

# Volta Finance Ltd

Monthly Report - May 2025



## Data as of 31 May 2025

Gross Asset Value	€275.0m
NAV	€271.8m
NAV per share	€7.43
Outstanding Shares	36.6m
Share Price (Euronext)	€6.42
Share Price (LSE)*	€6.45
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>	2.7 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

9.3%	18.2%	3.3%
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>	1 month <sup>2</sup>
€271.8m	9.3%	
NAV as of May 2025	Trailing 12-month Div. Yield <sup>3</sup>	

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	1.7%	1.6%	-2.9%	-2.4%	3.3%								1.2%
2024	2.8%	1.0%	2.3%	1.3%	1.7%	0.3%	0.9%	0.1%	2.3%	4.3%	2.1%	0.3%	21.2%
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%

<sup>1</sup> Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

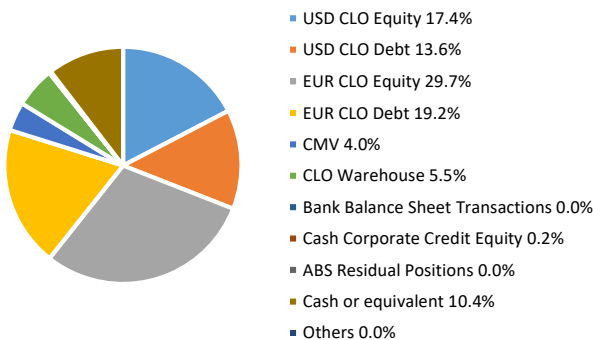
<sup>2</sup> Performance of published NAV (including dividend payments).

<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



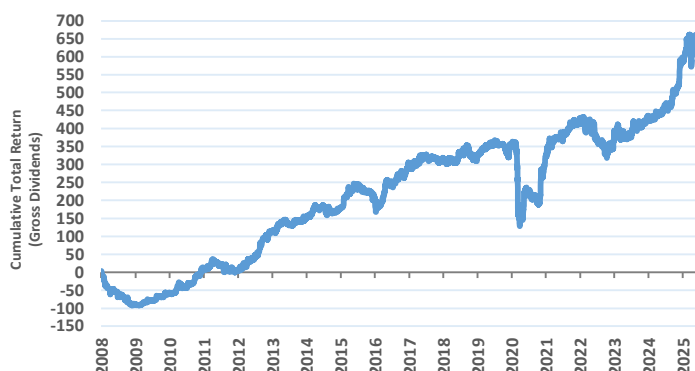
Source: AXA IM, as of May 2025  
The sum of percentages may not add up to 100.00% due to rounding.

## Top 10 Underlying Exposures

Virgin Media Secured Finance PLC	0.8%	Media
Action Holding BV	0.6%	Retail
Masorange Finco PLC	0.5%	Telecommunications
BMC Software Finance Inc	0.5%	Software
Verisure Holding AB	0.5%	Commercial Services
Clarios	0.5%	Telecommunications
INEOS Group Holdings SA	0.4%	Chemicals
Panaleo HoldCo GmbH	0.4%	Real Estate
Nidda Healthcare Holding GmbH	0.4%	Pharmaceuticals
McAfee LLC	0.4%	Computers

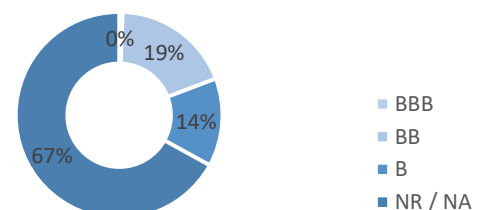
Source: Intex, Bloomberg, AXA IM Paris as of May 2025 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

## Historical Performance



Source: Bloomberg, as of May 2025

## Portfolio Rating Breakdown



Source: AXA IM, as of May 2025

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## Monthly Commentary

In May, Volta Finance's net performance reached +3.3% bringing the performance from August 2024 to date to +10.7%. Our investments in CLO Debt and CLO Equity recovered some of their post-liberation day volatility due to improved market sentiment.

May saw a more positive macroeconomic environment, helping markets recover most of the losses from the previous month. The 90-day tariff rollback from Washington towards China signaled a pause in the U.S. Both European and US Equity markets rose sharply, while credit indices showed a V-shaped recovery. U.S. 30-year Treasury yields rose above 5% for the first time since October 2023 after Moody's downgraded the U.S. credit rating. Although yields fell back later in the month, this jump reminded investors of ongoing worries about fiscal health.

