

Volta Finance Ltd

Monthly Report – August 2017



Data as at 31 August 2017

Gross Asset Value	€348.5m
Estimated liabilities	€42.2m
Estimated NAV	€306.3m
Estimated NAV per share	€8.38
Outstanding Shares	36.6m
Share Price (Euronext)	€7.45
Share Price (LSE)	€7.50
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

+11.7% Annualised since inception ¹	17.8% Annualised over 5 years ¹
+0.4% 1 month ²	€306.3m Estimated NAV as of August 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	8.3%
Base currency	EUR
Assets types	Corporate Credit and ABS

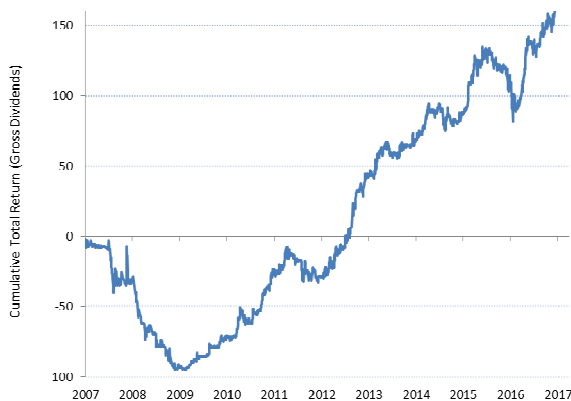
Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.3%	0.9%	0.9%	-0.5%	0.6%	0.1%	-0.2%	0.4%	-	-	-	-	3.6%
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	5.5%	2.8%	1.4%	2.0%	2.7%	1.4%	15.2%
2015	3.7%	1.3%	3.1%	1.7%	1.6%	-0.7%	0.1%	-0.6%	-1.7%	0.1%	1.1%	0.1%	10.0%
2014	2.7%	-1.6%	0.8%	0.7%	1.5%	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)

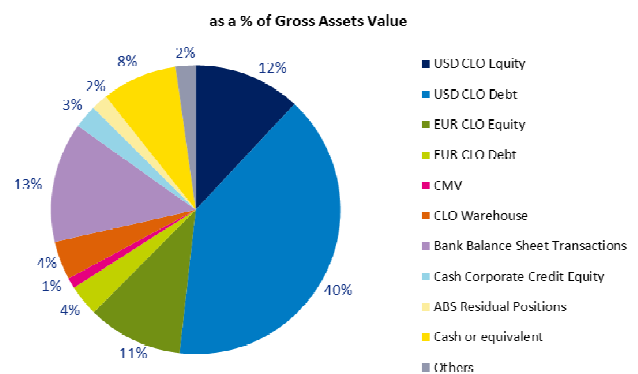
³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of August 2017

Asset Breakdown



Source: AXA IM, as of August 2017

Monthly Commentary

In August, Volta’s Estimated NAV* performance was +0.4%. The performance would have been 0.2% higher without the negative impact of the USD depreciation against Euro. Volta’s USD exposure was around 31% of its NAV in August.

During the month, Volta purchased three assets (3 USD CLO Debt) and was further drawn on a warehouse commitment made earlier this year. The equivalent of €9.5m in total was deployed with an average projected yield close to 9% under standard assumptions. The equivalent of €6.7m of principal was received from one USD CLO Debt position being called.

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At the end of August 2017, Volta's Estimated NAV* was €306.3m or €8.38 per share. The GAV stood at €348.5m.

In August, mark-to-market variations** of Volta's asset classes were: +0.4% for Synthetic Corporate Credit deals; +0.7% for CLO Equity tranches; +0.8% for CLO Debt tranches, +4.0% for Cash Corporate Credit deals; and -0.1% for ABS.

In August, Volta generated the equivalent of €1.7m 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 €15.6m.

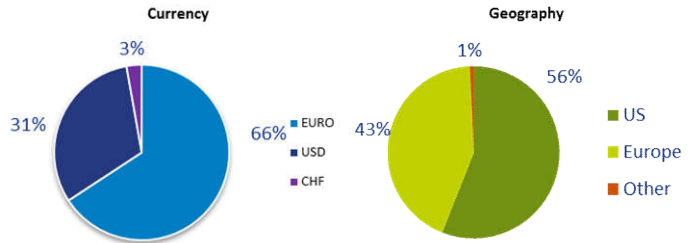
Cash holdings or cash equivalent instruments at the end of August totalled €29.4m. The quarterly dividend will be paid on 28th of September (€0.15 per share).

After a few weeks of relative calm in August, the CLO market was very active again through the early days of September with the pursuit of refinancing and reset activities. It can be reasonably expected that spreads on CLO debt tranches will continue to tighten to the benefit of CLO equity positions. Volta is still considering increasing its CLO equity bucket in this favourable environment.

**It should be noted that approximately 11.6% 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 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 are valued using the most recently available NAV. The most recently available NAV was as at: 30 June 2017 for 2.4% of Volta's GAV and at 31 July 2017 for 9.2% 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.*

Currency and Geography exposures (%)



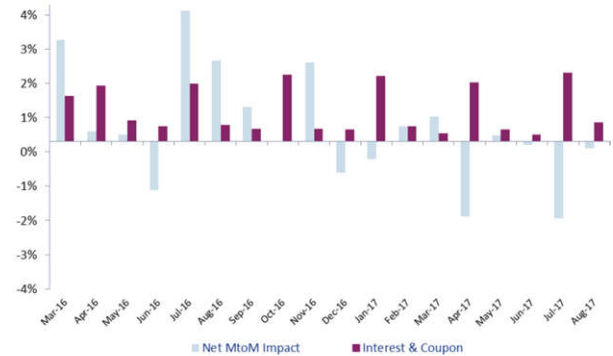
Source: AXA IM, as of August 2017 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	248.9	USD CLO Equity	11.9%
		USD CLO Debt	39.9%
		EUR CLO Equity	10.6%
		EUR CLO Debt	3.5%
		CMV	1.2%
		CLO Warehouse	4.3%
Synthetic Corporate Credit	46.9	Synthetic Corporate Credit Equity	0.0%
		Bank Balance Sheet Transactions	13.4%
Cash Corporate Credit	9.1	Cash Corporate Credit Equity	2.6%
		Cash Corporate Credit Debt	0.0%
ABS	14.3	ABS Residual Positions	1.9%
		ABS Debt	2.2%
Cash or equivalent	29.4	Cash or equivalent	8.4%
GAV	348.5		
Liability	(38.1)	Debt from Repurchase Agreement	(10.9)%
Fees due	(4.1)	Fees due to Investment Manager	(1.2)%
Estimated NAV	306.3	Per Share	8.38

Source: AXA IM, as of August 2017

Last Eighteen Months Performance Attribution



Source: AXA IM, as of August 2017

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice Financing	0.65%	Telecommunications
Ineos Group	0.49%	Chemicals
Ziggo	0.48%	Telecommunications
Dell International	0.48%	Household Products
TransDigm	0.38%	Aerospace/Defense

Issuer	%	Bloomberg Industry Group
Monarch/Allnex /AI Chem	0.37%	Chemicals
Calpine	0.37%	Utilities
Asurion	0.34%	Building and Development
First Data Corporation	0.33%	Software
Telenet Communications	0.33%	Telecommunications

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

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