

Volta Finance Ltd

Monthly Report – July 2021



Data as of 31 Jul 2021

Gross Asset Value	€281.2m
Liabilities	€13.3m
NAV	€267.9m
NAV per share	€7.32
Outstanding Shares	36.6m
Share Price (Euronext)	€6.02
Share Price (LSE)*	€6.05
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	2.6 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%	6.7%	2.5%
Annualised since inception ¹	Annualised over 5 years ¹	1 month ²

€267.9m	8.5%
NAV as of July 2021	Trailing 12-month Div. Yield ³

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%	2.5%						14.1%
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)

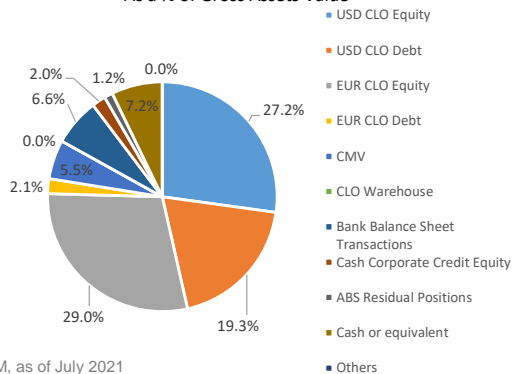
² Performance of published NAV (including dividend payments)

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

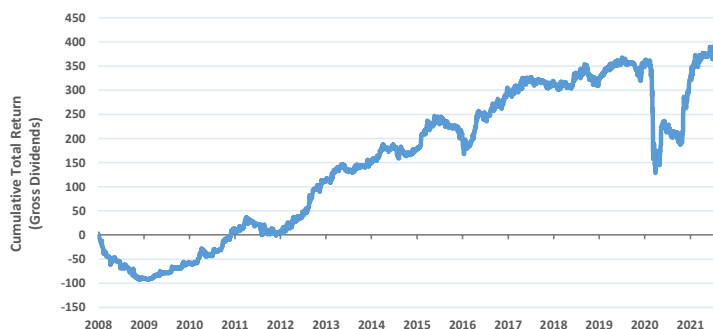
Asset Breakdown

As a % of Gross Assets Value



Source: AXA IM, as of July 2021

Historical Performance



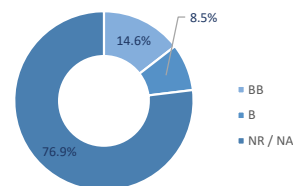
Source: Bloomberg, as of July 2021

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	0.54%	Media
Froneri International Ltd	0.49%	Food
Clarios Global LP	0.45%	Auto Parts&Equipment
Asurion LLC	0.41%	Insurance
Upfield BV	0.38%	Food
BMC Software Inc	0.38%	Software
Masmovil Holdphone SA	0.35%	Telecommunications
Lumen Technologies Inc	0.35%	Telecommunications

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

Portfolio Rating Breakdown



Source: AXA IM, as of July 2021

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Monthly Commentary

Volta had a good performance in July, gaining +2.5% including a €0.14 dividend. That brings the total return of the fund to 14.1% year-to-date.

The monthly asset class performances** were: +1.7% for Bank Balance Sheet transactions, +5.0% for CLO equity tranches; +0.6% for CLO debt; -1.4% for Cash Corporate Credit and ABS (together representing 3.2% of GAV).

As expected, July 2021 was a new high in terms of interest and coupons received with the equivalent of €12.6m. Two CLO equity positions were paying their interest for the first time, contributing to the equivalent of €2.1m to this amount.

On a 6-month rolling basis, Volta received the equivalent of €28.3m at the end of July, representing a 21.1% annualised cash flow yield, based on the end of July NAV, a significant increase since the end of June measure.

This high level of interest and coupons being received validates Volta's strategy over the last 3 years to increase the allocation to CLO equity tranches. 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 will continue in the long term.

In addition, in 2021 Refinancing and Resetting of existing positions is generating both short-term gains and longer-term enhanced cash flows. By the end of July, we had refinanced 7 positions and succeeded in operating two Resets. Such operations will contribute to gaining solid cash flows in the coming quarters. The two Resets inserted a B-rated tranche into the capital structure of both CLOs. In both circumstances, the proceeds generated by the issuance of the B-rated tranche were directly paid to our equity positions, lowering the principal amount at risk for Volta. These B tranche proceeds are not included in the total of Interest and Coupons mentioned above as such payments have to be considered as principal.

In July, Volta purchased a new EUR B CLO tranche for €1.9m and now has circa €10m available for investment. A USD CLO warehouse is expected to be arranged in the coming weeks.

As at the end of July 2021, Volta's NAV was €267.9m or €7.32 per share.

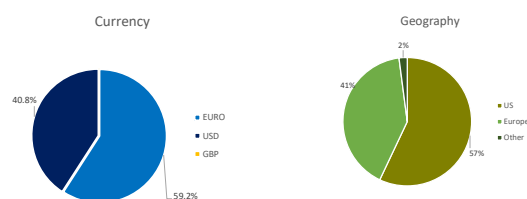
The month-end cash position was €20.2m.

**It should be noted that approximately 2.6% 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 1.7% as at 30 June 2021 and 0.9% as at 31 March 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.*

****'MOIC' means Multiple on Invested Capital*

Currency and Geography exposures (%)



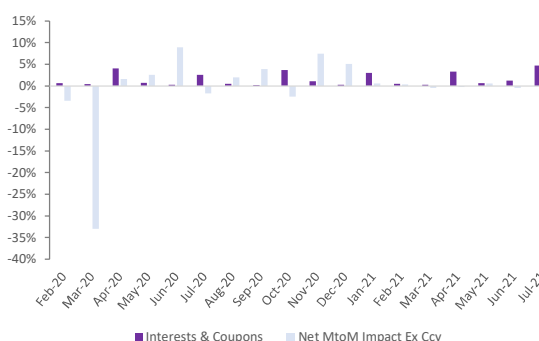
Source: AXA IM, as of July 2021 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	233.5	USD CLO Equity	27.2%
		USD CLO Debt	19.3%
		EUR CLO Equity	29.0%
		EUR CLO Debt	2.1%
		CMV	5.5%
		CLO Warehouse	0.0%
Synthetic Credit	18.7	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	6.6%
Cash Corporate Credit	5.5	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	20.2	Cash or equivalent	7.2%
GAV	281.2		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(13.3)	Fees due to Investment Manager	(4.7)%
Estimated NAV	267.9	Per Share	7.32

Source: AXA IM, as of July 2021

Last Eighteen Months Performance Attribution



Source: AXA IM, as of July 2021

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