

Volta Finance Limited (VTA / VTAS) – July 2019 monthly report

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Guernsey, 12 August 2019

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for July. The full report is attached to this release and will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

In July, Volta’s NAV* total return performance was +0.5%, bringing the YTD performance to 6.9%.

The principal driver for the month’s performance was the appreciation of the USD appreciation against the EUR by 2.1%, which added slightly more than 0.5% to the monthly performance and reversing the negative impact in June.

The performance of the assets was, on average, slightly positive as the July monthly performances of Volta’s sub-asset classes were, in local currency: +1.0% for Bank Balance Sheet transactions, +0.8% for CLO Equity tranches; -0.3% for CLO Debt; -4.4% for Cash Corporate Credit deals; and +0.5% for ABS.

The performance of the CLO equity bucket was driven, this month, by the good performance of Euro CLO equity positions which benefited from the tightening on Euro Senior CLO tranches. In the course of just a few weeks Euro CLO AAA tranches tightened from 115bp over Euribor to 105bp. Further tightening would open the door for refinancing or reset of existing European CLO liabilities to the benefit of Equity positions.

In July, we invested the equivalent of €4.3m in 2 positions (one third of a €9m commitment to a Portuguese REO transaction and an investment in a Euro B rated CLO tranche at discount). On average, based on market standard assumptions, the IRR of these investments was close to 13%. The Portuguese REO transaction is relatively short term (around 2 years WAL) and benefit from a competitive embedded leverage. AXA IM Paris partnered with one of the leading servicer in the Portuguese market for this transaction.

The total cash amount generated during the last six months in terms of interest and coupons reached €21.4m, an annualised 14.7% yield to closing NAV. This is a further new high for this measure of Volta’s performance, reflecting the increasing share of CLO Equity positions in Volta’s portfolio.

As at the end of July 2019, Volta’s NAV was €290.5m or €7.94 per share. The GAV stood at €329.0m.

**It should be noted that approximately 9.9% 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 8.8% as at 30 June 2019 and for 1.1% 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.*



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ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) and listed on Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the AFM, being the regulator for financial markets in the Netherlands.

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. Volta seeks to attain its investment objectives predominantly through diversified investments in structured finance assets. The assets that the Company may invest in either directly or indirectly include, but are not limited to: corporate credits; sovereign and quasi-sovereign debt; residential mortgage loans; and, automobile loans. The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such underlying assets. The Company has appointed AXA Investment Managers Paris an investment management company with a division specialised in structured credit, for the investment management of all its assets.

ABOUT AXA INVESTMENT MANAGERS

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with 739 investment professionals and €750 billion in assets under management as of the end of March 2019.

This press release is 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 "Volta Finance") whose portfolio is managed by AXA IM.

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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 Volta Finance, 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.

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 Volta Finance 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.

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