

Volta Finance Ltd

Monthly Report – May 2019



Data as of 31 May 2019

Gross Asset Value	€337.5m
Liabilities	€40.0m
NAV	€297.5m
NAV per share	€8.13
Outstanding Shares	36.6m
Share Price (Euronext)	€7.02
Share Price (LSE)	€6.97
	VTA.NA
Tickers	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	1.8 times
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

9.6% 10.2% +1.3%
 Annualised since inception¹ Annualised over 5 years¹ 1 month²

€297.5m +8.8%
 NAV as of May 2019 Trailing 12-month Div. Yield³

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	3.1%	0.4%	0.5%	1.9%	1.3%								7.3%
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%	0.1%
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%	6.6%
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%

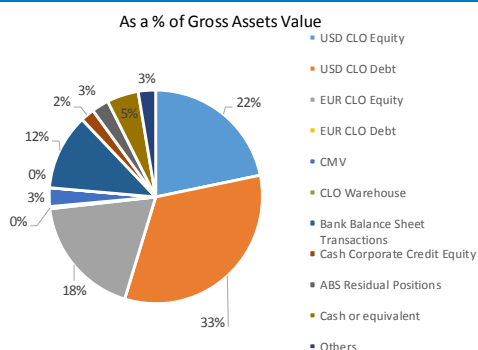
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

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 May 2019

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Alice France SA/France	0.69%	Telecommunications
CenturyLink Inc	0.37%	Telecommunications
Refinitiv US Holdings Inc	0.34%	Commercial Services
EG Group Ltd	0.35%	Retail
Texas Competitive Electric Holdings Co LLC	0.34%	Electric
TransDigm Inc	0.36%	Aerospace/Defense
Asurion LLC	0.34%	Insurance
Verisure Holding AB	0.29%	Commercial Services
Calpine Corp	0.32%	Electric
Nouryon Finance BV	0.28%	Chemicals

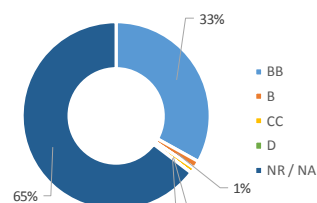
Source: Intex, Bloomberg, AXA IM Paris as of May 2019 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

Historical Performance



Source: Bloomberg, as of May 2019

Portfolio Rating Breakdown



Source: AXA IM, as of May 2019

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Monthly Commentary

In May, Volta's NAV* total return performance was +1.3%, bringing the YTD performance to 7.3%.

This good performance, in May and since the beginning of the year, demonstrated again Volta's ability to generate performance as soon as the overall environment is supportive. In 2016, after suffering the contagion of the oil and gas crisis in the US, Volta experienced a similarly strong performance (15.2% in calendar 2016). With a 7.4% performance as at the end of May, 2019 is showing very similar momentum as Volta's portfolio still yields in excess of 11%.

For the rest of 2019 we expect neither a significant economic downturn, nor any significant episode of volatility, as we see signs that investors have been and remain cautious in deploying capital. This continued skepticism, in some way, limits the probability of a significant hike in volatility.

In May, all sub-asset classes contributed to the performance as the monthly performances were, in local currency: +0.8% for Bank Balance Sheet transactions, +1.5% for CLO Equity tranches; +1.1% for CLO Debt; +1.5% for Cash Corporate Credit deals; and +0.2% for ABS.

As at the end of May, taking into account the need to pay the June dividend payment (€15 cents per share on 27th June) Volta is almost fully invested having received in May €3.6m as the final payment of a Bank Balance sheet transaction initiated in May 2016 (a Swiss SME transaction that was couponing at CHF3m Libor + 11.8%).

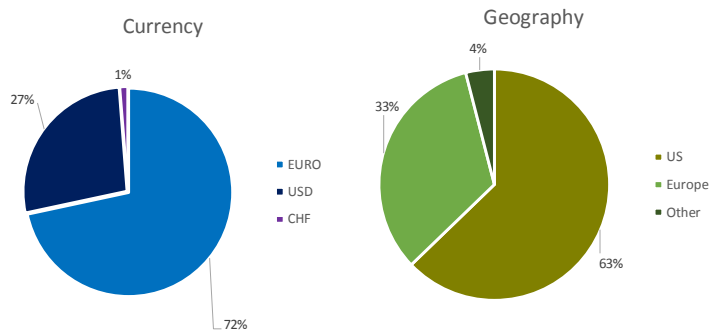
As at the end of May we saw again the positive impact of Volta's current strategy (increasing the CLO Equity bucket and reducing CLO debt and the leverage on CLO debt) as Volta was able to maintain its ongoing cash flows at an historically high level. The total cash amount generated during the last six months in terms of interest and coupons reached €20.2m, an annualised 13.6% yield to closing NAV.

As at the end of May 2019, Volta's NAV was €297.5m or €8.13 per share. The GAV stood at €337.5m.

"It should be noted that approximately 10.2% 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 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 are valued using the most recently available NAV for each fund or quoted price for such subordinated note. The most recently available fund NAV or quoted price was for 6.3% as at 30 April 2019 and for 3.9% as at 29 March 2019.

*** "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 (%)



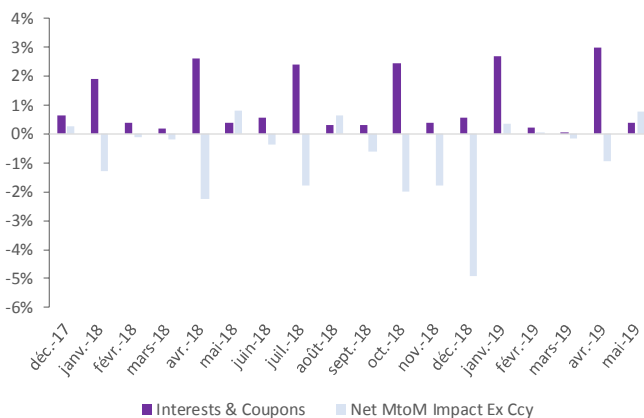
Source: AXA IM, as of May 2019 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	257.3	USD CLO Equity	21.8%
		USD CLO Debt	33.0%
		EUR CLO Equity	16.5%
		EUR CLO Debt	0.3%
		CMV	2.8%
		CLO Warehouse	0.0%
Synthetic Corporate Credit	38.8	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	11.5%
Cash Corporate Credit	7.1	Cash Corporate Credit Equity	2.1%
		Cash Corporate Credit Debt	0.0%
ABS	17.7	ABS Residual Positions	2.6%
		ABS Debt	2.6%
Cash or equivalent	16.6	Cash or equivalent	4.9%
GAV	337.5		
Liability	(36.1)	Debt from Repurchase Agreement	(10.7)%
Fees due	(3.9)	Fees due to Investment Manager	(1.2)%
Estimated NAV	297.5	Per Share	8.13

Source: AXA IM, as of May 2019

Last Eighteen Months Performance Attribution



Source: AXA IM, as of May 2019

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