

# Volta Finance Ltd

## Monthly Report – March 2018



Data as of 31 March 2018

Gross Asset Value	€342.6m
Estimated liabilities	€43.6m
Estimated NAV	€299.0m
Estimated NAV per share	<b>€8.18</b>
Outstanding Shares	36.6m
Share Price (Euronext)	€7.04
Share Price (LSE)	€6.98

Tickers	VTA.NA
	VTA.LN
ISIN	GG00B1GHHH78

### Fund Facts

Launch Date Dec-2006

Fund Domicile Guernsey

Listing and Trading AEX

Type of Fund Closed-ended

Dividend Quarterly

Trailing 12m Div. Yield<sup>3</sup> 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

<b>+11.2%</b>	<b>+12.0%</b>
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>
<b>-0.2%</b>	<b>€299.0m</b>
1 month <sup>2</sup>	Estimated NAV as of March 2018

Returns <sup>2</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.4%	0.7%	-0.2%										<b>0.1%</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>6.6%</b>
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%	<b>15.2%</b>
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%	<b>10.0%</b>
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%	<b>12.4%</b>
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%	<b>25.3%</b>

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

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

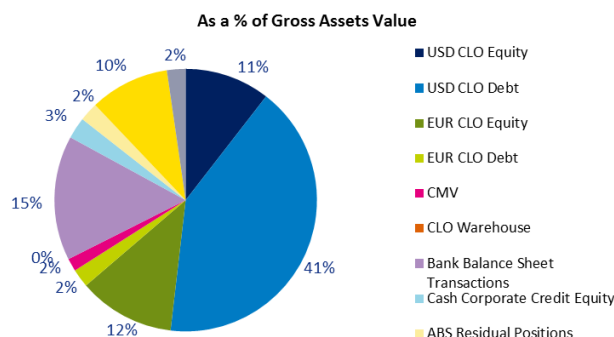
<sup>3</sup> Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

### Historical Performance



Source: Bloomberg (TRA function) as of March 2018

### Asset Breakdown



Source: AXA IM, as of March 2018

### Monthly Commentary

In March, Volta’s Estimated NAV\* performance was -0.2%, an encouraging performance given the backdrop of widening spreads in public credit markets during the month. In contrast to February, the March performance was negatively impacted by the depreciation of the US dollar, which detracted 0.3% from the monthly return.

In March, mark-to-market performances of Volta’s asset classes were: +0.1% for Bank Balance Sheet Transactions; -0.5% for CLO Equity tranches; -0.1% for CLO Debt tranches as well as for Cash Corporate Credit deals and +0.6% for ABS.

In March, Volta generated the equivalent of €0.5m 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 €16.9m.

# Volta Finance Ltd

## Monthly Report – March 2018

Volta made two investments during the month (two BB tranches of USD CLOs, one being a reset of an existing position), and some money was drawn on the existing CMV (Collateralised Manager Vehicle) for the equivalent of €8.4m in total. Under market standard assumptions, on average, these assets are expected to yield near 9%.

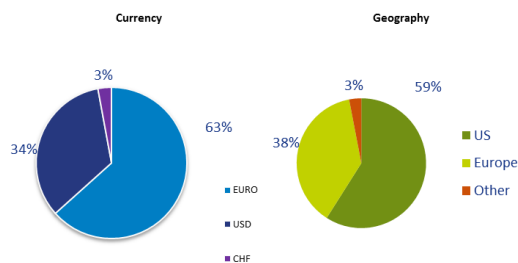
Subsequent to the month end, a USD CLO warehouse was opened during the second week of April. Allocating capital to warehouses, as well as having attractive standalone economic terms, enables access, with good economic terms, to CLO equity tranches. The previous warehouse opened in February should lead to a CLO pricing in May and it is anticipated that another warehouse in Euro will be opened around the same point in time.

At the end of March 2018, Volta's Estimated NAV was €299.0m or €8.18 per share. The GAV stood at €342.6m.

*"It should be noted that approximately 10.0% 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 7.2% as at 28 February 2018 and for 2.8% 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 (%)



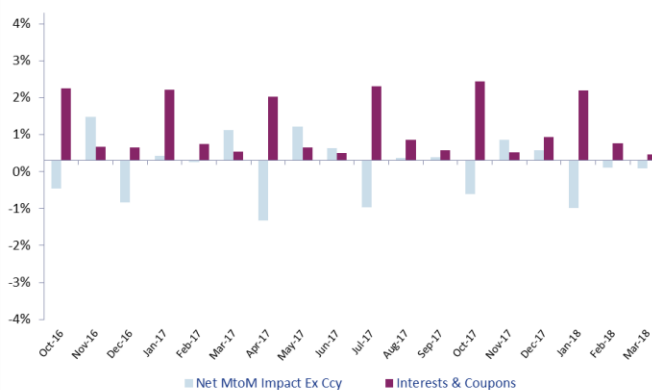
Source: AXA IM, as of March 2018 (% of NAV for ccy / % of GAV for geography)

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	231,5	USD CLO Equity	10,5%
		USD CLO Debt	41,3%
		EUR CLO Equity	11,9%
		EUR CLO Debt	2,3%
		CMV	1,6%
		CLO Warehouse	0,0%
Synthetic Corporate Credit	52,6	Synthetic Corporate Credit Equity	0,0%
		Bank Balance Sheet Transactions	15,3%
Cash Corporate Credit	9,1	Cash Corporate Credit Equity	2,6%
		Cash Corporate Credit Debt	0,0%
ABS	15,8	ABS Residual Positions	2,3%
		ABS Debt	2,3%
Cash or equivalent	33,6	Cash or equivalent	9,8%
<b>GAV</b>	<b>342,6</b>		
Liability	(40,8)	Debt from Repurchase Agreement	(11,9)%
Fees due	(2,8)	Fees due to Investment Manager	(0,8)%
<b>Estimated NAV</b>	<b>299,0</b>	<b>Per Share</b>	<b>8,18</b>

Source: AXA IM, as of March 2018

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of March 2018

### Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Alice France SA/France	0,76%	Media
Ziggo Bond Co BV	0,43%	Media
TransDigm Inc	0,41%	Aerospace/Defense
Asurion LLC	0,38%	Insurance
Calpine Corp	0,37%	Electric

Issuer	%	Bloomberg Industry Group
CenturyLink Inc	0,32%	Telecommunications
ION Media Networks Inc	0,31%	Media
Dell International LLC/Old	0,31%	Household Products/Wares
Advantage Sales & Marketing Inc	0,31%	Advertising
INEOS Group Holdings SA	0,29%	Chemicals

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

# Volta Finance Ltd

## Monthly Report – March 2018

### 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