

Volta Finance Ltd

Monthly Report – June 2017



Data as at 30 June 2017

Gross Asset Value	€348.6m
Estimated liabilities	€42.8m
Estimated NAV	€305.8m
Estimated NAV per share	€8.37
Outstanding Shares	36.5m
Share Price (Euronext)	€7.60
Share Price (LSE)	€7.65
Tickers	VTA.NA VTA.LN
ISIN	GG00B1GHHH78

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

+12.1% Annualised since inception ¹	23.6% Annualised over 5 years ¹
+0.1% 1 month ²	€305.8m Estimated NAV as of June 17

Fund Facts

Launch Date	Dec-2006
Fund Domicile	Guernsey
Listing and Trading	AEX LSE
Type of Fund	Closed-ended
Dividend	Quarterly
Trailing 12m Div. Yield ³	8.4%
Base currency	EUR
Assets types	Corporate Credit and ABS

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.3%	0.9%	0.9%	-0.5%	0.6%	0.1%	-	-	-	-	-	-	3.5%
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	5.5%	2.8%	1.4%	2.0%	2.7%	1.4%	15.2%
2015	3.7%	1.3%	3.1%	1.7%	1.6%	-0.7%	0.1%	-0.6%	-1.7%	0.1%	1.1%	0.1%	10.0%
2014	2.7%	-1.6%	0.8%	0.7%	1.5%	0.7%	1.3%	1.3%	2.4%	0.4%	1.7%	0.3%	12.4%
2013	3.6%	1.5%	2.5%	0.1%	4.1%	-0.7%	3.1%	2.0%	0.7%	2.4%	2.9%	1.3%	25.3%

¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bloomberg (TRA function)

² Performance of published Estimated NAV (including dividend payments)

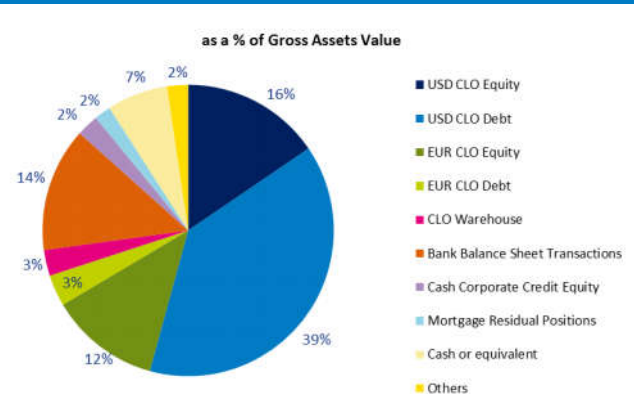
³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of June 2017

Asset Breakdown



Source: AXA IM, as of June 2017

Monthly Commentary

In June, Volta’s Estimated NAV* performance was +0.1%, including the 16 cents per share dividend paid on 29th of June. This modest but positive performance would have been higher without the negative impact of the USD’s depreciation against Euro. The circa 25% USD exposure of Volta cost 0.4% to the June performance.

This negative contribution from currency exposure in June needs to be put in perspective. Volta’s foreign currency exposure is limited and through time is not expected to be a significant driver of performance. On a twelve month basis the estimated impact of currency exposure is of the order of 0.5%, a relatively modest figure compared to the 20.8% performance of Volta through the same period (from June 2016 to June 2017, dividends reinvested at NAV).

Volta purchased four assets (2 USD CLO Debt and 2 USD CLO Equity) in June, to take advantage of a slight widening in discount margins. Volta also funded some of the CMV we committed to last year. A total equivalent of €12.0m was deployed with an average projected yield close to 9.5% under standard assumptions. No asset was sold or called.

Volta Finance Ltd

Monthly Report – June 2017

At the end of June 2017, Volta's Estimated NAV* was €305.8m or €8.37 per share. The GAV stood at €348.6m. The 16 cents per share dividend paid on 29th of June represented a total amount of €5.8m.

In June, mark-to-market variations** of Volta's asset classes were: +0.9% for Synthetic Corporate Credit deals; 0.0% for CLO Equity tranches; 1.1% for CLO Debt tranches, 4.1% for Cash Corporate Credit deals; and +1.9% for ABS.

In June, Volta generated the equivalent of €0.6m in interest and coupons net of repo costs (non-euro amounts translated into euro using end-of-month cross currency rates). This brings the total cash amount generated during the last six months in terms of interest and coupons to €15.2m.

Cash holdings or cash equivalent instruments at the end of June totaled €23.6m

The current level of cash is slightly higher than usual and mainly reflects the strong prepayments that occurred recently. Our view is still that credit markets are now quite fully valued and this amount will be deployed in due course when better opportunities arise. Typically we expect to be able to deploy more capital in CLO Equity tranches, CLO Debt tranches and Bank Balance Sheet transactions.

Volta's currency exposure is relatively unchanged since the end of April. The exposure to the US Dollar at the end of June was 26.8% against about 33% a year ago.

* It should be noted that approximately 10.4% of Volta's GAV comprises investments in funds 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 own NAV on as timely a basis as possible in order to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments in funds are valued using the most recently available NAV for each fund. The most recently available fund NAV was as at: 31 March 2017 for 1.0% of Volta's GAV and at 31 May 2017 for 9.4% of Volta's GAV.

** "Mark-to-market variation" is calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at month-end, 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.

