

MONTHLY REPORT

Volta Finance Ltd



Data as at 29 July 2016

Gross Asset Value	€329.8m
Estimated liabilities	€42.4m
Estimated NAV	€287.4m
Estimated NAV per share	€7.87
Outstanding Shares	36.5m
Share Price (Euronext)	€6.83
Share Price (LSE)	€6.80
Tickers	VTA.NA VTA.LN
ISIN	GG00B1GHHH78

Fund Facts

Launch Date	Dec-2006
Fund Domicile	Guernsey
Listing and Trading	AEX LSE
Type of Fund	Closed-ended
Dividend	Semi-annual
Trailing 12m Div. Yield ³	9.1%
Base currency	EUR
Assets 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

+11.1%	23.6%
Annualised since inception ¹	Annualised over 5 years ¹
5.5%	€287.4m
1 month ²	Estimated NAV as of July-16

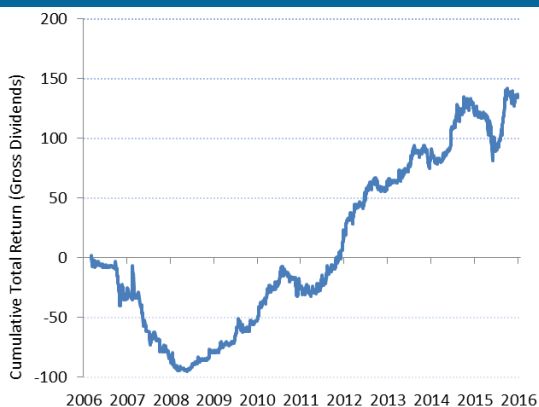
Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-4.0%	-2.9%	4.2%	2.0%	1.3%	-0.9%	5.5%						4.6%
2015	3.7%	1.3%	3.1%	1.7%	1.6%	-0.7%	0.1%	-0.6%	-1.7%	0.1%	1.1%	0.1%	10.0%
2014	2.7%	-1.6%	0.8%	0.7%	1.5%	0.7%	1.3%	1.3%	2.4%	0.4%	1.7%	0.3%	12.4%
2013	3.6%	1.5%	2.5%	0.1%	4.1%	-0.7%	3.1%	2.0%	0.7%	2.4%	2.9%	1.3%	25.3%
2012	5.1%	6.0%	11.9%	-2.1%	5.4%	0.0%	4.2%	6.7%	5.4%	4.2%	2.0%	0.5%	56.8%

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

² Performance of published Estimated NAV (including dividend payments)

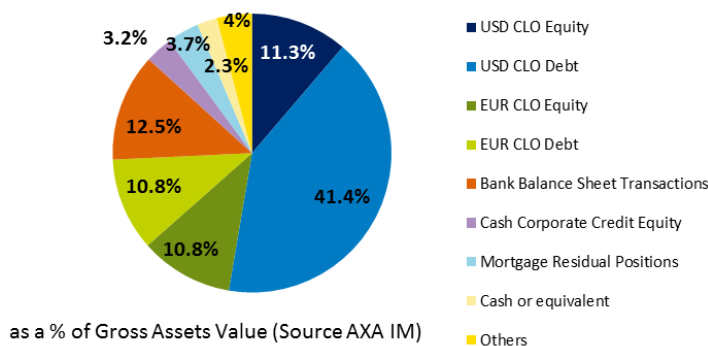
³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of July-2016

Asset Breakdown



Source: AXA IM, as of July-2016

Monthly Commentary

In July, Volta's Estimated NAV gained 5.5% following the broad rally in most credit and equity markets after the retrenchment in June in the wake of the Brexit vote.

As at the end of July, the YTD NAV performance was 4.6%, including the April dividend payment. AXA IM still expects to produce a performance in the area of 10% for this year, after 10% in 2015 and 12.4% in 2014.

Volta purchased four assets in July (two euro CLO Equity tranches, one USD CLO Equity tranche and one European RMBS debt tranche) for a total of €10.6m. On average and based on standard market assumptions, these purchases were yielding close to 10.5%. During the month four positions (two USD CLO Debt tranches and two euro CLO Debt tranches) were sold for the equivalent of €8.0m (having projected yield, on average and based on standard market assumptions, close to 4.5%).

In July, mark-to-market variations** of Volta's asset classes were: +0.9% for Synthetic Corporate Credit deals; +4.5% for CLO Equity tranches; +8.0% for CLO Debt tranches, -1.2% for Cash Corporate Credit deals; and, -0.1% for ABS. In July, USD CLO tranches, in particular from 2.0 deals, led the rally. After showing good defensive characteristics for several months Volta was able to participate in the rally.

