

Volta Finance Ltd

Monthly Report – February 2018



Data as of 28 February 2018

Gross Asset Value	€349.1m
Estimated liabilities	€43.7m
Estimated NAV	€305.4m
Estimated NAV per share	€8.35
Outstanding Shares	36.6m
Share Price (Euronext)	€7.08
Share Price (LSE)	€6.97

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. Yield³ 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

+11.1%	+13.9%
Annualised since inception ¹	Annualised over 5 years ¹
+0.7%	€305.4m
1 month ²	Estimated NAV as of February 18

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.4%	0.7%											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)

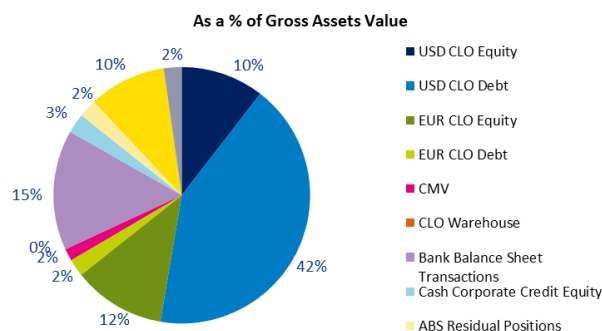
³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of February 2018

Asset Breakdown



Source: AXA IM, as of February 2018

Monthly Commentary

In February, Volta's Estimated NAV* performance was +0.7%.

This time, contrary to the previous month, the monthly performance was positively impacted by the appreciation of the US dollar.

In February, mark-to-market performances of Volta's asset classes were: +1.4% for Bank Balance Sheet Transactions; +0.0% for CLO Equity tranches; +0.5% for CLO Debt tranches, 5.6% for Cash Corporate Credit deals and +0.4% for ABS.

In February, Volta generated the equivalent of €1.4m 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 €17.3m.

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In February, Volta made three investments (two BB tranches of USD CLO and a first contribution to a USD CLO warehouse) for the equivalent of €12.9m. Under market standard assumptions, on average, these assets are expected to yield near 10.6%. Another USD CLO warehouse is expected to be opened in March.

These two warehouses, both in USD, are good examples of our ability to continue to invest in USD CLO tranches despite the potential release of the US risk retention rule. For now, we have been able to convince the CLO managers we want to work with to continue issuing USD CLO complying with the European risk retention requirements.

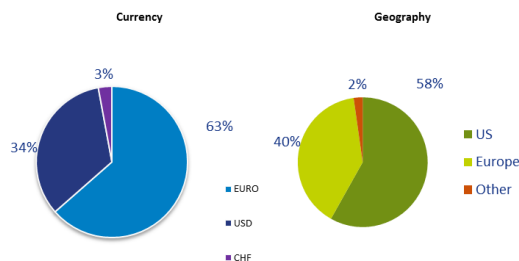
These investments in USD CLO warehouses are in line with our global view that we have reached the right point in the cycle to increase our exposure to CLO Equity tranches in order to benefit from long term relatively tight cost of debt. Of course we expect to rotate all or part of the capital committed to the warehouses in the CLO equity tranches that will be issued afterwards.

At the end of February 2018, Volta's Estimated NAV was €305.4m or €8.35 per share. The GAV stood at €349.1m.

"It should be noted that approximately 10.8% 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 8.2% as at 31 January 2018 and for 2.6% as at 29 September 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.*

Currency and Geography exposures (%)



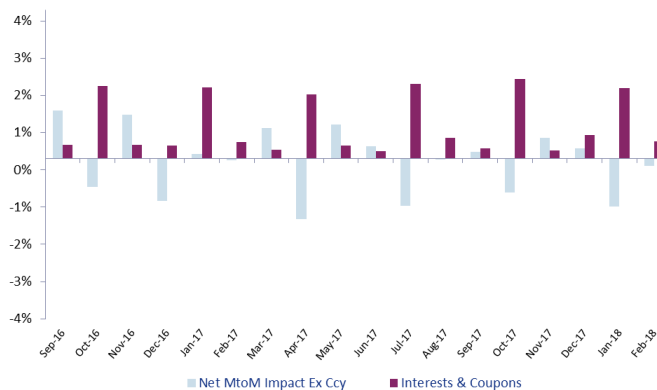
Source: AXA IM, as of February 2018 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	237,7	USD CLO Equity	10,5%
		USD CLO Debt	42,2%
		EUR CLO Equity	11,7%
		EUR CLO Debt	2,2%
		CMV	1,5%
		CLO Warehouse	0,0%
Synthetic Corporate Credit	52,9	Synthetic Corporate Credit Equity	0,0%
		Bank Balance Sheet Transactions	15,2%
Cash Corporate Credit	8,7	Cash Corporate Credit Equity	2,5%
		Cash Corporate Credit Debt	0,0%
ABS	15,9	ABS Residual Positions	2,3%
		ABS Debt	2,3%
Cash or equivalent	34,0	Cash or equivalent	9,7%
GAV	349,1		
Liability	(41,2)	Debt from Repurchase Agreement	(11,8)%
Fees due	(2,5)	Fees due to Investment Manager	(0,7)%
Estimated NAV	305,4	Per Share	8,35

Source: AXA IM, as of February 2018

Last Eighteen Months Performance Attribution



Source: AXA IM, as of February 2018

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice / Numericable / SFR Group / Ypso	0,78%	Media
TransDigm Inc	0,43%	Aerospace/Defense
Ziggo Bond Co BV	0,42%	Media
Asurion LLC	0,35%	Insurance
Calpine Corp	0,34%	Electric

Issuer	%	Bloomberg Industry Group
ION Media Networks Inc	0,33%	Media
Advantage Sales & Marketing Inc	0,32%	Advertising
Dell International LLC/Old	0,30%	Household Products/Wares
CenturyLink Inc	0,29%	Telecommunications
INEOS Group Holdings SA	0,30%	Chemicals

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

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