

Volta Finance Ltd

Monthly Report – April 2018



Data as of 30 April 2018

Gross Asset Value	€346.4m
Estimated liabilities	€44.7m
Estimated NAV	€301.7m
Estimated NAV per share	€8.25
Outstanding Shares	36.6m
Share Price (Euronext)	€6.90
Share Price (LSE)	€6.93
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

+9.6%	+11.1%
Annualised since inception ¹	Annualised over 5 years ¹
+0.9%	€301.7m
1 month ²	Estimated NAV as of April 2018

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.4%	0.7%	-0.2%	+0.9%									0.1%
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)

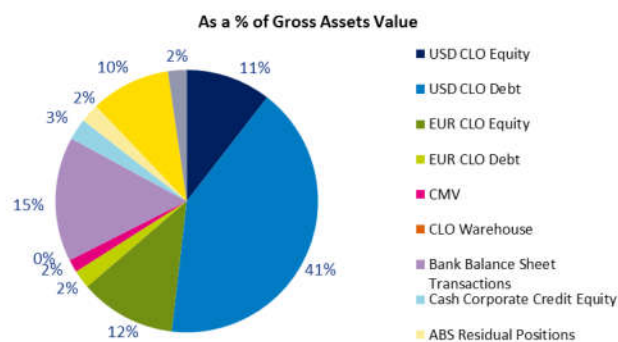
³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of April 2018

Asset Breakdown



Source: AXA IM, as of April 2018

Monthly Commentary

In April, Volta's Estimated NAV* performance was +0.9%, a good performance in a context of more supportive credit markets in general. This month the dollar exposure of Volta contributed positively.

In April, mark-to-market performances of Volta's asset classes were: +0.4% for Bank Balance Sheet Transactions; +2.4% for CLO Equity tranches; +0.4% for CLO Debt tranches, +3.9% for Cash Corporate Credit deals and +1.6% for ABS.

In April, Volta generated the equivalent of €7.7m 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 €18.1m, a level unseen for several years.

The increasing quantum of interest and coupons generated by Volta assets is the result of two phenomena: the increase in 3 month Libor rate directly benefit to Volta, as the vast majority of Volta assets are floating instruments receiving a spread or an excess cash flow above Euribor or Libor rates, and the slight increase of the CLO Equity bucket (being the asset class with the highest cash contribution).

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Volta made six investments during the month (three CLO equity tranches, two CLO warehouses were opened and one USD BB tranche of USD CLO was refinanced) and some additional money was drawn on the CMV (Collateralised Manager Vehicle) we hold for the equivalent of €20.9m in total. Under market standard assumptions, on average, these assets are expected to perform in the area of 13.5% up to expected maturity. The equivalent of €7.5m was received from two CLO debt positions being called.

Our goal for this year is to continue opening CLO warehousing facilities and continue to increase the CLO Equity bucket. The warehouse opened in February led to a CLO pricing in April and it is anticipated that the two opened this month should lead to a CLO pricing by the end of Q2/early Q3 2018. Expected return on such CLO equity positions are most of the time in the area of 13 to 15%.

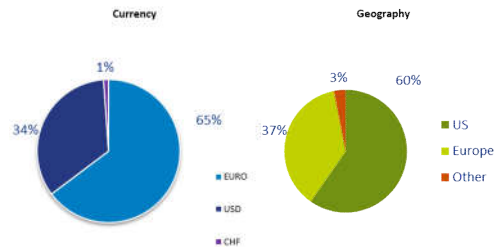
On top of the good performance that we expected and realized on the warehouse facilities, they generally offer a way to secure attractive terms for new CLO equity positions.

At the end of April 2018, Volta's Estimated NAV was €301.7m or €8.25 per share. The GAV stood at €346.4m.

"It should be noted that approximately 9.8% 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 8.0% as at 31 March 2018 and for 1.8% as at 31 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.*

Currency and Geography exposures (%)



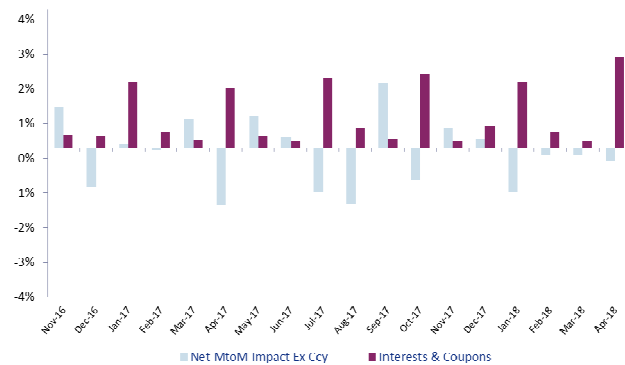
Source: AXA IM, as of April 2018 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	244,1	USD CLO Equity	12,8%
		USD CLO Debt	39,8%
		EUR CLO Equity	13,9%
		EUR CLO Debt	2,2%
		CMV	1,8%
		CLO Warehouse	0,0%
Synthetic Corporate Credit	52,2	Synthetic Corporate Credit Equity	0,0%
		Bank Balance Sheet Transactions	15,1%
Cash Corporate Credit	9,0	Cash Corporate Credit Equity	2,6%
		Cash Corporate Credit Debt	0,0%
ABS	15,6	ABS Residual Positions	2,2%
		ABS Debt	2,3%
Cash or equivalent	25,4	Cash or equivalent	7,3%
GAV	346,3		
Liability	(41,5)	Debt from Repurchase Agreement	(12,0)%
Fees due	(3,2)	Fees due to Investment Manager	(0,9)%
Estimated NAV	301,6	Per Share	8,25

Source: AXA IM, as of April 2018

Last Eighteen Months Performance Attribution



Source: AXA IM, as of April 2018

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0,74%	Media
Ziggo Bond Co BV	0,40%	Media
TransDigm Inc	0,38%	Aerospace/Defense
Calpine Corp	0,35%	Electric
Asurion LLC	0,34%	Insurance
CenturyLink Inc	0,30%	Telecommunications
ION Media Networks Inc	0,29%	Media
Dell International LLC/Old	0,29%	Household Products/Wares
BMC Software Inc	0,27%	Software
Advantage Sales & Marketing Inc	0,28%	Advertising

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

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