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	253.9	USD CLO Equity	15.5%
		USD CLO Debt	38.8%
		EUR CLO Equity	12.2%
		EUR CLO Debt	3.5%
		CLO Warehouse	2.9%
Synthetic Corporate Credit	48.0	Synthetic Corporate Credit Equity	0.0%
		Bank Balance Sheet Transactions	13.8%
Cash Corporate Credit	8.5	Cash Corporate Credit Equity	2.4%
		Cash Corporate Credit Debt	0.0%
ABS	14.5	Mortgage Residual Positions	1.8%
		ABS Debt	2.3%
Cash or equivalent	23.6	Cash or equivalent	6.8%
GAV	348.6		
Liability	(39.4)	Debt from Repurchase Agreement	(11.3)%
Fees due	(3.4)	Fees due to Investment Manager	(1.0)%
Estimated NAV	305.8	Per Share	8.37

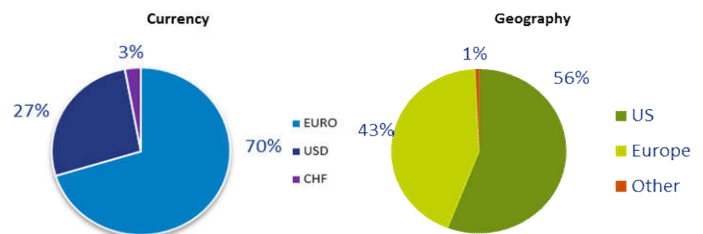
Source: AXA IM, as of June 2017

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
First Data	0.82%	Software
Ineos Group	0.68%	Chemicals
Altice Financing	0.64%	Telecommunications
Dell International	0.57%	Household Products
Ziggo	0.55%	Telecommunications

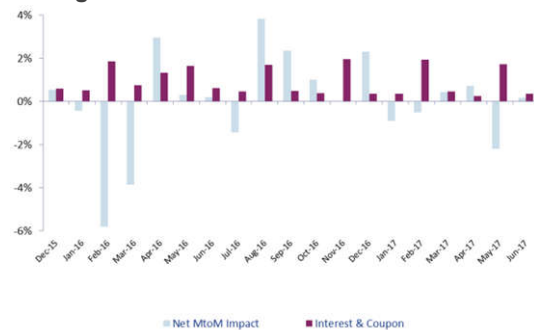
Source: Intex, Bloomberg, AXA IM Paris as of June 2017 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the Estimated NAV

Currency and Geography exposures (%)



Source: AXA IM, as of June 2017 (% of NAV for ccy / % of GAV for geography)

Last Eighteen Months Performance Attribution



Source: AXA IM, as of June 2017

Volta Finance Ltd Monthly Report – June 2017

Important Information

This monthly report is distributed and 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 "Company") whose portfolio is managed by AXA IM. This monthly report is intended only for the person to whom it has been delivered. By obtaining access to and reviewing this monthly report, you acknowledge and agree to be bound by the following: No part of this document may be reproduced in any manner without the prior written permission of AXA IM. This monthly report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of the Company whose portfolio is managed by AXA IM, or securities of any other entity (together, the "Securities"). The Securities described in this monthly report may not be eligible for sale in some states or countries and may not be suitable for all types of investors. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Securities in the Company may not be offered or sold directly or indirectly into the United States or to U.S. Persons. Nor shall this monthly report or any part of it nor the fact of its distribution or publication (on the Company's website or otherwise) form the basis of, or be relied on in connection with, any contract or investment decision in relation to the Securities. This monthly report does not constitute a recommendation to buy, sell or hold the Securities. The information contained herein is for information purposes only, does not purport to contain all the information that may be required to evaluate the Company or any other entity or their respective financial positions. This monthly report speaks only as of its date and neither AXA IM nor the Company is under any obligation to update the information contained herein. Certain information and estimates contained herein are originated by or derived from third parties and the accuracy and completeness of such information and estimates has not been verified. It should also be noted that the financial information contained herein has not been audited. No representation or warranty whatsoever, whether express or implied, is given by or on behalf of AXA IM, the Company, their affiliates, or their respective directors, officers or employees or any other person as to (a) the accuracy or completeness of the information or (b) the opinions contained in this monthly report. None of AXA IM, the Company, any of their affiliates, or their respective directors, officers or employees or any other person accepts any liability whatsoever for any such information or opinions. Nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance of the Company, any other entity, any Securities or any asset class in the Company's portfolio. 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 the Company, 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. No statement in this monthly report is intended to be nor may be construed as a profit forecast and there can be no assurance that the assumptions described herein, the returns and targets (including without limitation target portfolio composition) indicated herein will be achieved. The views and opinions expressed herein include forward-looking statements which may or may not be accurate. Forward-looking statements can be identified by words like "believe", "expect", "anticipate", or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. AXA IM disclaims any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. 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 Company 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. They follow the valuation policy of the Company as adapted from time to time in the best interests of the shareholders, taking into account the conditions of financial markets at that time. Volta qualifies as an alternative investment fund within the meaning of the AIFM Directive and is notified as such under the license held by AXA IM with the Autorité des Marchés Financiers (the "AMF") in France.

Editor: AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6, Place de la Pyramide 92908 Paris – La Défense cedex – France, registered with the Nanterre Trade and Companies Register under number 353 534 506, a Portfolio Management Company, holder of AMF Approval no. GP 92-08, issued on 7 April 1992.

Contact:

For the Investment Manager
AXA Investment Managers Paris
Serge Demay
Serge.demay@axa-im.com
+33 (0) 1 44 45 84 47

Company Secretary and Portfolio Administrator
Sanne Group (Guernsey) Limited
voltafinance@sannegroup.com
+44 (0) 1481 739810