

Net Asset Value(s) as at 31 January 2025

Volta Finance Limited (VTA / VTAS) January 2025 monthly report

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Guernsey, February 20th, 2025

AXA IM has published the Volta Finance Limited (the "Company" or "Volta Finance" or "Volta") monthly report for January 2025. The full report is attached to this release and will be available on Volta's website shortly (www.voltafinance.com).

Performance and Portfolio Activity

Dear Investors,

Volta Finance started 2025 on a positive note as net performance reached +1.7% in January while Financial Half Year net performance for Volta settled at 11.4%. Both our investments in CLO Debt and CLO Equity performed positively over the course of the month, benefiting from positive market conditions for risky assets.

In broader economic news, the Federal Reserve decided to keep interest rates unchanged for the first time since it started cutting rates last September. This has led markets to expect that the easing cycle might resume in 2026. In Europe, the eurozone economy showed no growth despite anticipations of a +0.1pp expansion, and Christine Lagarde announced a 25 basis points cut in key European Central Bank interest rates. Although largely backed by the data divergence with the US, it is interesting to note the striking difference in terms of monetary path between the US and the European Union as we anticipate further cuts in Europe.

Credit markets tightened significantly this month, although we noted heightened volatility in line with broader macro headlines around mid-month. In Europe, High Yield indices were roughly 20bps tighter while US CDX High-Yield tightened by 11bps. On the Loan side, Euro Loans prices increased by about 40cts up to 98.41% (Morningstar European Leveraged Loan Index), while US Loans rose by 28cts to 97.61%.

The primary CLO markets started strong this year, especially in Europe with New Issue volumes up 120% vs. Jan 24 (down 21% in the US vs. Jan 24). In terms of performance, CLO markets performed in line with US High Yield at +1.4% over the month and better than Global Loans +0.9%. In line with all major rating agencies that expect Loan default rates to go down in 2025 we remain constructive on the CLO asset class and the performance of the underlying loan portfolios this year.

CLO Equity distributions remained healthy in January, although as expressed earlier, the spread compression in the Loan market has slightly lowered these distributions. Over the last 6 month period, the cashflow generation was c. €27m equivalent of interests and coupons, representing c.19% of January's NAV on an annualized basis, compared to c. €30m equivalent of interest and coupons received 6 months ago. Refinancing or Resetting CLO liabilities will continue to be a key focus for us in 2025.

Regarding our portfolio activities, we took profits on a US Mezzanine position as the market was risk-on (c. USD 7mm nominal) while another USD 3mm of US CLO mezzanine debt redeemed at face value.

Over the month, Volta's CLO Equity tranches returned a 3% performance** while CLO Debt tranches returned +1.6% performance**, cash representing c.9.0% of NAV. The fund being c.21% exposed to USD, the recent currency moves had a negative impact of -0.1% on the overall performance.

As of end of January 2025, Volta's NAV was €279.0m, i.e. €7.63 per share.

**It should be noted that approximately 0.16% 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 0.05% as at 31 December 2024, 0.11% as at 30 September 2024.*

*** "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 2,700 professionals and €844 billion in assets under management as of the end of December 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.

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Attachment

| [Volta Monthly Report Jan 2025](#)