

# Volta Finance Ltd

## Monthly Report – July 2017



### Data as at 31 July 2017

Gross Asset Value	€347.1m
Estimated liabilities	€42.0m
Estimated NAV	€305.1m
Estimated NAV per share	<b>€8.35</b>
Outstanding Shares	36.5m
Share Price (Euronext)	€7.46
Share Price (LSE)	€7.56
Tickers	VTA.NA VTA.LN
ISIN	GG00B1GHHH78

### 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

<b>+11.9%</b>	<b>21.8%</b>
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>
<b>-0.2%</b>	<b>€305.1m</b>
1 month <sup>2</sup>	Estimated NAV as of July 17

### 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 <sup>3</sup>	8.6%
Base currency	EUR
Assets types	Corporate Credit and ABS

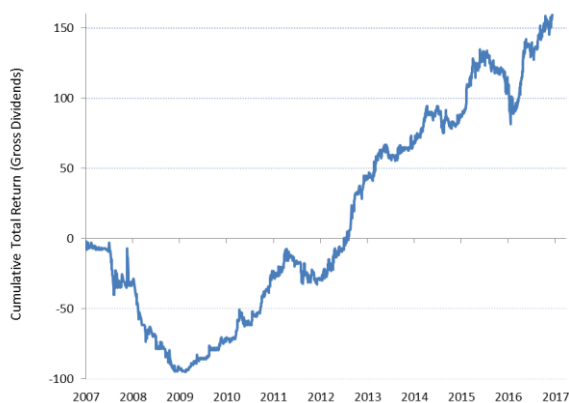
Returns <sup>2</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.3%	0.9%	0.9%	-0.5%	0.6%	0.1%	-0.2%	-	-	-	-	-	<b>3.5%</b>
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	5.5%	2.8%	1.4%	2.0%	2.7%	1.4%	<b>15.2%</b>
2015	3.7%	1.3%	3.1%	1.7%	1.6%	-0.7%	0.1%	-0.6%	-1.7%	0.1%	1.1%	0.1%	<b>10.0%</b>
2014	2.7%	-1.6%	0.8%	0.7%	1.5%	0.7%	1.3%	1.3%	2.4%	0.4%	1.7%	0.3%	<b>12.4%</b>
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%	<b>25.3%</b>

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

<sup>2</sup> Performance of published Estimated NAV (including dividend payments)

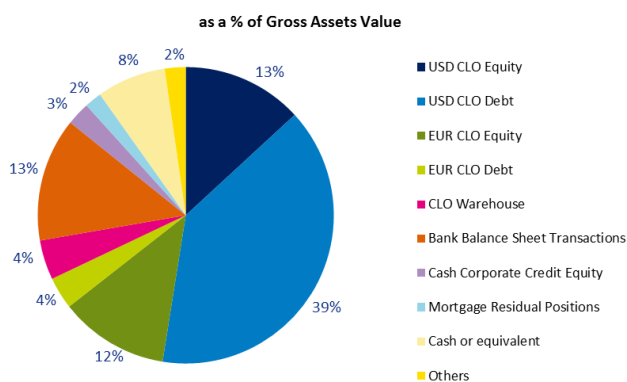
<sup>3</sup> Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

### Historical Performance



Source: Bloomberg (TRA function) as of July 2017

### Asset Breakdown



Source: AXA IM, as of July 2017

### Monthly Commentary

In July, Volta’s Estimated NAV\* performance was -0.2%. The performance would have been far higher without the negative impact of the USD depreciation against Euro. Volta’s USD exposure, ranging between 27% and 30% of its NAV in July, cost 0.9% to the monthly performance.

During the month, Volta purchased two assets (2 USD CLO Debt) and was further drawn on a warehouse commitment made earlier this year. The equivalent of €12.3m in total was deployed with an average projected yield close to 9.5% under standard assumptions. The equivalent of €2.5m of principal was received from the existing CMV position as well as the equivalent of €4.3m from one USD CLO equity position being partially called.

