

Volta Finance Ltd

Monthly Report – June 2019



Data as of 30 June 2019

Gross Asset Value	€328.5m
Liabilities	€39.4m
NAV	€289.1m
NAV per share	€7.90
Outstanding Shares	
Share Price (Euronext)	€6.84
Share Price (LSE)	€6.84
Tickers	VTA.NA VTA.LN VTAS.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	1.7 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

9.5% Annualised since inception¹ **9.6%** Annualised over 5 years¹ **-1.0%** 1 month²

€289.1m **+8.9%**

NAV as of June 2019 Trailing 12-month Div. Yield³

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	3.1%	0.4%	0.5%	1.9%	1.4%	-1.0%							6.4%
2018	-0.4%	0.7%	-0.2%	0.9%	2.4%	0.2%	0.6%	1.2%	-0.4%	1.3%	-1.4%	-4.8%	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%

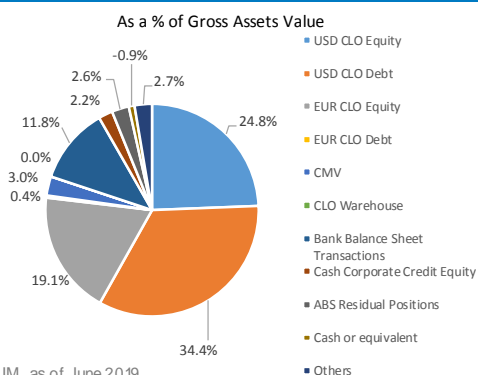
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

² Performance of published 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



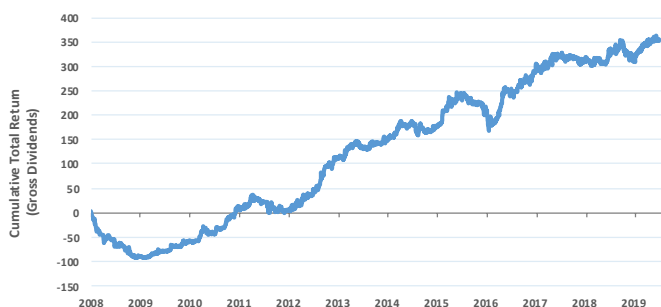
Source: AXA IM, as of June 2019

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.7%	Telecommunications
Refinitiv US Holdings Inc	0.38%	Commercial Services
CenturyLink Inc	0.38%	Telecommunications
TransDigm Inc	0.37%	Aerospace/Defense
Panther BF Aggregator 2 LP	0.34%	Auto Parts&Equipment
A surion LLC	0.35%	Insurance
EG Group Ltd	0.33%	Retail
Texas Competitive Electric Holdings Co LLC	0.32%	Electric
Calpine Corp	0.32%	Electric
Upfield BV	0.3%	Food

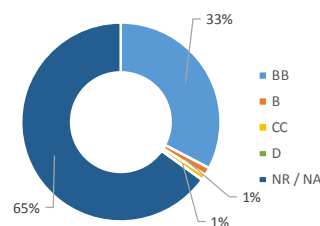
Source: Intex, Bloomberg, AXA IM Paris as of June 2019 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of June 2019

Portfolio Rating Breakdown



Source: AXA IM, as of June 2019

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Monthly Commentary

In June, Volta's NAV* total return performance was -1.0%, bringing the YTD performance to 6.4%.

One driver for this was the USD depreciation over the month against the EUR by 1.7%, which detracted almost 0.5% from the monthly performance.

In addition, both CLO debt and CLO Equity prices were lower over the month reflecting the lack of appetite from investors for floating rate instruments. Given the low level of yield that has already been achieved in recent months in the US and the record low yields seen in Europe, we believe that investors may soon reverse the recent trend and favor floating rate instruments which would limit their risk of capital losses should term yields begin to rise again.

In June, the monthly performances of Volta's sub-asset classes were, in local currency: +1.0% for Bank Balance Sheet transactions, -0.5% for CLO Equity tranches; -0.4% for CLO Debt; +2.7% for Cash Corporate Credit deals; and -0.6% for ABS. As noted in the market announcement of 8 July 2019, CLO Equity prices were sourced from JP Morgan PricingDirect as pricing vendor with effect from this month. CLO Debt prices have been sourced from JP Morgan PricingDirect for some time.

