

# Volta Finance Ltd

## Monthly Report – October 2020



### Data as of 31 Oct 2020

Gross Asset Value	€222.7m
Liabilities	€0.9m
NAV	€221.9m
NAV per share	€6.07
Outstanding Shares	36.6m
Share Price (Euronext)	€3.92
Share Price (LSE)	€4.05
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 <sup>4</sup>	2.2 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

<b>5.2%</b>	<b>-1.8%</b>	<b>1.6%</b>
Annualised since inception <sup>1</sup>	Annualised over 5 years <sup>1</sup>	1 month <sup>2</sup>

**€221.9m**

NAV as of October 2020

**12.2%**

Trailing 12-month Div. Yield<sup>3</sup>

Returns <sup>2</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	1.1%	-2.6%	-32.4%	5.7%	4.5%	6.9%	-1.2%	1.9%	4.8%	1.6%			<b>-16.0%</b>
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%	<b>6.7%</b>
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%	<b>0.1%</b>
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%	<b>6.6%</b>
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%	<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>

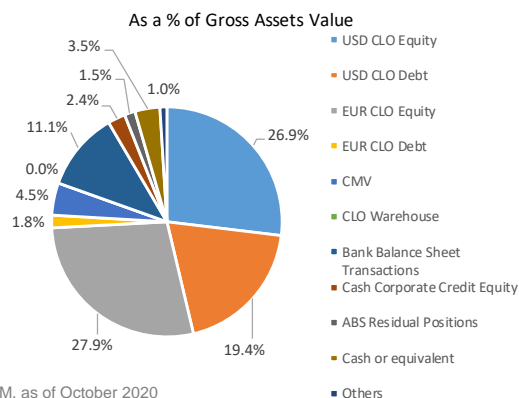
<sup>1</sup> Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bbg (TRA function)

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

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

<sup>4</sup> Calculated as total income divided by the most recent annual dividend payments

### Asset Breakdown



Source: AXA IM, as of October 2020

### Historical Performance



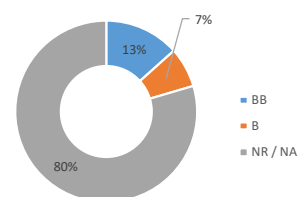
Source: Bloomberg, as of October 2020

### Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice France SA/France	0.58%	Telecommunications
EG Group Ltd	0.45%	Retail
Clarios Global LP	0.44%	Auto Parts&Equipment
Froneri International Ltd	0.49%	Food
Virgin Media Secured Finance PLC	0.42%	Media
GTT Communications Inc	0.36%	Telecommunications
Upfield BV	0.39%	Food
Action Nederland BV	0.25%	Retail
Asurion LLC	0.32%	Insurance
Paysafe Group Ltd	0.24%	Internet

Source: Intex, Bloomberg, AXA IM Paris as of October 2020 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the NAV

### Portfolio Rating Breakdown



Source: AXA IM, as of October 2020

# Volta Finance Ltd

## Monthly Report – October 2020

### Monthly Commentary

In October, including the €0.11 per share dividend paid, the monthly performance of Volta was +1.6%, a relatively good performance for a month that was characterized by the resumption of the COVID crisis in Europe and growing uncertainties pre-US elections.

The monthly asset class performances\*\* were in local currency: -1.9% for Bank Balance Sheet transactions, +2.9% for CLO Equity tranches; -0.4% for CLO Debt; -0.1% for Cash Corporate Credit deals (this bucket comprises funds that have a one-month delay in publishing their NAV); and -0.1% for ABS.

As we have noted previously, CLO quarterly cash flows are concentrated mostly into one month. In the third quarter that is in October. This month the interest and coupons received by Volta represented the equivalent of €8.1m. This amount is significantly above the July level of €5.3m when CLO equity payments had been negatively affected by technical issues (US Libor rate decline and many European companies that elected during the spring to pay their interest on a 6-month basis). It is notable that this amount was also above pre-COVID levels; the equivalent of €7.8m was received in April 2020 before the pandemic impacted CLO waterfalls.