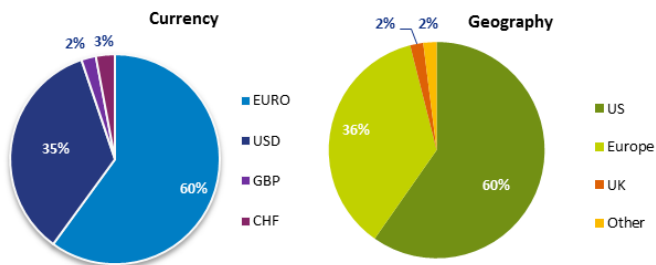
In July, Volta generated the equivalent of €4.9m in interest and coupons (non-euro amounts translated into euro using end-of-month cross currency rates), bringing the total cash amount generated in terms of interest and coupons during the last six months to €17.9m.

Cash holdings or cash equivalent instruments at the end of July totaled €7.6m (taking into account some trades unsettled at the end of July) and therefore the Company can be considered as fully invested. AXA IM expects to continue to rotate the portfolio from its old positions to more recently issued deals in order to increase the projected yield of the portfolio.

AXA IM continues to see opportunities in several structured credit sectors including mezzanine and equity tranches of CLOs, RMBS tranches and tranches of Cash Corporate Credit and Synthetic Corporate Credit portfolios.

On 12th August 2016, the Company announced a change to the expected frequency of the dividend distributions from semi-annual to quarterly. The Company intends to make dividend distributions in March, June, September and December.

The Board has also decided to implement a dividend currency election mechanism which will give Volta's shareholders the option to elect to receive their dividends in Sterling. Shareholders who do not elect to receive their dividends in Sterling will continue receiving them in euros. Currency elections, once made, apply to all subsequent dividends but forms will be provided prior to each quarterly dividend. There is no change in the distribution policy other than dividend frequency and currency election.



Source: AXA IM, as of July-2016 (% of NAV for ccy / % of GAV for geography)

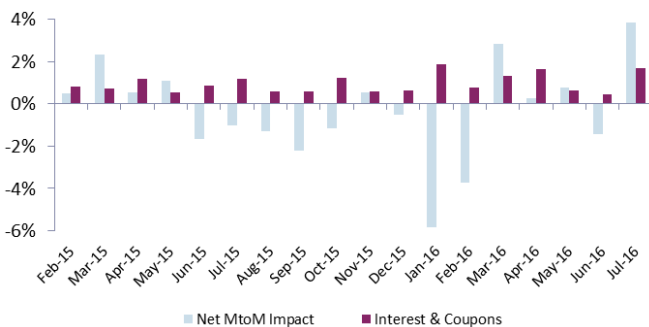
** "Mark-to-market variation" is calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at month-end, payments received from the assets over the period, and ignoring changes in cross currency rates. Nevertheless, some residual currency effects could impact the aggregate value of the portfolio when aggregating each bucket.

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown of Gross Asset Value (% GAV)	
CLO	244.9	USD CLO Equity	11.3%
		USD CLO Debt	41.4%
		EUR CLO Equity	10.8%
		EUR CLO Debt	10.8%
		CLO Warehouse	0.0%
Synthetic Corporate Credit	41.1	Synthetic Corporate Credit Equity	0.0%
		Bank Balance Sheet Transactions	12.5%
Cash Corporate Credit	14.4	Cash Corporate Credit Equity	3.2%
		Cash Corporate Credit Debt	1.2%
ABS	21.8	Mortgage Residual Positions	3.7%
		ABS Debt	2.9%
Cash or equivalent	7.6	Cash or equivalent	2.3%
GAV	329.8		
Liability	(40.4)	Debt from Repurchase Agreement	(12.2)%
Fees due	(2.0)	Fees due to Investment Manager	(0.6)%
Estimated NAV	287.4	Per Share	7.87

Source: AXA IM, as of July-2016

Last Eighteen Months Performance Attribution



Source: AXA IM, as of July-2016

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Ineos Group	0.94	Chemicals
First Data	0.75	Software
Ziggo	0.69	Telecommunications
Community Health Systems	0.67	Healthcare-Services
Valeant Pharmaceuticals	0.54	Pharmaceuticals

Issuer	%	Bloomberg Industry Group
Texas Competitive Electric	0.48	Electric
Dell International	0.48	Household Products
Altice Financing	0.43	Telecommunications
Asurion	0.42	Banking, Finance, Insurance
Nielsen Finance	0.42	Media

Source: Intex, Bloomberg, AXA IM Paris as of July 2016 – unaudited figures - not accounting for unsettled trades nor warehouses. Figures expressed in % of the Estimated NAV

Important Information

* It should be noted that approximately 11% of Volta's GAV comprises investments in funds 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 own NAV on a timely basis as possible in order to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments in funds are valued using the most recently available NAV for each fund. The most recently available fund NAV was as at: 30 June 2016 for 10.3% of Volta's GAV and as at 31 March 2016 for 0.7% of Volta's GAV.

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Volta qualifies as an investment institution within the meaning of the Alternative Investment Fund Managers Directive and is notified as such under the licence held by AXA IM with the Autorité des Marchés Financiers (the "AMF") in France.

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