Volta Finance Ltd
Monthly Report – February 2017

Data as at 28 February 2017

Gross Asset Value	€360.1m
Estimated liabilities	€46.5m
Estimated NAV	€313.6m
Estimated NAV per share	**€8.58**
Outstanding Shares	36.5m
Share Price (Euronext)	€7.36
Share Price (LSE)	€7.42
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	Quarterly
Trailing 12m Div. Yield[3]	8.7%
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).

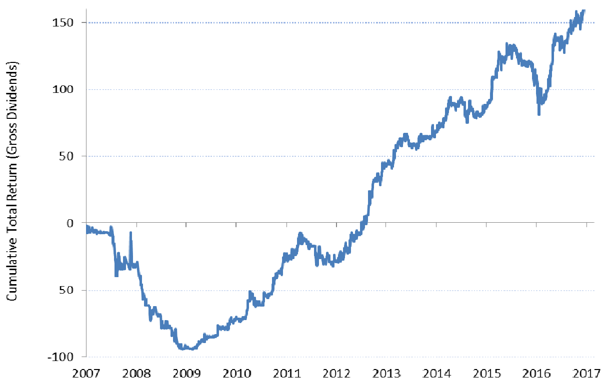
Fund Performance

+11.9% **Annualised since inception[1]**	**27.7%** **Annualised over 5 years[1]**
0.9% **1 month[2]**	**€313.6m** **Estimated NAV as of February-17**

Returns[2]	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.3%	0.9%	-	-	-	-	-	-	-	-	-	-	**2.3%**
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	5.5%	2.8%	1.4%	2.0%	2.7%	1.4%	**15.2%**
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%**

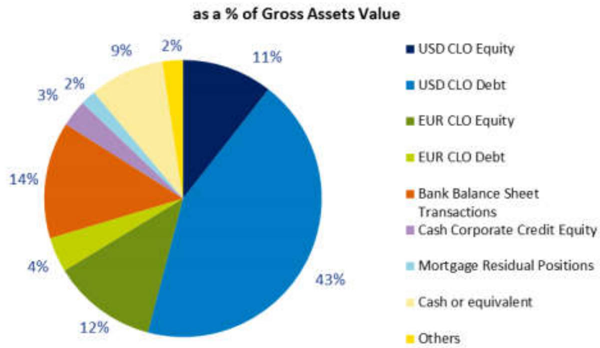
[1] Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bloomberg (TRA function)
[2] Performance of published Estimated NAV (including dividend payments)
[3] Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of February 2017

Asset Breakdown



Source: AXA IM, as of February 2017

Monthly Commentary

In February, Volta's Estimated NAV* performance was 0.9%, in line with a positive performance in most credit and equity markets.

During the month, Volta purchased six USD CLO debt positions and received a drawdown request on the "CMV" announced in the January monthly report for an aggregate equivalent of €15.7m. On average, and based on standard market assumptions, the purchases and the CMV drawdown have an average expected yield close to 9.5%. A BB European CLO tranche was called at par for €2.5m.

At the end of February 2017, Volta's Estimated NAV* was €313.6m or €8.58 per share. The GAV stood at €360.1m.

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In February, mark-to-market variations** of Volta's asset classes were: +1.8% for Synthetic Corporate Credit deals; +0.2% for CLO Equity tranches; +0.5% for CLO Debt tranches, +1.5% for Cash Corporate Credit deals; and +0.1% for ABS.

During February, Volta generated the equivalent of €1.4m in interest and coupons net of repo costs (non-euro amounts translated into euro using end-of-month cross currency rates). This brings the total cash amount generated during the last six months in terms of interest and coupons to €16.6m.

Cash holdings or cash equivalent instruments at the end of February totaled €31.4m.

The current level of cash is higher than usual but reflects our view that credit markets are now quite fully valued and better opportunities will arise in due course. Typically we expect to be able to deploy more capital in CLO Equity tranches and in Bank Balance Sheet transactions. We expect to utilize CLO warehouse exposure as a way to access CLO equity positions with better economics.

Regarding currency and rates exposure, Volta's exposure is basically unchanged since January as the net exposure to USD stands at circa 24% at the end of February (after taking into account the six USD CLO debt purchases that were unsettled) while duration overlay still represents roughly 0.4 years of duration.

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown of Gross Asset Value (% GAV)	
CLO	253.4	USD CLO Equity	10.6%
		USD CLO Debt	43.5%
		EUR CLO Equity	12.2%
		EUR CLO Debt	4.1%
		CLO Warehouse	0.0%
Synthetic Corporate Credit	49.1	Synthetic Corporate Credit E	0.0%
		Bank Balance Sheet Transa	13.6%
Cash Corporate Credit	11.2	Cash Corporate Credit Equity	3.1%
		Cash Corporate Credit Debt	0.0%
ABS	15.0	Mortgage Residual Positions	1.8%
		ABS Debt	2.4%
Cash or equivalent	31.4	Cash or equivalent	8.7%
GAV	**360.2**		
Liability	(42.7)	Debt from Repurchase Agre	(11.8)%
Fees due	(3.9)	Fees due to Investment Man	(1.1)%
Estimated NAV	**313.6**	**Per Share**	**8.58**

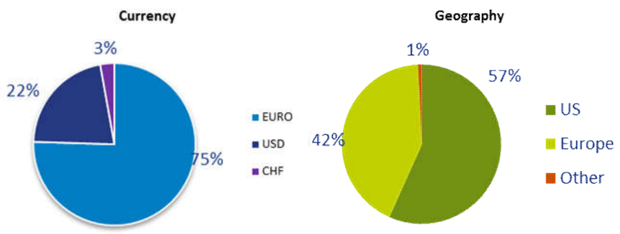
Source: AXA IM, as of February 2017

DIVIDEND CURRENCY ELECTION – CURRENCY CONVERSION RATE

Regarding the dividend of €0.15 per share payable on 30 March 2017, the currency conversion rate for those Shareholders who elected to receive pounds sterling will be 0.87359 pounds sterling per euro, based on the foreign currency exchange rate as at 18:00 (UK time) on 14 March 2017. Consequently, the applicable pounds sterling dividend rate is £0.1310385 per share.

** It should be noted that approximately 10.5% 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 as timely a 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 September 2016 for 0.8% of Volta's GAV and as at 31 January 2017 for 9.7% of Volta's GAV.*

*** "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.*



Source: AXA IM, as of February - 2017 (% of NAV for ccy / % of GAV for geography)

Last Eighteen Months Performance Attribution

Source: AXA IM, as of February 2017

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
First Data	0.92%	Software
Compass Group / Compass Diversified	0.82%	Banking, Finance & Real Estate
Ineos Group	0.76%	Chemicals
Ziggo Secured Finance	0.70%	Telecommunications
TransDigm	0.59%	Aerospace/Defense

Issuer	%	Bloomberg Industry Group
Valeant Pharmaceuticals	0.53%	Pharmaceuticals
Calpine	0.44%	Utilities
Kindred Healthcare	0.40%	Healthcare
Dell International	0.38%	Household Products
Las Vegas Sands	0.37%	Lodging and Casinos

Source: Intex, Bloomberg, AXA IM Paris as of February 2017 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the Estimated NAV

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