

Volta Finance Ltd

Monthly Report – June 2021



Data as of 30 Jun 2021

Gross Asset Value	€277.6m
Liabilities	€11.4m
NAV	€266.2m
NAV per share	€7.28
Outstanding Shares	36.6m
Share Price (Euronext)	€6.06
Share Price (LSE)*	€6.08
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	2.4 times
Base currency	EUR
Asset 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

8.5% Annualised since inception¹ **6.4%** Annualised over 5 years¹ **2.2%** 1 month²

€266.2m

NAV as of June 2021

7.9%

Trailing 12-month Div. Yield³

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	3.9%	1.0%	1.1%	2.1%	0.4%	2.2%							11.3%
2020	1.1%	-2.6%	-32.4%	5.7%	4.5%	6.9%	-1.2%	1.9%	4.8%	1.6%	7.2%	4.3%	-5.7%
2019	3.1%	0.4%	0.5%	1.9%	1.4%	-1.0%	0.5%	-1.5%	0.4%	-2.6%	0.4%	3.3%	6.8%
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%	0.0%
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%	6.7%
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	6.2%	2.1%	1.4%	2.0%	2.7%	1.4%	16.0%

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

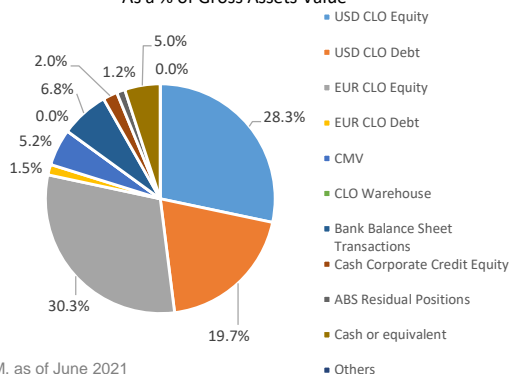
² Performance of published NAV (including dividend payments)

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

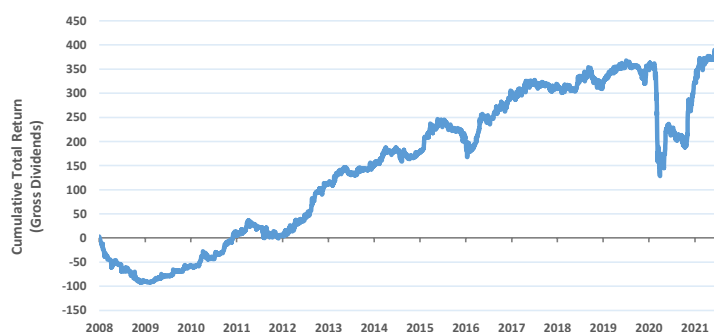
Asset Breakdown

As a % of Gross Assets Value



Source: AXA IM, as of June 2021

Historical Performance



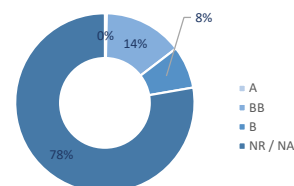
Source: Bloomberg, as of June 2021

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.78%	Telecommunications
EG Group Ltd	0.60%	Retail
Clarios Global LP	0.46%	Auto Parts&Equipment
Froneri International Ltd	0.49%	Food
Upfield BV	0.39%	Food
GTT Communications Inc	0.35%	Telecommunications
BMC Software Inc	0.39%	Software
Asurion LLC	0.41%	Insurance
Virgin Media Secured Finance PLC	0.42%	Media
Action Nederland BV	0.32%	Retail

Source: Intex, Bloomberg, AXA IM Paris as of June 2021 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Portfolio Rating Breakdown



Source: AXA IM, as of June 2021

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Monthly Commentary

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.

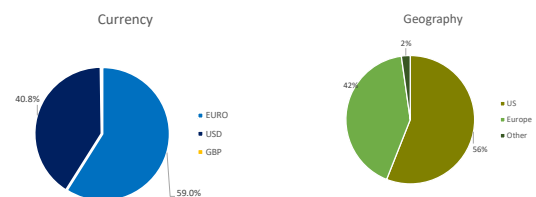
The month-end cash position was €14.0m.

**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*

Currency and Geography exposures (%)



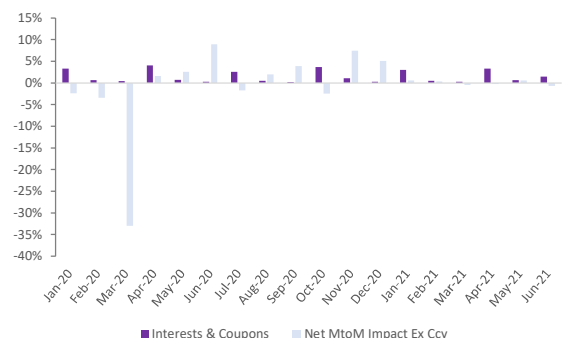
Source: AXA IM, as of June 2021 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	235.9	USD CLO Equity	28.3%
		USD CLO Debt	19.7%
		EUR CLO Equity	30.3%
		EUR CLO Debt	1.5%
		CMV	5.2%
		CLO Warehouse	0.0%
Synthetic Credit	18.8	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	6.8%
Cash Corporate Credit	5.6	Cash Corporate Credit Equity	2.0%
		Cash Corporate Credit Debt	0.0%
ABS	3.3	ABS Residual Positions	1.2%
		ABS Debt	0.0%
Cash or equivalent	13.9	Cash or equivalent	5.0%
GAV	277.6		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(11.4)	Fees due to Investment Manager	(4.1)%
Estimated NAV	266.2	Per Share	7.28

Source: AXA IM, as of June 2021

Last Eighteen Months Performance Attribution



Source: AXA IM, as of June 2021

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Important Information

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