Volta Finance Ltd
Monthly Report – June 2022

Data as of 30 Jun 2022

Gross Asset Value	€224.2m
Liabilities	€1.9m
NAV	€222.3m
NAV per share	€6.08
Outstanding Shares	36.6m
Share Price (Euronext)	€5.44
Share Price (LSE)*	€5.60
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]	2.2 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

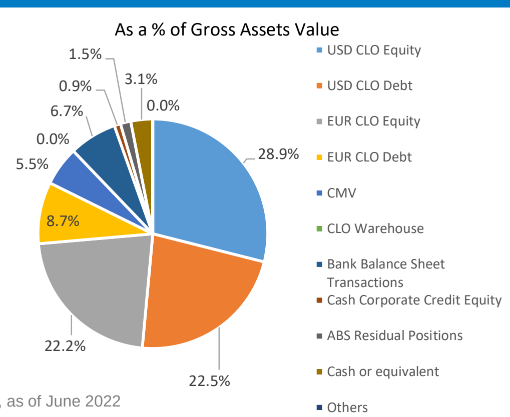
7.9%	**2.1%**	**-4.6%**
Annualised since inception[1]	Annualised over 5 years[1]	1 month[2]

€222.3m	**10.7%**
NAV as of June 2022	Trailing 12-month Div. Yield[3]

Returns²	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%							**-14.6%**
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 (annualized 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



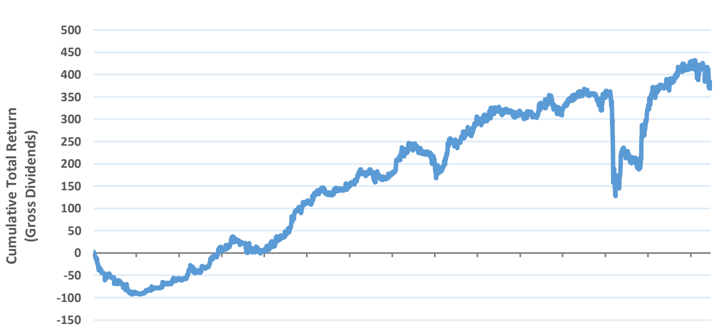
Source: AXA IM, as of June 2022

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.88%	Telecommunications
EG Group Ltd	0.52%	Retail
Asurion LLC	0.50%	Insurance
Virgin Media Secured Finance PLC	0.49%	Media
McAfee LLC	0.40%	Computers
Masmovil Holdphone SA	0.39%	Telecommunications
Clarios Global LP	0.38%	Auto Parts&Equipment
Froneri International Ltd	0.37%	Food
BMC Software Inc	0.36%	Software
Nidda Healthcare Holding GmbH	0.35%	Pharmaceuticals

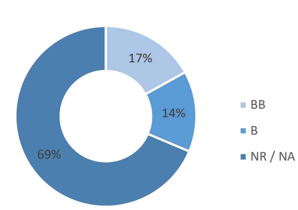
Source: Intex, Bloomberg, AXA IM Paris as of June 2022 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of June 2022

Portfolio Rating Breakdown



Source: AXA IM, as of June 2022

Volta Finance Ltd
Monthly Report – June 2022

Monthly Commentary

In June, the CLO market continued to suffer in conjunction with other credit markets. Year-to-date performances is largely in line with more traditional credit asset classes like High Yield. In June Volta's NAV was down 4.6%, bringing the year-to-date total return to -14.6%

This negative performance was mostly driven by CLO Equity performances with detailed monthly performances** by asset classes being +0.7% for Bank Balance Sheet transactions, -7.2% for CLO equity tranches; -4.4% for CLO debt; +0.3% for Cash Corporate Credit and ABS (together representing 2.9% of NAV).

Loans and CLOs are now priced at level that are relatively similar to May/June 2020, just after the worst of Covid while the situation is significantly different this time. Two years ago, rating agencies were in the process of completing a huge wave of loan downgrades (in the end circa 40% of loans were downgraded in a few months) and default rates were expected to be in the 10 to 15% range on one year/18-month horizon. This time, the rating downgrade/upgrade ratio is still balanced, rating agencies are expected to downgrade loans on a case- by-case basis and, even though we expect to see more defaults over, we are expecting default rates (in line with the number of loans currently trading below 80% of par) to rise by only a few percentage points in the coming year/18 months, a level that is absolutely manageable.

It is clear to us that the particularly attractive spreads available from loans and CLO tranches are partially due to 2 technical effects: there is a significant number of warehouses opened which partially ramped before or during the first weeks after the Ukraine invasion and the market is pricing in the probability of the liquidation of the warehouses. Even though other options exist (re-pricing and re-use of such warehouses to price a new CLO) this option clearly weighs on the technical of both the loan and the CLO market, pushing prices lower waiting for a capitulation for such positions. The second thing is that fixed income credit markets are down due to the dual effect of spread increases and rate increases. Floating rate instruments, like CLO tranches, being in competition with traditional fixed rate markets, are suffering from the fact that many players tend to sell where they have limited losses from floating rate instruments to seize opportunities at far higher projected yields in traditional fixed rate markets. Rotating portfolios out of floating based instruments into fixed rate instruments did not help for the last 2 months.

Capturing the bottom in loan and CLO markets is always challenging when considering, for example, the time to market in pricing a new CLO Equity tranche. So, after accumulating cash for already several months, Volta will seek to reinvest, considering buying mezzanine CLO debts at significant discounts and/or opening new CLO warehouses to be able to purchase loans at even deeper prices if some others are forced to capitulate.

