

**Volta Finance Limited (VTA / VTAS) – September 2020 monthly report**

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*Guernsey, 12 October 2020*

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

**PERFORMANCE and PORTFOLIO ACTIVITY**

In September, the monthly performance of Volta was +4.8%, the solid performance being driven by ongoing improvement in the CLO bucket.

September saw USD appreciation; with the near 45% USD exposure of Volta contributing circa 0.9% to the positive performance.

The monthly asset class performances\*\* were in local currency: +1.4% for Bank Balance Sheet transactions, +4.9% for CLO Equity tranches; +5.9% for CLO Debt; +1.9% for Cash Corporate Credit deals (this bucket comprises funds that have a one-month delay in publishing their NAV); and -9.0% for ABS.

The negative performance for ABS is due to the consequences of the COVID crisis, particularly on the French SMEs exposure, which has generated technical arrears in the portfolio deriving from credit moratoria in France that are conservatively accounted for in valuation. The effects of the crisis should be smoothed over time as underlying companies rectify their situation

Regarding expected October cash flows, we noticed again that September reports were, on average, showing some improvements on over-collateralization test cushions. We expect October payments to be higher than in July. It is these improvements that are reflected in the September price increases we observed.

In September, Volta received the equivalent of €0.3m in terms of Interest or Coupons from its assets. On a 6-month rolling basis, Volta received the equivalent of €16.5m as at the end of September. It is representing a 15% annualized yield, based on the end of September NAV.

Looking further into the future, our view is still that although default rates in both loan markets (the US and Europe) are expected to increase, we expect them to increase slowly. In such a context, full payment of cash flows to our CLO Equity positions is expected to stay the norm.

Again, in September, CLO debt spreads for the most senior tranches continued to decrease. For Volta, we are currently negotiating the refinancing of some of the CLO debts that are leveraging some of our CLO Equity positions.

Regarding the CLO warehouse held by Volta, it has been transformed (in early October) into a CLO Equity position with a cost of debt (leverage) that is amongst the tightest since the Covid crisis began. We decided to price a CLO with a B-rated tranche that can be issued later on, as we can conceive being able to issue such B-rated tranches at a lower spread in the future. In the meantime, our CLO Equity position from this deal is slightly larger than usual, something that should lead to lower price volatility.

As at the end of September 2020, Volta’s NAV was €222.5m or €6.08 per share.

The month-end available cash position was €7.9m.



*\*It should be noted that approximately 13.3% 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 NAV on as timely a basis as possible 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 7.2% as at 31 August 2020 and 6.1% as at 30 June 2020.*

*\*\* "performances" of asset classes are calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at period ends, 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.

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### 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 753 investment professionals and €801 billion in assets under management as of the end of April 2020.

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Any target information is based on certain assumptions as to future events which may not prove to be realised. Due to the uncertainty surrounding these future events, the targets are not intended to be and should not be regarded as profits or earnings or any other type of forecasts. There can be no assurance that any of these targets will be achieved. In addition, no assurance can be given that the investment objective will be achieved.

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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