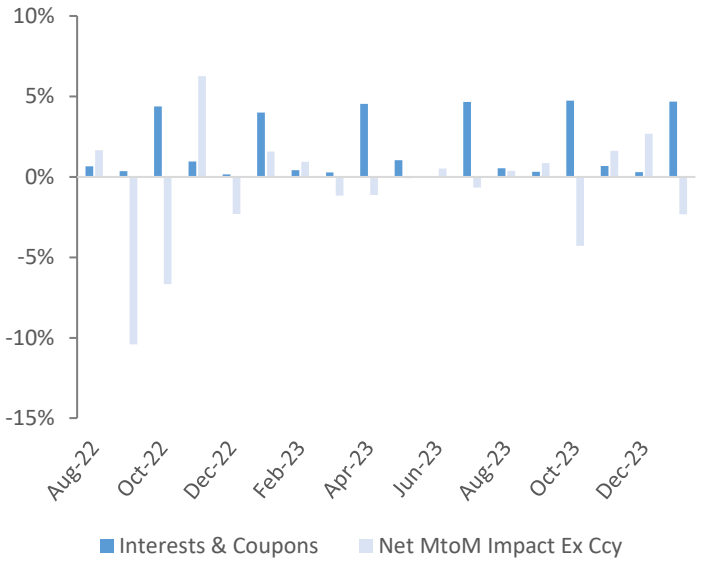
Source: Intex, Bloomberg, AXA IM Paris as of January 2024 – unaudited figures - not accounting for unsettled trades
Figures expressed in % of the NAV

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	232.3	USD CLO Equity	18.7%
		USD CLO Debt	15.2%
		EUR CLO Equity	25.2%
		EUR CLO Debt	23.2%
		CMV	5.1%
		CLO Warehouse	1.8%
Synthetic Credit	2.1	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	0.8%
Cash Corporate Credit	1.7	Cash Corporate Credit Equity	0.7%
		Cash Corporate Credit Debt	0.0%
ABS	1.1	ABS Residual Positions	0.4%
		ABS Debt	0.0%
Cash & equivalen	23.0	Cash or equivalent	8.8%
GAV	**260.3**		
Liability	-	Debt from Repurchase Agreement	0.0%
Payables	(8.4)	Fees, dividend and other payables	(3.2)%
Estimated NAV	**251.9**	**Per Share**	**6.89**

Source: AXA IM, as of January 2024

Last Eighteen Months Performance Attribution



Source: AXA IM, as of January 2024

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