In June, we invested the equivalent of €15.4m in 3 positions (one USD CLO Equity, one USD CLO Debt and additional capital was drawn by the existing CMV). On average, based on market standard assumptions, the IRR of these investments was close to 11.5%.

Because the settlement of the recent CLO investments is in August, the reported amount of cash (on a trade date basis) is negative at the end of June. July is a month with significant payments from our assets and, therefore, these settlements shall be financed with the July cash flows.

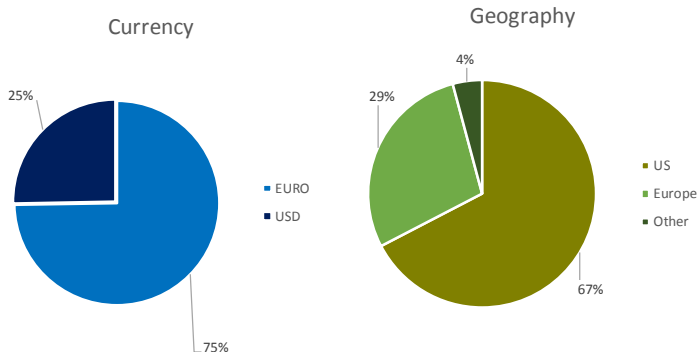
The total cash amount generated during the last six months in terms of interest and coupons reached €19.2m, an annualised 13.3% yield to closing NAV. In July we will have the first payment from two CLO equity positions that were purchased earlier this year, which is likely to push Volta's ongoing cashflows to a new record.

As at the end of June 2019, Volta's NAV was €289.1m or €7.90 per share. The GAV stood at €328.5m.

**It should be noted that approximately 10.6% of Volta's GAV comprises investments 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 are valued using the most recently available NAV for each fund or quoted price for such subordinated note. The most recently available fund NAV or quoted price was for 6.5% as at 31 May 2019 and for 4.1% as at 29 March 2019.*

*** "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 (%)



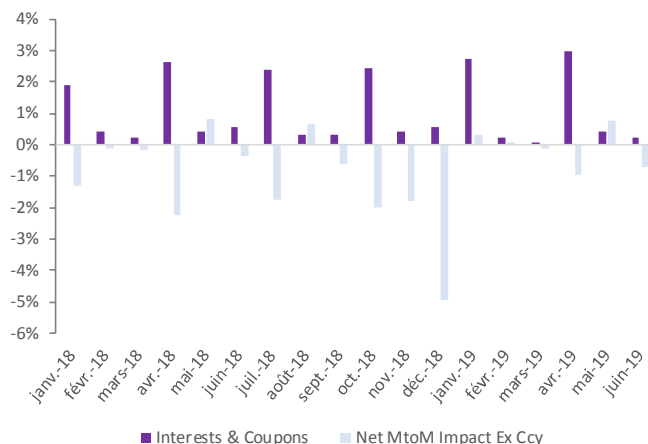
Source: AXA IM, as of June 2019 (%of NAV for ccy / %of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	268.1	USD CLO Equity	24.8%
		USD CLO Debt	34.4%
		EUR CLO Equity	19.1%
		EUR CLO Debt	0.4%
		CMV	3.0%
		CLO Warehouse	0.0%
Synthetic Corporate Credit	38.8	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	11.8%
Cash Corporate Credit	7.2	Cash Corporate Credit Equity	2.2%
		Cash Corporate Credit Debt	0.0%
ABS	17.4	ABS Residual Positions	2.6%
		ABS Debt	2.7%
Cash or equivalent	(3.0)	Cash or equivalent	-0.9%
GAV	328.5		
Liability	(35.2)	Debt from Repurchase Agreement	(10.7)%
Fees due	(4.2)	Fees due to Investment Manager	(1.3)%
Estimated NAV	289.1	Per Share	7.90

Source: AXA IM, as of June 2019

Last Eighteen Months Performance Attribution



Source: AXA IM, as of June 2019

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