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At the end of July 2017, Volta's Estimated NAV was €305.1m or €8.35 per share. The GAV stood at €347.1m.

In July, mark-to-market variations\*\* of Volta's asset classes were: +0.5% for Synthetic Corporate Credit deals; +2.1% for CLO Equity tranches; +0.5% for CLO Debt tranches, +10.9% for Cash Corporate Credit deals; and +0.8% for ABS.

In July, Volta generated the equivalent of €6.2m 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 €15.4m.

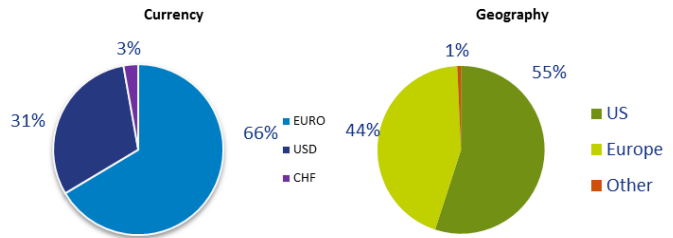
Cash holdings or cash equivalent instruments at the end of July totaled €26.3m.

The CLO market was very active again this month with the pursuit of refinancing and reset activities. It has been beneficial to the CLO equity positions that were able to lock in a cheapest cost of debt. BB tranches of european CLOs tightened significantly and we decided to pursue the rebalancing of our CLO Debt bucket in favour of dollar tranches.

*"It should be noted that approximately 9.0% 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 June 2017 for 9.0% 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.*

### Currency and Geography exposures (%)



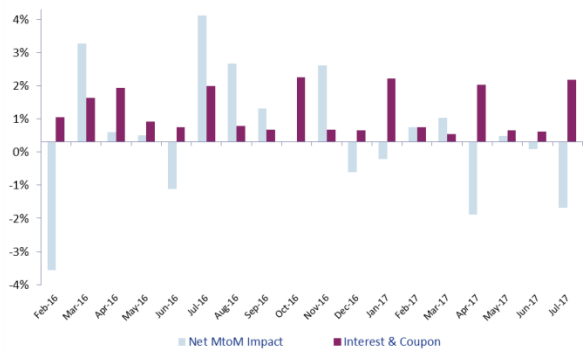
Source: AXA IM, as of July 2017 (% of NAV for ccy / % of GAV for geography)

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	250.8	USD CLO Equity	13.2%
		USD CLO Debt	39.3%
		EUR CLO Equity	11.9%
		EUR CLO Debt	3.5%
		CLO Warehouse	4.3%
Synthetic Corporate Credit	46.8	Synthetic Corporate Credit Equity	0.0%
		Bank Balance Sheet Transactions	13.5%
Cash Corporate Credit	8.8	Cash Corporate Credit Equity	2.5%
		Cash Corporate Credit Debt	0.0%
ABS	14.4	Mortgage Residual Positions	1.9%
		ABS Debt	2.3%
Cash or equivalent	26.3	Cash or equivalent	7.6%
<b>GAV</b>	<b>347.1</b>		
Liability	(38.2)	Debt from Repurchase Agreement	(11.0)%
Fees due	(3.7)	Fees due to Investment Manager	(1.1)%
<b>Estimated NAV</b>	<b>305.1</b>	<b>Per Share</b>	<b>8.35</b>

Source: AXA IM, as of July 2017

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of July 2017

### Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice Financing	0.69%	Telecommunications
Ineos Group	0.61%	Chemicals
Dell International	0.57%	Household Products
Ziggo	0.54%	Telecommunications
TransDigm	0.45%	Aerospace/Defense

Issuer	%	Bloomberg Industry Group
Calpine	0.43%	Utilities
Monarch/Allnex /AI Chem	0.31%	Chemicals
First Data Corporation	0.36%	Software
Asurion	0.36%	Building and Development
ION Media Networks	0.35%	Media

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

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