In June, Volta received the equivalent of €0.6m in terms of interest and coupons. For the 6 months ended June 2022, Volta received €22.5m interest and coupons representing a 20.6% annualized cash flow to NAV.

Considering that the fundamental risk for our positions is not inflation but recession we recently entered into a fixed rate overlay, adding 1.5 year of duration to Volta through T-notes futures/options and Euro 5-years swaptions. At the time of writing, these positions have generated circa 0.5% performance. These positions, due to their size, are not going to dramatically change Volta's performance but if recession were to materialize, term rates may not continue to rise, and this kind of performance kicker may help.

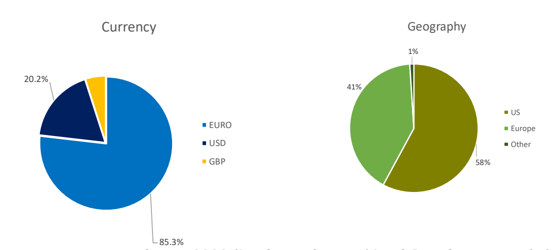
Looking ahead to the next few quarters, we do not believe that there are any signs that Volta is likely to suffer from a diversion of cash flows from its CLO Equity positions. Indeed, Volta's cashflows have been increasing every month for the last 4 months (measured as the rolling 6-month cashflows to avoid seasonality). Receiving a continuing high level of cash flows should allow us to take advantage of opportunities arising from the current market environment while maintaining the payment of a steady quarterly dividend.

As at the end of June 2022, Volta's NAV was €222.3m or €6.08 per share.

**It should be noted that approximately 1.6% 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 1.0% as at 31 May 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 June 2022 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	196.9	USD CLO Equity	28.9%
		USD CLO Debt	22.5%
		EUR CLO Equity	22.2%
		EUR CLO Debt	8.7%
		CMV	5.5%
		CLO Warehouse	0.0%
Synthetic Credit	15.1	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	6.7%
Cash Corporate Credit	1.9	Cash Corporate Credit Equity	0.9%
		Cash Corporate Credit Debt	0.0%
ABS	3.3	ABS Residual Positions	1.5%
		ABS Debt	0.0%
Cash or equivalent	6.9	Cash or equivalent	3.1%
GAV	**224.2**		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(1.9)	Fees due to Investment Manager	(0.8)%
Estimated NAV	**222.3**	**Per Share**	**6.08**

Source: AXA IM, as of June 2022

Last Eighteen Months Performance Attribution

Source: AXA IM, as of June 2022

Volta Finance Ltd
Monthly Report – June 2022

Important Information

This monthly report 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 "Company") whose portfolio is managed by AXA IM. This monthly report is intended only for the person to whom it has been delivered. By obtaining access to and reviewing this monthly report, you acknowledge and agree to be bound by the following: No part of this document may be reproduced in any manner without the prior written permission of AXA IM. This monthly report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of the Company whose portfolio is managed by AXA IM, or securities of any other entity (together, the "Securities"). The Securities described in this monthly report may not be eligible for sale in some states or countries and may not be suitable for all types of investors. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Securities in the Company may not be offered or sold directly or indirectly into the United States or to U.S. Persons. Nor shall this monthly report or any part of it nor the fact of its distribution or publication (on the Company's website or otherwise) form the basis of, or be relied on in connection with, any contract or investment decision in relation to the Securities. This monthly report does not constitute a recommendation to buy, sell or hold the Securities. The information contained herein is for information purposes only, does not purport to contain all the information that may be required to evaluate the Company or any other entity or their respective financial positions. This monthly report speaks only as of its date and neither AXA IM nor the Company is under any obligation to update the information contained herein. Certain information and estimates contained herein are originated by or derived from third parties and the accuracy and completeness of such information and estimates has not been verified. It should also be noted that the financial information contained herein has not been audited. No representation or warranty whatsoever, whether express or implied, is given by or on behalf of AXA IM, the Company, their affiliates, or their respective directors, officers or employees or any other person as to (a) the accuracy or completeness of the information or (b) the opinions contained in this monthly report. None of AXA IM, the Company, any of their affiliates, or their respective directors, officers or employees or any other person accepts any liability whatsoever for any such information or opinions. Nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance of the Company, any other entity, any Securities or any asset class in the Company's portfolio. 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 the Company, 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. No statement in this monthly report is intended to be nor may be construed as a profit forecast and there can be no assurance that the assumptions described herein, the returns and targets (including without limitation target portfolio composition) indicated herein will be achieved. The views and opinions expressed herein include forward-looking statements which may or may not be accurate. Forward-looking statements can be identified by words like ''believe'', ''expect'', ''anticipate'', or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. AXA IM disclaims any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. 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 Company 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. They follow the valuation policy of the Company as adapted from time to time in the best interests of the shareholders, taking into account the conditions of financial markets at that time. Volta qualifies as an alternative investment fund within the meaning of the AIFM Directive and is notified as such under the license held by AXA IM with the Autorité des Marchés Financiers (the "AMF") in France.

Editor: AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6, Place de la Pyramide 92908 Paris – La Défense cedex – France, registered with the Nanterre Trade and Companies Register under number 353 534 506, a Portfolio Management Company, holder of AMF Approval no. GP 92-08, issued on 7 April 1992.

Contact:

For the Investment Manager
AXA Investment Managers Paris
Serge Demay
Serge.demay@axa-im.com
+33 (0) 1 44 45 84 47

Company Secretary and Administrator
BNP Paribas Securities Services S.C.A, Guernsey Branch
guernsey.bp2s.volta.cosec@bnpparibas.com
+44 (0) 1481 750 853