

Volta Finance Ltd

Monthly Report – November 2021



Data as of 30 Nov 2021

Gross Asset Value	€284.2m
Liabilities	€13.6m
NAV	€270.6m
NAV per share	€7.40
Outstanding Shares	36.6m
Share Price (Euronext)	€6.24
Share Price (LSE)*	€6.20
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	2.4 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%	1.0%
Annualised since inception ¹	Annualised over 5 years ¹	1 month ²

€270.6m

NAV as of November 2021

8.7%

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%	1.9%	1.2%	1.0%		17.5%
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%

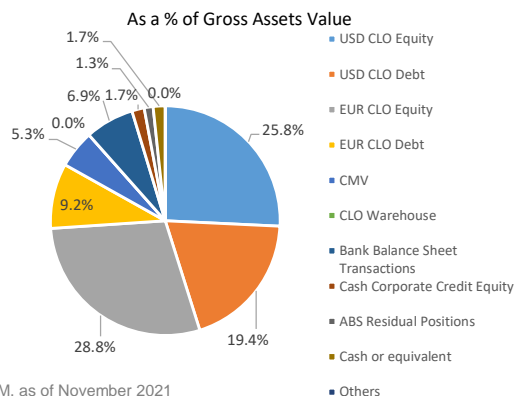
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

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



Source: AXA IM, as of November 2021

Historical Performance



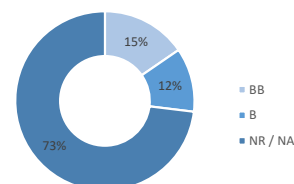
Source: Bloomberg, as of November 2021

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.76%	Telecommunications
EG Group Ltd	0.56%	Retail
Virgin Media Secured Finance PLC	0.52%	Media
Froneri International Ltd	0.44%	Food
Clarios Global LP	0.41%	Auto Parts&Equipment
Asurion LLC	0.42%	Insurance
Upfield BV	0.37%	Food
BMC Software Inc	0.37%	Software
Lumen Technologies Inc	0.34%	Telecommunications
Masmovil Holdphone SA	0.36%	Telecommunications

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

Portfolio Rating Breakdown



Source: AXA IM, as of November 2021

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Monthly Commentary

November's performance was positive at +1.0%. The year-to-date total return of the Company is 17.5%. Once again this month, the performance of Volta's portfolio bore little correlation to wider markets: loan cash flows remained resilient and no meaningful news arose to alter the expectation that defaults will remain low and cash flows strong.

The new Omicron Covid variant had a much wider impact on broad equity market valuation but did not seem to significantly influence the solid outlook for loans in 2022 and 2023. There remain billions available to refinance debt (including loans) and the maturity wall of loan markets, both in the US and in Europe, appears to be moving from 2025/2026 to 2028/2029 as a result. Consequently, we anticipate several years with relatively low default rates (as at the end of November, last-12-month default rates are respectively 0.3% and 0.8% in the US and Europe).

For Volta, we remain significantly exposed to CLO Equity positions (2/3rds of our assets) to benefit from the large cash flows such positions are paying so far and are expected to continue paying. In 2021 we succeeded in reshaping most of our CLO equity positions by refinancing or resetting the long-term leverage that supports the CLO Equity position arbitrage. All other things being equal, we can expect to receive higher and longer-term cash flows from such CLO Equity positions.

November is generally a relatively low-volume month in terms of CLO interests and coupons with the equivalent of €1.2m being received. On a 6-month rolling basis to the end of November, Volta received the equivalent of €25.9m, representing a 19.1% annualised cash flow yield, based on the end of the month NAV.

In November, we purchased some BB and B tranches of CLOs, we took the opportunity of a CLO reset to add to an existing CLO Equity position at a very competitive price (81.5% of par) and we opened a new European CLO Warehouse for a total of €15.7m equivalent.

Turning to the detailed asset classes, the monthly performances** were: +0.8% for Bank Balance Sheet transactions, +0.7% for CLO equity tranches; -0.1% for CLO debt; +0.3% for Cash Corporate Credit and ABS (together representing 3.0% of NAV). The long USD exposure contributed positively to the monthly performance by 0.7%.

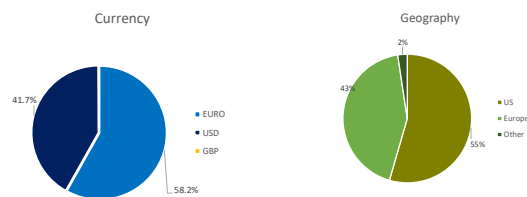
As at the end of November Volta is fully invested and CLO Debt/Equity/Warehouses are representing 90% of the assets. Month after month we are gradually transitioning Volta towards being a pure CLO vehicle and this process will continue with the remaining residual non-CLO assets during 2022.

As at the end of November 2021, Volta's NAV was €270.6m or €7.40 per share.

**It should be noted that approximately 9.2% 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 3.2% as at 31 October 2021, 0.7% as at 30 September 2021, and 5.3% as at 31 July 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 (%)



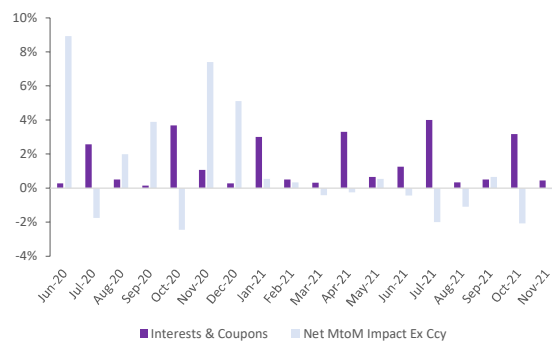
Source: AXA IM, as of November 2021 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	251.3	USD CLO Equity	25.8%
		USD CLO Debt	19.4%
		EUR CLO Equity	28.8%
		EUR CLO Debt	9.2%
		CMV	5.3%
		CLO Warehouse	0.0%
Synthetic Credit	19.6	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	6.9%
Cash Corporate Credit	4.8	Cash Corporate Credit Equity	1.7%
		Cash Corporate Credit Debt	0.0%
ABS	3.7	ABS Residual Positions	1.3%
		ABS Debt	0.0%
Cash or equivalent	4.8	Cash or equivalent	1.7%
GAV	284.2		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(13.6)	Fees due to Investment Manager	(4.8)%
Estimated NAV	270.6	Per Share	7.40

Source: AXA IM, as of November 2021

Last Eighteen Months Performance Attribution



Source: AXA IM, as of November 2021

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