On a 6-month rolling basis, Volta received the equivalent of €16.8m as at the end of October, representing a 15.1% annualised yield, based on the end of October NAV.

At the time of writing this comment, Pfizer, partnering with BioNTech, has announced they have successfully passed the clinical trials for a vaccine against COVID. Market reactions were strong and, for example, US CCC Loans rose from circa 68 to 72% on the day of the announcement. US CLO BB tranches were up 3%. Even though there are still unresolved issues with this pandemic, it is good news for credit. In the case of a positive outcome on the vaccine front, with more pharmaceutical companies sharing similar positive news in the upcoming weeks, the future for loans and credit more generally would look less worrying.

For Volta's CLO positions, it is clearly not the end of the story but this type of news reduces the risk of suffering interruption or diversion of payments. November performance to date for CLO Equity and Debt has been strong.

In October, the Euro CLO warehouse held by Volta was transformed into a performing CLO and we invested as well into a new USD CLO Equity position (managed by Symphony) for \$4.4m. Most of the loan pool of this last position was ramped pre and during the US election with some discount.

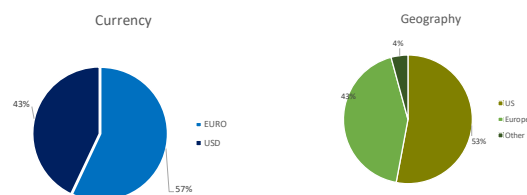
As at the end of October 2020, Volta's NAV was €221.9m or €6.07 per share.

The month-end available cash position was €7.8m.

*\*It should be noted that approximately 11.9% 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 note. The most recently available fund NAV or quoted price was for 5.8% as at 30 September 2020 and 6.1% as at 30 June 2020.*

*\*\* "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.*

### Currency and Geography exposures (%)



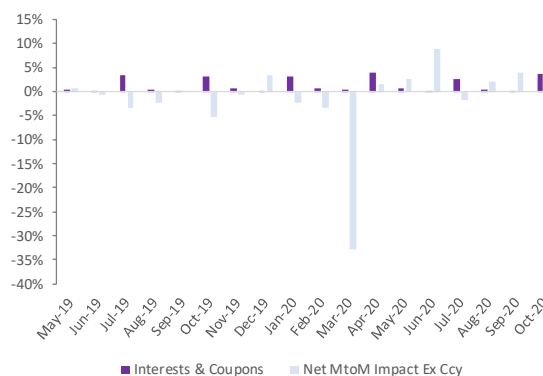
Source: AXA IM, as of October 2020 (% of NAV for ccy / % of GAV for geography)

### Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	179.2	USD CLO Equity	26.9%
		USD CLO Debt	19.4%
		EUR CLO Equity	27.9%
		EUR CLO Debt	1.8%
		CMV	4.5%
		CLO Warehouse	0.0%
Synthetic Credit	24.8	Synthetic Corporate Credit Equity	0.0%
		Synthetic Corporate Credit Debt	0.0%
		Bank Balance Sheet Transactions	11.1%
Cash Corporate Credit	5.4	Cash Corporate Credit Equity	2.4%
		Cash Corporate Credit Debt	0.0%
ABS	5.5	ABS Residual Positions	1.5%
		ABS Debt	1.0%
Cash or equivalent	7.8	Cash or equivalent	3.5%
<b>GAV</b>	<b>222.7</b>		
Liability	-	Debt from Repurchase Agreement	0.0%
Fees due	(0.9)	Fees due to Investment Manager	(0.4)%
<b>Estimated NAV</b>	<b>221.9</b>	<b>Per Share</b>	<b>6.07</b>

