

Volta Finance Ltd

Monthly Report – August 2021



Data as of 31 Aug 2021

Gross Asset Value	€278.0m
Liabilities	€13.3m
NAV	€264.7m
NAV per share	€7.24
Outstanding Shares	36.6m
Share Price (Euronext)	€6.22
Share Price (LSE)*	€6.10
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	2.5 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

8.8%	6.6%	-0.5%
Annualised since inception ¹	Annualised over 5 years ¹	1 month ²

€264.7m

NAV as of August 2021

8.2%

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%	1.9%	-0.5%					12.8%
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)

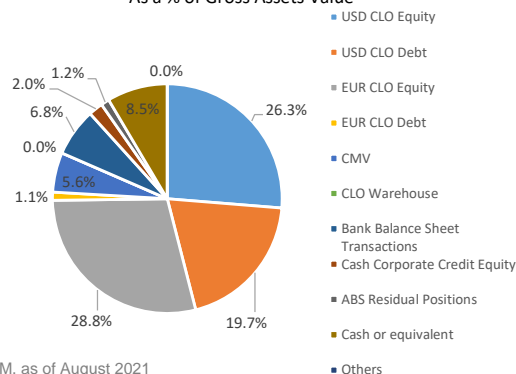
² Performance of published NAV (including dividend payments)

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

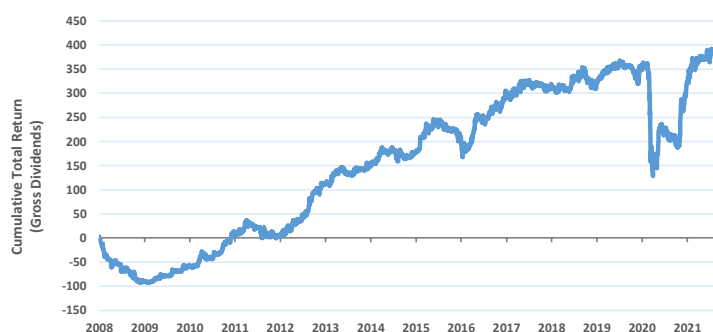
Asset Breakdown

As a % of Gross Assets Value



Source: AXA IM, as of August 2021

Historical Performance



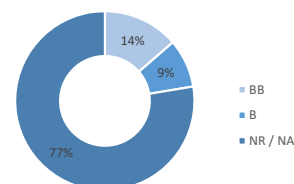
Source: Bloomberg, as of August 2021

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.79%	Telecommunications
EG Group Ltd	0.60%	Retail
Virgin Media Secured Finance PLC	0.56%	Media
Clarios Global LP	0.45%	Auto Parts&Equipment
Froneri International Ltd	0.49%	Food
Asurion LLC	0.46%	Insurance
Upfield BV	0.38%	Food
GTT Communications Inc	0.35%	Telecommunications
BMC Software Inc	0.39%	Software
Action Nederland BV	0.33%	Retail

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

Portfolio Rating Breakdown



Source: AXA IM, as of August 2021

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Monthly Commentary

August's performance was slightly negative at -0.5% as some profit-taking across European and US CLO equities saw prices slip modestly. The year-to-date total return of the company is 12.8%.

The monthly asset class performances** were: +1.5% for Bank Balance Sheet transactions, -1.3% for CLO equity tranches; +0.6% for CLO debt; +0.7% for Cash Corporate Credit and ABS (together representing 3.3% of GAV).

As usual, August is a low volume month in terms of interest and coupons with the equivalent of €0.8m being received.

Even though it has no instantaneous and direct implications for Volta, we are delighted to announce that our colleagues managing AXA IM US CLOs have been awarded Best US CLO Manager of the year by Credit Flux earlier this week. The recognition of the quality of their work should positively impact Volta when refinancing/resetting some of the AXA IM CLO Equity positions we owned in the Volta portfolio.

On a 6-month rolling basis, Volta received the equivalent of €25.9m at the end of August, representing a 19.6% annualised cash flow yield, based on the end of the month NAV.

This high level of interest and coupons being received gives us confidence that Volta's strategy to increase the allocation to CLO equity tranches over the past 3 years was a good decision. 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 are expected to continue in the medium term.

In August, Volta had one EUR BB tranche called (for €3m) and purchased one EUR B CLO tranche for €0.3m (a top up on an existing position). The projected yield, in Euro, of this B tranche is at 9.75% under standard assumptions.

As at the end of August Volta held nearly €10m of cash available for investment. The pipeline in the primary market for CLO issuance, both in the US and in Europe, is so high for September (with a volume unprecedented YTD) that we are expecting to see some spread widening and so to be able to reinvest this amount at more attractive levels.

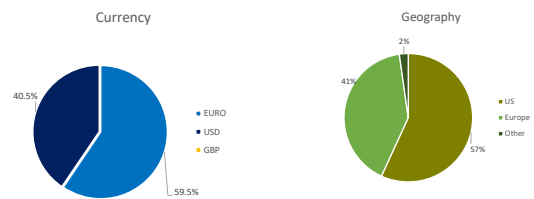
As at the end of August 2021, Volta's NAV was €264.7m or €7.24 per share.

The month-end cash position was €12.8m.

**It should be noted that approximately 8.3% 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 notes. The most recently available fund NAV or quoted price was 7.3% as at 31 July 2021 and 1.0% as at 30 June 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.*

Currency and Geography exposures (%)



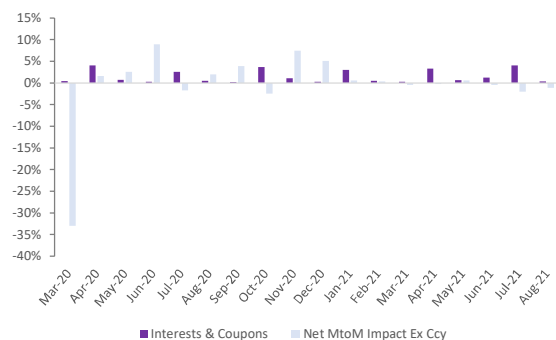
Source: AXA IM, as of August 2021 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	226.7	USD CLO Equity	26.3%
		USD CLO Debt	19.7%
		EUR CLO Equity	28.8%
		EUR CLO Debt	1.1%
		CMV	5.6%
		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	23.7	Cash or equivalent	8.5%
GAV	278.0		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(13.3)	Fees due to Investment Manager	(4.8)%
Estimated NAV	264.7	Per Share	7.24

Source: AXA IM, as of August 2021

Last Eighteen Months Performance Attribution



Source: AXA IM, as of August 2021

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