

Volta Finance Ltd

Monthly Report – April 2022



Data as of 30 Apr 2022

Gross Asset Value	€267.2m
Liabilities	€3.1m
NAV	€264.1m
NAV per share	€7.22
Outstanding Shares	36.6m
Share Price (Euronext)	€6.00
Share Price (LSE)*	€5.90
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	2.3 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

8.6%	4.5%	2.3%
Annualised since inception ¹	Annualised over 5 years ¹	1 month ²

€264.1m

NAV as of April 2022

9.7%

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%									1.4%
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%

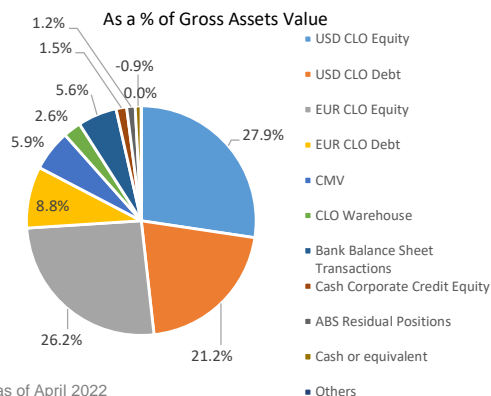
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

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 April 2022

Historical Performance



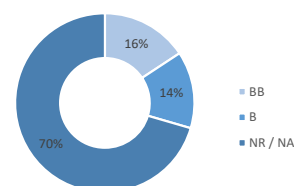
Source: Bloomberg, as of April 2022

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.87%	Telecommunications
EG Group Ltd	0.56%	Retail
Virgin Media Secured Finance PLC	0.50%	Media
Asurion LLC	0.45%	Insurance
Clarios Global LP	0.39%	Auto Parts&Equipment
McAfee LLC	0.39%	Computers
Froneri International Ltd	0.38%	Food
Masmovil Holdphone SA	0.39%	Telecommunications
Lumen Technologies Inc	0.33%	Telecommunications
Nidda Healthcare Holding GmbH	0.36%	Pharmaceuticals

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

Portfolio Rating Breakdown



Source: AXA IM, as of April 2022

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Monthly Commentary

April saw a continuation of the recovery from the losses experienced in February following the Russian invasion of Ukraine. During April, the fund gained 2.3% which leaves the year-to-date performance at +1.4%. Part of this good performance is due to the USD exposure in Volta (+1.6% contribution in April).

Turning to the broad asset classes, the monthly performances** were: +0.8% for Bank Balance Sheet transactions, +0.9% for CLO equity tranches; +0.5% for CLO debt; +0.7% for Cash Corporate Credit and ABS (together representing 2.8% of NAV).

Most markets were relatively flat in April including the US and the European loan markets. Relative to end-of-year levels, loan prices were down by roughly 1% in the US and 1.5% in Europe on average. Both markets are now 1% lower in terms of average prices.

Our view is unchanged: we still think that we may see an increase in default rates: 1 to 2% for 2022 and 2 to 3% for 2023 seem reasonable expectations for both loan markets.

With central banks fighting against inflation, we may see volatility continuing during the rest of the year. Given the significant weight of CLO Equities, the outlook for Volta mainly depends on the magnitude of positive impacts (purchasing loans at a discount and new loans at higher spreads) to compensate for the negative outcome coming from higher default rates.

One clear and positive thing is the fact that most of Volta's CLO Equity positions have been sourced, refinanced or reset in 2021 with a relatively low cost of debt and relatively long reinvestment periods. If loan spreads are to be higher for some time, we will benefit from the increase in the weighted average spread of the underlying loan pools while the cost of leverage has been fixed at a relatively low level.

For the coming quarters, there are no signs that Volta may suffer from any diversion of cashflows from its CLO Equity positions. Receiving a continuing high level will allow us to take advantage of opportunities arising from the current market environment while paying a solid quarterly dividend.

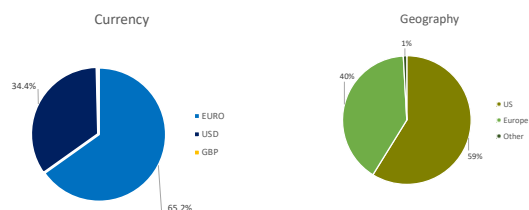
In April, Volta received the equivalent of €9.7m in terms of interest and coupons. For the 6 months ended April 2022, Volta received €22.5m interest and coupons representing a 17.0% annualized return on NAV.

As at the end of April 2022, Volta's NAV was €264.1m or €7.22 per share.

*** It should be noted that approximately 9.4% 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 3.0% as at 31 March 2022, 5.9% as at 31 January 2022, and 0.5% as at 31 December 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 (%)



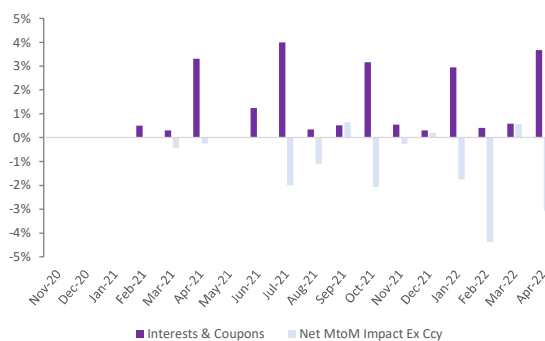
Source: AXA IM, as of April 2022 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	247.2	USD CLO Equity	27.9%
		USD CLO Debt	21.2%
		EUR CLO Equity	26.2%
		EUR CLO Debt	8.8%
		CMV	5.9%
		CLO Warehouse	2.6%
		Synthetic Credit	15.0
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	5.6%
Cash Corporate Credit	4.1	Cash Corporate Credit Equity	1.5%
		Cash Corporate Credit Debt	0.0%
		ABS Residual Positions	1.2%
ABS	3.2	ABS Residual Positions	1.2%
		ABS Debt	0.0%
Cash or equivalent	(2.3)	Cash or equivalent	-0.9%
GAV	267.2		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(3.1)	Fees due to Investment Manager	(1.2)%
Estimated NAV	264.1	Per Share	7.22

Source: AXA IM, as of April 2022

Last Eighteen Months Performance Attribution



Source: AXA IM, as of April 2022

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