

Volta Finance Limited (VTA / VTAS) – June 2021 monthly report

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Guernsey, 12 July 2021

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

PERFORMANCE and PORTFOLIO ACTIVITY

Volta continued to perform well in June, gaining +2.2%, and bringing the total return to 11.3% for the first six months of 2021.

The performance was mostly driven by the CLO Equity bucket and more specifically by the reset of Wind River 2019-1. The USD appreciation added 1.4% to the monthly asset performance.

The monthly asset class performances** were: +1.6% for Bank Balance Sheet transactions, +1.9% for CLO equity tranches; -0.7% for CLO debt; +8.4% for Cash Corporate Credit and ABS (together representing 3.2% of GAV).

Focusing on Wind River 2019-1, it is a \$500m US CLO managed by First Eagle Alternative Credit (formerly known as THL Credit) where Volta initially participated in the warehouse and then rolled into the Equity. Given the manager’s very good performance since inception, Volta was able to lead a successful reset and extract a c.25% non-annualized distribution at the Equity level in addition to a 16bps decrease in terms of weighted average cost of debt and a 2.5 years extension of the reinvestment period compared to the initial terms of the CLO. Volta also took the reset opportunity to invest in the BB and B tranches of the CLO.

In terms of cash flows, June 2021 was unusually strong thanks to the carried interest received at the closing of the Neuberger Berman 42 warehouse (generating a 46% IRR for Volta over 4 months / 1.06x MOIC***) and to the Wind River 2019-1 windfall. Interest and coupons received during the month totaled the equivalent of €3.9m. On a 6-month rolling basis, Volta received the equivalent of €24.0m at the end of June, representing a 18.0% annualised cash flow yield, based on the end of June NAV. We still expect overall cash flows to continue to increase in the coming months/quarters.

In June, in addition to the Wind River 2019-1 debt tranches, Volta purchased a €1.5m secondary European CLO Equity managed by Hayfin and was called on a \$2m US CLO Equity position, Flatiron 2015-1 SUB, realizing a 6.5% final IRR and a 1.25x MOIC*** over a 6-year investment horizon.

As at the end of June 2021, Volta’s NAV was €266.2m or €7.28 per share.

The month-end cash position was €14.0m.

**It should be noted that approximately 8.0% 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 notes. The most recently available fund NAV or quoted price was 1.8% as at 31 May 2021, 5.2% as at 30 April 2021 and 1.0% as at 31 March 2021.*

*** “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.*

****MOIC’ means Multiple on Invested Capital*



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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 679 investment professionals and €858 billion in assets under management as of the end of December 2020.

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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