INVESTMENT MANAGERS

Volta Finance Ltd
Monthly Report – January 2018

Data as of 31 January 2018

Gross Asset Value	€345.6m
Estimated liabilities	€42.5m
Estimated NAV	€303.1m
Estimated NAV per share	**€8.29**
Outstanding Shares	36.6m
Share Price (Euronext)	€7.10
Share Price (LSE)	€7.09
Tickers	VTA.NA VTA.LN
ISIN	GG00B1GHHH78

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]	9%
Base currency	EUR
Assets 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).

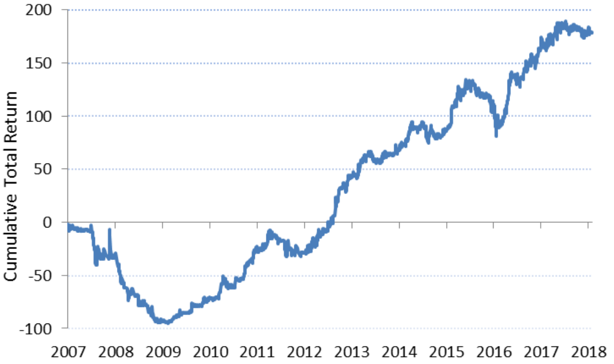
Fund Performance

+11.2% Annualised since inception[1]	**+14.0%** Annualised over 5 years[1]
-0.4% 1 month[2]	**€303.1m** Estimated NAV as of January 18

Returns[2]	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.4%												**-0.4%**
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%	**6.6%**
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%**

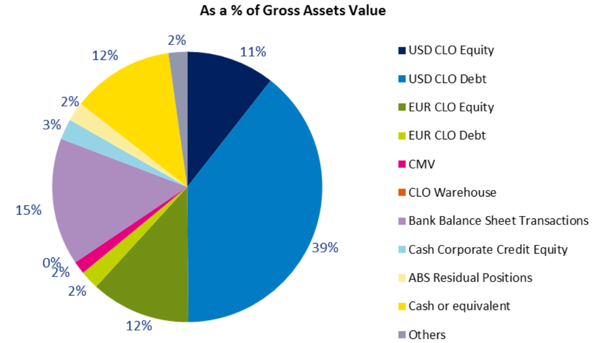
[1] *Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)*
[2] *Performance of published Estimated NAV (including dividend payments)*
[3] *Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)*

Historical Performance



Source: Bloomberg (TRA function) as of January 2018

Asset Breakdown



Source: AXA IM, as of January 2018

Monthly Commentary

In January, Volta's Estimated NAV* performance was -0.4%.

Once again, the monthly performance was negatively impacted by weakness in the US dollar. The Company's exposure to the US dollar was in the region of 35% during the month and the dollar depreciated by 3.2% against euro. The performance of the underlying assets was strong as illustrated, for example, by the strong cash flows received again in January and by the mark-to-market performance of its CLO tranches in January.

In January, Volta generated the equivalent of €5.6m 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 €17.4m (representing an annualised yield of 11.5% of the Estimated NAV).

In January, mark-to-market performances of Volta's asset classes were: +0.1% for Bank Balance Sheet Transactions; +2.5% for CLO Equity tranches; +1.2% for CLO Debt tranches, 0.0% for Cash Corporate Credit deals and +0.2% for ABS.

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On February 9th, the US Court of Appeals for the District of Columbia ruled in favour of the US Loan Syndications and Trading Association in its lawsuit against the US Securities and Exchange Commission (SEC) and the Board of Governors of the Federal Reserve System (FRB) over the application of the US credit risk retention requirements to managers of open-market collateralized loan obligations. The Court stated that managers of "open-market CLOs" (i.e. broadly syndicated CLOs) are not subject to the risk retention rules under Dodd-Frank regulation. Those rules require the securitiser of an asset-backed security to retain, on an unhedged basis, at least 5% of the credit risk of any issuance. Although the SEC and the FRB could theoretically petition for rehearing, the market views that as unlikely and that, if they did, it would be unlikely that a rehearing would be granted. In Europe there has been no sign that the retention rule would be abandoned or softened for CLOs (at least for the next few years). Therefore, going forward, the share of US CLOs satisfying the European retention requirement will decrease (from almost 45% in 2017).

