

Volta Finance Ltd

Monthly Report – July 2022



Data as of 31 Jul 2022

Gross Asset Value	€229.8m
Liabilities	€2.2m
NAV	€227.7m
NAV per share	€6.22
Outstanding Shares	36.6m
Share Price (Euronext)	€5.24
Share Price (LSE)*	€5.30
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

7.7%	2.1%	4.5%
Annualised since inception ¹	Annualised over 5 years ¹	1 month ²

€227.7m

NAV as of July 2022

10.9%

Trailing 12-month Div. Yield³

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	1.7%	-3.9%	1.5%	2.3%	-11.8%	-4.6%	4.5%						-10.8%
2021	3.9%	1.0%	1.1%	2.1%	0.4%	2.2%	1.9%	-0.5%	1.9%	1.2%	1.0%	0.3%	17.9%
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%

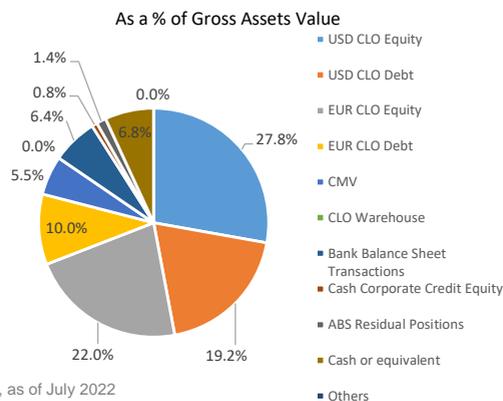
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

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



Source: AXA IM, as of July 2022

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.91%	Telecommunications
EG Group Ltd	0.51%	Retail
Virgin Media Secured Finance PLC	0.51%	Media
Asurion LLC	0.46%	Insurance
McAfee LLC	0.41%	Computers
Masmovil Holdphone SA	0.40%	Telecommunications
Nidda Healthcare Holding GmbH	0.38%	Pharmaceuticals
Clarios Global LP	0.37%	Auto Parts&Equipment
Froneri International Ltd	0.37%	Food
BMC Software Inc	0.36%	Software

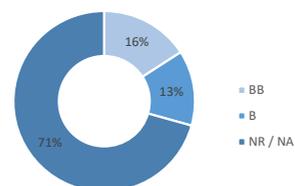
Source: Intex, Bloomberg, AXA IM Paris as of July 2022 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of July 2022

Portfolio Rating Breakdown



Source: AXA IM, as of July 2022

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Monthly Commentary

July saw a recovery from the losses faced the previous two months. The fund gained +4.5%, mainly driven by EUR CLO equity holdings (+2,7% contribution in NAV performance).

Through asset classes, the monthly performances** were: -2.8% for Bank Balance Sheet transactions, +5% for CLO equity tranches; +2.3% for CLO debt; -5% for Cash Corporate Credit and ABS (together representing 2.3% of NAV).

In the footsteps of most markets (July was one of the best months for the High Yield bonds market since years), the loan markets rallied and therefore CLO followed.

Across CLO market, USD CLO equity received cashflows below expected due to the loss of the Libor floor, in contrast with EUR deals that received higher cashflows than expected. In addition to the EUR CLO equity prices rally (after two tough months), it leads to a double digits performance for this asset class in July.

During the last month, the fund sold 2 USD CLO tranches rated BB and B and acquired 2 EUR tranches (of the same deal) rated BB and B too. The purchases were based on the following assumptions : 18 months to call, 15% and 22% IRR respectively.

For the coming weeks, Volta will participate in two CLO warehouses, one short USD warehouse and an EUR warehouse thereafter, both investments will be rolled in the CLO equity issuance. Under the current assumptions, the target IRR is around 15% for both deal, with limited risk for the USD warehouse as the fund is investing after CLO pricing. More details will be communicated in the next report.

In July, Volta received the equivalent of €9.8m in terms of interest and coupons. For the 6 months ended July 2022, Volta received €24.3m interest and coupons representing a 21.4% annualized cash flow to NAV.

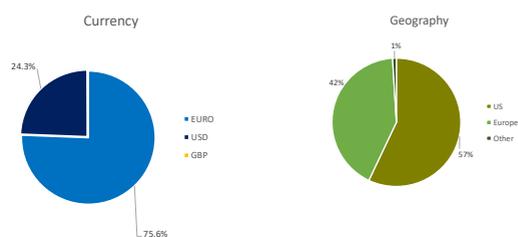
As already stated in the past, Volta didn't suffer from any diversion of cash flows from its CLO Equity positions, we think that it would continue for the coming quarters.

As at the end of July 2022, Volta's NAV was €227.7m or €6.22 per share.

"It should be noted that approximately 7.0% 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 6.4% as at 30 June 2022 and 0.6% as at 31 March 2022.

*** "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 July 2022 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	194.4	USD CLO Equity	27.8%
		USD CLO Debt	19.2%
		EUR CLO Equity	22.0%
		EUR CLO Debt	10.0%
		CMV	5.5%
		CLO Warehouse	0.0%
Synthetic Credit	14.8	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	6.4%
Cash Corporate Credit	1.8	Cash Corporate Credit Equity	0.8%
		Cash Corporate Credit Debt	0.0%
ABS	3.1	ABS Residual Positions	1.4%
		ABS Debt	0.0%
Cash or equivalent	15.7	Cash or equivalent	6.8%
GAV	229.8		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(2.2)	Fees due to Investment Manager	(0.9)%
Estimated NAV	227.7	Per Share	6.22

Source: AXA IM, as of July 2022

Last Eighteen Months Performance Attribution



Source: AXA IM, as of July 2022

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