

# Volta Finance Ltd

## Monthly Report – April 2021



### Data as of 30 Apr 2021

Gross Asset Value	€268.2m
Liabilities	€8.9m
NAV	€259.3m
NAV per share	€7.09
Outstanding Shares	36.6m
Share Price (Euronext)	€6.06
Share Price (LSE)	€6.03
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>	1.8 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

<b>8.6%</b>	<b>6.6%</b>	<b>2.1%</b>
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>	1 month <sup>2</sup>

**€259.3m**

NAV as of April 2021

**9.6%**

Trailing 12-month Div. Yield<sup>3</sup>

Returns <sup>2</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	3.9%	1.0%	1.1%	2.1%									<b>8.4%</b>
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%	<b>-5.7%</b>
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%	<b>6.8%</b>
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%	<b>0.0%</b>
2017	1.3%	0.9%	0.9%	-0.5%	0.6%	0.1%	-0.2%	0.4%	0.6%	1.7%	0.1%	0.6%	<b>6.7%</b>
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	6.2%	2.1%	1.4%	2.0%	2.7%	1.4%	<b>16.0%</b>

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

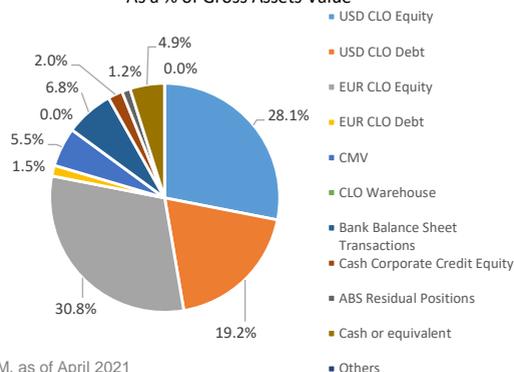
<sup>2</sup> Performance of published NAV (including dividend payments)

<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

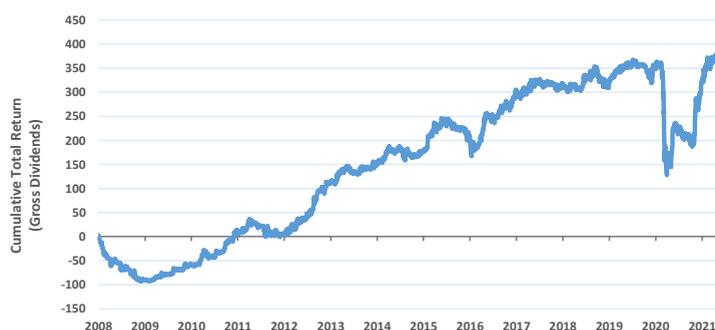
### Asset Breakdown

As a % of Gross Assets Value



Source: AXA IM, as of April 2021

### Historical Performance



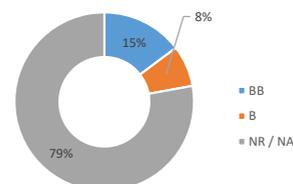
Source: Bloomberg, as of April 2021

### Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.79%	Telecommunications
EG Group Ltd	0.64%	Retail
Clarios Global LP	0.48%	Auto Parts&Equipment
Froneri International Ltd	0.52%	Food
Upfield BV	0.40%	Food
Action Nederland BV	0.38%	Retail
GTT Communications Inc	0.35%	Telecommunications
Asurion LLC	0.40%	Insurance
Virgin Media Secured Finance PLC	0.44%	Media
BMC Software Inc	0.39%	Software

Source: Intex, Bloomberg, AXA IM Paris as of April 2021 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

### Portfolio Rating Breakdown



Source: AXA IM, as of April 2021

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### Monthly Commentary

Volta has continued to perform well with +2.1% in April, reaching a total return of 8.4% for the first four months of 2021.

In April Volta paid €0.14 per share dividend to shareholders (circa 8% annualized yield), a €0.02 increase relative to the January dividend payment, evidencing the improving situation of Volta.

This time around, the performance was driven almost evenly by the solid performance from CLO equity and CLO debt tranches. This month, contrary to March, the USD depreciation cost almost 1% of the monthly performance.

The monthly asset class performances\*\* were: +0.9% for Bank Balance Sheet transactions, +3.2% for CLO equity tranches; +3.7% for CLO debt; +6.2% for Cash Corporate Credit deals (this bucket comprises funds that have a one-month delay in publishing their NAV); and +0.0% for ABS.

In terms of fundamentals, trailing-12-month default rates continued to decline in April. Most rating agencies revised downward their projected default rates for 2021. Most of them are now forecasting default rates in the area of 2%, both for US loans and European loans. That is manageable for CLOs and should not trigger any cash flow diversions from the CLO equity positions held by the company.

In terms of cash flows, April is structurally a good month for Volta. Interest and coupons received totaled the equivalent of €8.6m. On a 6-month rolling basis, Volta received the equivalent of €21.5m at the end of April (an increase of €0.4m since the end of March), representing a 16.8% annualised cash flow yield, based on the end April NAV. We still expect overall cash flows to continue to increase in the coming months/quarters.

In April Volta did not purchase any new assets, although the equivalent of €1.1m was called by the US warehouse we invested in recently. This warehouse is now expected to be transformed into a new CLO in the coming weeks. The performance of this warehouse will be as expected in the low 20s area.

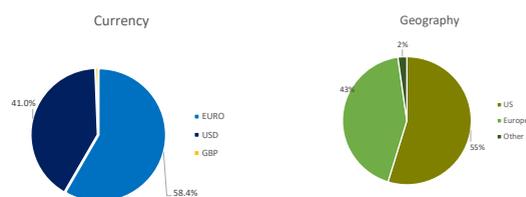
As at the end of April 2021, Volta's NAV was €259.3m or €7.09 per share.

The month-end cash position was €13.1m.

*\*It should be noted that approximately 4.4% 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 3.4% as at 31 March 2021 and 1.0% as at 31 December 2020.*

*\*\* "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 (%)



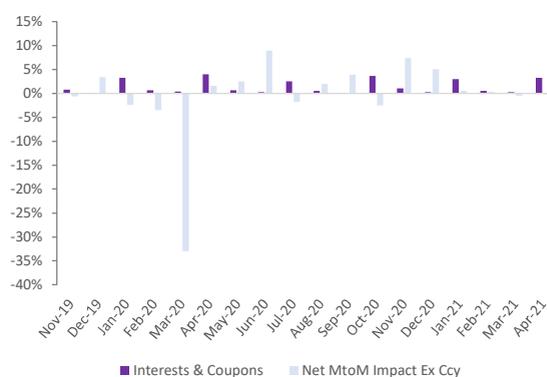
Source: AXA IM, as of April 2021 (% of NAV for ccy / % of GAV for geography)

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	228.2	USD CLO Equity	28.1%
		USD CLO Debt	19.2%
		EUR CLO Equity	30.8%
		EUR CLO Debt	1.5%
		CMV	5.5%
		CLO Warehouse	0.0%
Synthetic Credit	18.2	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	6.8%
Cash Corporate Credit	5.4	Cash Corporate Credit Equity	2.0%
		Cash Corporate Credit Debt	0.0%
ABS	3.2	ABS Residual Positions	1.2%
		ABS Debt	0.0%
Cash or equivalent	13.1	Cash or equivalent	4.9%
<b>GAV</b>	<b>268.2</b>		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(8.9)	Fees due to Investment Manager	(3.3)%
<b>Estimated NAV</b>	<b>259.3</b>	<b>Per Share</b>	<b>7.09</b>

Source: AXA IM, as of April 2021

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of April 2021

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### Important Information

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