For Volta, which can only invest in CLOs satisfying the European risk retention rules, it would mean that we would return towards the situation experienced in 2014/2015: having to convince US CLO managers to issue CLO satisfying the European risk retention rules although they aren't forced to comply with similar obligations in the US. This worked reasonably satisfactorily in the past. We will provide further information in future monthly reports as there is many options available to be able to continue seizing USD CLO opportunities for Volta.

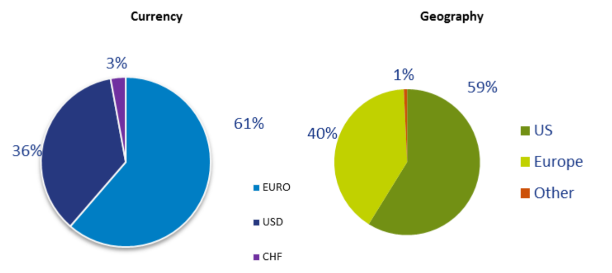
In January Volta made one single investment (a BB tranche of USD CLO) for the equivalent of €3.2m. Under market standard assumptions this tranche is expected to yield near 8.5%.

Since the end of January, Volta opened a new USD CLO warehouse in order to secure a further investment in a USD CLO Equity tranche. Another CLO warehouse is expected to be opened in Europe in March. This is in line with our global view that we have reached the right point in the cycle to increase our exposure to CLO Equity tranches, given the ability to lock in a low cost of debt and being more and more convinced that we broadly reached the end of the credit spread tightening cycle. CLO equity tranches being long term leveraged positions benefit from spread widening in the underlying loan market.

At the end of January 2018, Volta's Estimated NAV was €303.1m or €8.29 per share. The GAV stood at €345.6m.

**It should be noted that approximately 12.4% 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 for 12.4% as at 29 December 2017.*

*** "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.*



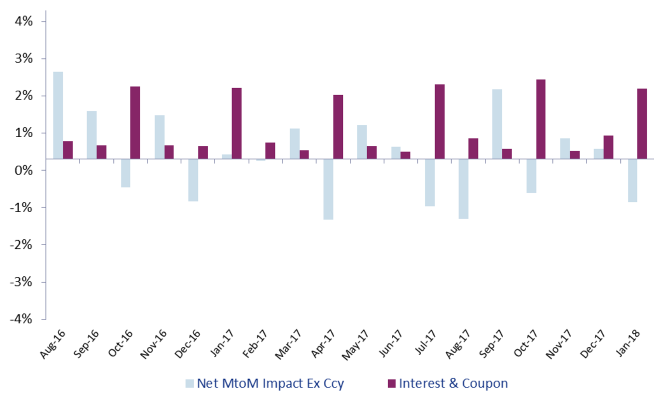
Source: AXA IM, as of January 2018 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	226,6	USD CLO Equity	10,6%
		USD CLO Debt	39,3%
		EUR CLO Equity	11,9%
		EUR CLO Debt	2,3%
		CMV	1,5%
		CLO Warehouse	0,0%
Synthetic Corporate Credit	52,6	Synthetic Corporate Credit Equity	0,0%
		Bank Balance Sheet Transactions	15,2%
Cash Corporate Credit	8,5	Cash Corporate Credit Equity	2,5%
		Cash Corporate Credit Debt	0,0%
ABS	15,7	ABS Residual Positions	2,3%
		ABS Debt	2,2%
Cash or equivalent	42,2	Cash or equivalent	12,2%
GAV	**345,6**		
Liability	(40,4)	Debt from Repurchase Agreement	(11,7)%
Fees due	(2,1)	Fees due to Investment Manager	(0,6)%
Estimated NAV	**303,1**	**Per Share**	**8,29**

Source: AXA IM, as of January 2018

Last Eighteen Months Performance Attribution



Source: AXA IM, as of January 2018

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice / Numericable / SFR Group / Ypso	0,76%	Media
Ziggo	0,44%	Media
TransDigm Inc	0,42%	Aerospace/Defense
Asurion	0,37%	Insurance
First Data Corporation	0,40%	Software

Issuer	%	Bloomberg Industry Group
Advantage Sales & Marketing	0,35%	Advertising
Calpine	0,33%	Electric
ION Media Networks	0,32%	Media
Springer Science+Business Media GmbH	0,31%	Media
CenturyLink Inc	0,28%	Telecommunications

Source: Intex, Bloomberg, AXA IM Paris as of January 2018 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the Estimated NAV

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