In terms of macroeconomic data, US inflation was encouraging as CPIs cooled to 2.3 % year-on-year while the euro-area inflation held at 2.2 %. Impacted by tariffs, the U.S. Q1 GDP contracted by an annualized 0.3 % due to pre-tariff stockpiling, while the Eurozone experienced growth of +0.3% quarter-on-quarter, supported by resilient demand in the Services industry. Labor markets also showed positive figures on both sides of the Atlantic, with the euro-area unemployment rate reaching a record-low of 6.2 % notably.

Credit markets performed strongly in May. The European High Yield index (Xover) was around 50bps tighter and closed 300bps. On the Loan side, Euro Loans closed almost 1pt up at 97.80px (Morningstar European Leveraged Loan Index) while US Loans closed c. 1 pt up at 96.70px. The primary CLO markets were active again, with levels tightening across the capital structure, notably with BBs in the Mid +500bps. In terms of performance, US BBs total returned +3% on the month. For comparison, US High Yield returned +1.7% in the same period while Euro High Yield was down +1.3% and Global Loans up +1.5%

In terms of loan fundamentals, default rates remained steady at 4.4% in the US (including Liability Management Exercises) but we noticed an uptick in downgrades with 12% of B- exposures downgraded down to CCC category by S&P in the US loan market. Due to ongoing uncertainties, we consciously decided not to fully reinvest our 16% cash position at the end of April. We ended May with c.10% of Volta's NAV in cash, with capital deployment into €10.7m of CLO debt tranches as well as into our 2 warehouses. Our European CLO warehouse was converted into an effective CLO Equity at the end of the month. In addition, Volta Finance's cashflow generation remained stable at €28.1m equivalent in interests and coupons over the last six months, representing close to 21% of May's NAV on an annualized basis

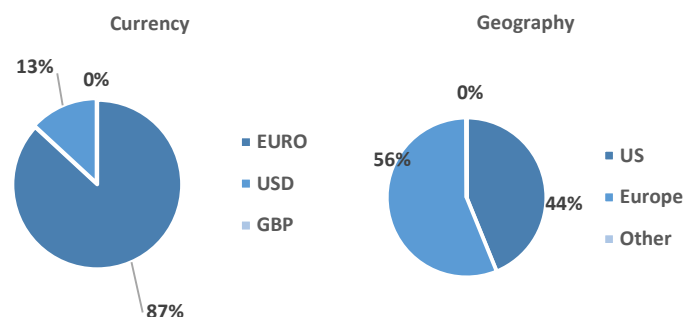
Over the month, Volta's CLO Equity tranches returned +5.9%\*\* while CLO Debt tranches returned +2.8% performance\*\*. The dollar slipped to a six-week low against the Euro at \$1.15 per Euro with very limited impact of our long dollar exposure in terms of performance (-0.02%). In this uncertain macroeconomic environment, we have kept our net long USD exposure at c.13% to limit the potential for margin calls.

As of end of May 2025, Volta's NAV was €271.8m, i.e. €7.43 per share.

*\*It should be noted that approximately 0.24% 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 0.17% as at 30 April 2025, 0.07% as at 31 March 2025.*

*\*\* "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 May 2025 – unaudited figures – not accounting for unsettled trades Figures expressed in % of the NAV

## Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	245.6	USD CLO Equity	17.4%
		USD CLO Debt	13.6%
		EUR CLO Equity	29.7%
		EUR CLO Debt	19.2%
		CMV	4.0%
		CLO Warehouse	5.5%
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	0.6	Cash Corporate Credit Equity	0.2%
		Cash Corporate Credit Debt	0.0%
ABS	-	ABS Residual Positions	0.0%
		ABS Debt	0.0%
Cash or equivalent	28.6	Cash or equivalent	10.4%
<b>GAV</b>	<b>275.0</b>		
Liability	-	Debt from Repurchase Agreement	0.0%
Payables	(3.2)	Fees, dividend and other payables	(1.2)%
<b>Estimated NAV</b>	<b>271.8</b>	<b>Per Share</b>	<b>7.43</b>

Source: AXA IM, as of May 2025

## Last Eighteen Months Performance Attribution



Source: AXA IM, as of May 2025

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## Important Information

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