

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

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Guernsey, 11 August 2021

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

Volta had a good performance in July, gaining +2.5% including a €0.14 dividend. That brings the total return of the fund to 14.1% year-to-date.

The monthly asset class performances** were: +1.7% for Bank Balance Sheet transactions, +5.0% for CLO equity tranches; +0.6% for CLO debt; -1.4% for Cash Corporate Credit and ABS (together representing 3.2% of GAV).

As expected, July 2021 was a new high in terms of interest and coupons received with the equivalent of €12.6m. Two CLO equity positions were paying their interest for the first time, contributing to the equivalent of €2.1m to this amount.

On a 6-month rolling basis, Volta received the equivalent of €28.3m at the end of July, representing a 21.1% annualised cash flow yield, based on the end of July NAV, a significant increase since the end of June measure.

This high level of interest and coupons being received validates Volta’s strategy over the last 3 years to increase the allocation to CLO equity tranches. The Covid-19 crisis has allowed Volta to receive higher cash flows from its securitized assets, thanks to reinvestment in loans at a discount or with higher spreads. These higher cash flows will continue in the long term.

In addition, in 2021 Refinancing and Resetting of existing positions is generating both short-term gains and longer-term enhanced cash flows. By the end of July, we had refinanced 7 positions and succeeded in operating two Resets. Such operations will contribute to gaining solid cash flows in the coming quarters. The two Resets inserted a B-rated tranche into the capital structure of both CLOs. In both circumstances, the proceeds generated by the issuance of the B-rated tranche were directly paid to our equity positions, lowering the principal amount at risk for Volta. These B tranche proceeds are not included in the total of Interest and Coupons mentioned above as such payments have to be considered as principal.

In July, Volta purchased a new EUR B CLO tranche for €1.9m and now has circa €10m available for investment. A USD CLO warehouse is expected to be arranged in the coming weeks.

As at the end of July 2021, Volta’s NAV was €267.9m or €7.32 per share.

The month-end cash position was €20.2m.

**It should be noted that approximately 2.6% 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 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 1.7% as at 30 June 2021 and 0.9% 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.*



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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 762 investment professionals and €869 billion in assets under management as of the end of March 2021.

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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