Source: AXA IM, as of October 2020

### Last Eighteen Months Performance Attribution



Source: AXA IM, as of October 2020

## Volta Finance Ltd

### Monthly Report – October 2020

#### Important Information

This monthly report is published by AXA Investment Managers Paris (“AXA IM”), in its capacity as alternative investment fund manager (within the meaning of Directive 2011/61/EU, the “AIFM Directive”) of Volta Finance Limited (the “Company”) whose portfolio is managed by AXA IM. This monthly report is intended only for the person to whom it has been delivered. By obtaining access to and reviewing this monthly report, you acknowledge and agree to be bound by the following: No part of this document may be reproduced in any manner without the prior written permission of AXA IM. This monthly report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of the Company whose portfolio is managed by AXA IM, or securities of any other entity (together, the “Securities”). The Securities described in this monthly report may not be eligible for sale in some states or countries and may not be suitable for all types of investors. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Securities in the Company may not be offered or sold directly or indirectly into the United States or to U.S. Persons. Nor shall this monthly report or any part of it nor the fact of its distribution or publication (on the Company’s website or otherwise) form the basis of, or be relied on in connection with, any contract or investment decision in relation to the Securities. This monthly report does not constitute a recommendation to buy, sell or hold the Securities. The information contained herein is for information purposes only, does not purport to contain all the information that may be required to evaluate the Company or any other entity or their respective financial positions. This monthly report speaks only as of its date and neither AXA IM nor the Company is under any obligation to update the information contained herein. Certain information and estimates contained herein are originated by or derived from third parties and the accuracy and completeness of such information and estimates has not been verified. It should also be noted that the financial information contained herein has not been audited. No representation or warranty whatsoever, whether express or implied, is given by or on behalf of AXA IM, the Company, their affiliates, or their respective directors, officers or employees or any other person as to (a) the accuracy or completeness of the information or (b) the opinions contained in this monthly report. None of AXA IM, the Company, any of their affiliates, or their respective directors, officers or employees or any other person accepts any liability whatsoever for any such information or opinions. Nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance of the Company, any other entity, any Securities or any asset class in the Company’s portfolio. The figures provided that relate to past months or years and past performance cannot be relied on as a guide to future performance or construed as a reliable indicator as to future performance. Throughout this review, the citation of specific trades or strategies is intended to illustrate some of the investment methodologies and philosophies of the Company, as implemented by AXA IM. The historical success or AXA IM’s belief in the future success, of any of these trades or strategies is not indicative of, and has no bearing on, future results. No statement in this monthly report is intended to be nor may be construed as a profit forecast and there can be no assurance that the assumptions described herein, the returns and targets (including without limitation target portfolio composition) indicated herein will be achieved. The views and opinions expressed herein include forward-looking statements which may or may not be accurate. Forward-looking statements can be identified by words like “believe”, “expect”, “anticipate”, or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. AXA IM disclaims any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. The valuation of financial assets can vary significantly from the prices that the AXA IM could obtain if it sought to liquidate the positions on behalf of the Company due to market conditions and general economic environment. Such valuations do not constitute a fairness or similar opinion and should not be regarded as such. They follow the valuation policy of the Company as adapted from time to time in the best interests of the shareholders, taking into account the conditions of financial markets at that time. Volta qualifies as an alternative investment fund within the meaning of the AIFM Directive and is notified as such under the license held by AXA IM with the Autorité des Marchés Financiers (the “AMF”) in France.

Editor: AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6, Place de la Pyramide 92908 Paris – La Défense cedex – France, registered with the Nanterre Trade and Companies Register under number 353 534 506, a Portfolio Management Company, holder of AMF Approval no. GP 92-08, issued on 7 April 1992.

#### Contact:

**For the Investment Manager**  
AXA Investment Managers Paris  
Serge Demay  
Serge.demay@axa-im.com  
+33 (0) 1 44 45 84 47

**Company Secretary and Administrator**  
BNP Paribas Securities Services S.C.A, Guernsey Branch  
[guernsey.bp2s.volta.cosec@bnpparibas.com](mailto:guernsey.bp2s.volta.cosec@bnpparibas.com)  
+44 (0) 1481 750 853