

Volta Finance Ltd

Monthly Report – June 2018



Data as of 30 June 2018

Gross Asset Value	€350.6m
Estimated liabilities	€46.7m
Estimated NAV	€303.9m
Estimated NAV per share	€8.31
Outstanding Shares	36.6m
Share Price (Euronext)	€6.94
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
Dividend Cover ⁴	1.6 times
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

+9.7%	+12.4%	+0.2%
Annualised since inception ¹	Annualised over 5 years ¹	1 month ²

€303.9m	+7.5%
Estimated NAV as of June 2018	Trailing 12-month Div. Yield ³

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.4%	0.7%	-0.2%	+0.9%	+2.4%	+0.2%							3.6%
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%

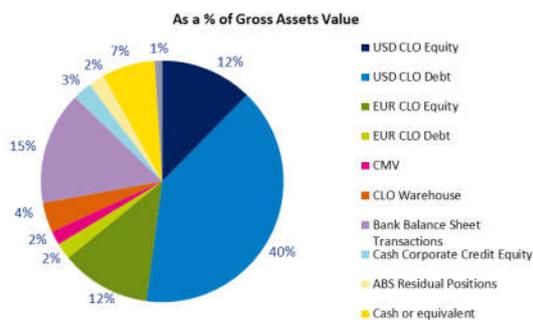
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

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)

⁴ Calculated as total income divided by the most recent annual dividend payments

Asset Breakdown



Source: AXA IM, as of June 2018

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0,71%	Media
Ziggo Bond Co BV	0,39%	Media
TransDigm Inc	0,35%	Aerospace/Defense
Calpine Corp	0,33%	Electric
CenturyLink Inc	0,30%	Telecommunications
ION Media Networks Inc	0,31%	Media
Asurion LLC	0,30%	Insurance
Texas Competitive Electric Holdings Co LLC	0,29%	Electric
Dell International LLC/Old	0,30%	Household Products/Wares
BMC Software Inc	0,27%	Software

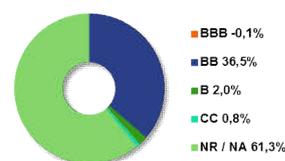
Source: Intex, Bloomberg, AXA IM Paris as of June 2018 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the Estimated NAV

Historical Performance



Source: Bloomberg, as of June 2018

Portfolio Rating Breakdown



Source: AXA IM, as of June 2018

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Monthly Commentary

In June, Volta's Estimated NAV* performance was +0.2%, a positive performance in a context of relatively quiet credit markets in general, including the 16 cents per share dividend paid on the 28th of June.

The last 4 quarterly dividends were covered 1.6 times by Volta's income and contributed to a 7.5% trailing dividend yield relative to the share price.

In June, mark-to-market performances of Volta's asset classes, in local currencies, were: 0.0% for Bank Balance Sheet Transactions; +0.1% for CLO Equity tranches; +1.1% for CLO debt tranches, -2.1% for Cash Corporate Credit deals and +0.6% for ABS.

In June, 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 €18.0m, a level unseen for several years.

The increasing amount of interest and coupons generated by Volta's assets continues, resulting from the increase in the 3 month USD Libor rate as well as the increasing importance of the CLO equity bucket (the asset class with the highest cash on cash contribution).

During the month, Volta sold one European CLO equity position, saw one CLO debt position called and received the final payment from the warehouse facility that closed this month for a total equivalent of approximately €8.1m. Volta purchased two USD CLO debt positions and two recently opened CLO warehouse facilities were partially drawn for a total equivalent amount of €12.5m. On average and under market standard assumptions, the projected IRR of these purchases is in the area of 11.5%.

As planned, we continue to allocate capital to CLO warehousing facilities. It is anticipated that the two warehouses to which Volta contributed this month should lead to a CLO pricing during Q3 2018. Expected returns on such CLO equity positions are in the area of 13% to 15%.

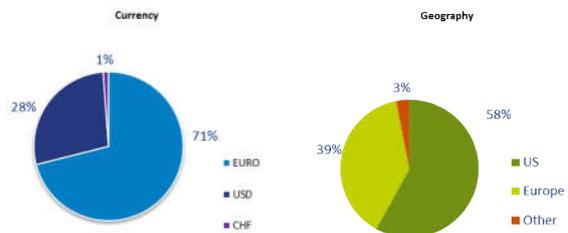
On top of the good performance that we realise on our warehouse facilities, they generally offer a way to secure attractive terms for new CLO equity positions.

We've seen a bit of widening in CLO BB tranches, and if this was to continue we will use this opportunity to deploy more cash in this area.

As of the end of June 2018, Volta's Estimated NAV was €303.9m or €8.31 per share. The GAV stood at €350.6m.

**It should be noted that approximately 11.2% 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 6.8% as at 31 May 2018 and for 4.4% as at 31 March 2018.*

*** "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.*



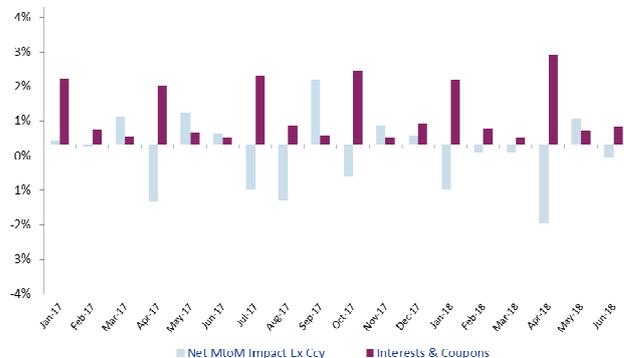
Source: AXA IM, as of June 2018 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	247,9	USD CLO Equity	12,2%
		USD CLO Debt	39,8%
		EUR CLO Equity	12,0%
		EUR CLO Debt	2,2%
		CMV	1,9%
		CLO Warehouse	4,0%
Synthetic Corporate Credit	53,0	Synthetic Corporate Credit Equity	0,0%
Cash Corporate Credit	8,9	Bank Balance Sheet Transactions	15,1%
		Cash Corporate Credit Equity	2,5%
		Cash Corporate Credit Debt	0,0%
ABS	15,9	ABS Residual Positions	2,1%
		ABS Debt	2,4%
Cash or equivalent	24,9	Cash or equivalent	7,1%
GAV	350,6		
Liability	(42,9)	Debt from Repurchase Agreement	(12,2)%
Fees due	(3,9)	Fees due to Investment Manager	(1,1)%
Estimated NAV	303,9	Per Share	8,31

Source: AXA IM, as of June 2018

Last Eighteen Months Performance Attribution



Source: AXA IM, as of June 2018

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