



Volta Finance Limited (VTA) – February 2016 monthly report

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Guernsey, 31 March 2016

Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) has published its monthly report. The full report is attached to this release and is available on Volta’s website (www.voltafinance.com).

PERFORMANCE

At the end of February 2016, Volta’s Estimated NAV* was €266.2m or €7.29 per share, a decrease of €0.22 (or -2.9%) per share from the Estimated NAV as at 31 January 2016. The GAV stood at €310.3m at the end of February 2016.

This negative performance for February was mainly caused by the decline in prices of CLO debt and equity tranches. In February, mark-to-market variations** of Volta’s asset classes were: +0.0% for Synthetic Corporate Credit deals; -3.3% for CLO Equity tranches; -4.0% for CLO Debt tranches, -0.6% for Cash Corporate Credit deals; and, -0.1% for ABS.

MONTHLY COMMENTARY

In the very last days of February 2016, credit markets rebounded significantly after several months of negative performance, although this was not reflected in the market values of many of our assets as at 29 February 2016.

It is worth mentioning that at the end of February, the sole warehouse position held by Volta was negatively impacted by the February drop in European loan prices. However, the CLO priced successfully on 17 March 2016 (the first European CLO to be priced for several weeks) and will close at the end of March with the warehoused loan portfolio being transferred to the CLO at acquisition cost, far above the end of February market prices. This should contribute a positive impact of 1.4% to the end of March Estimated NAV.

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.

PORTFOLIO ACTIVITY

In February, Volta received the equivalent of €2.0m in interest and coupons (non-Euro amounts translated into Euro using end-of-month cross currency rates) bringing the total cash amount received in terms of interest and coupons during the last six months to €16.1m.

In February, Volta sold one European debt tranche of CLO for €1.8m and purchased four USD CLO debt tranches for a total of €11.2m. All these tranches were BB tranches of recent CLO deals and were purchased with an average projected yield of 12.0%, under reasonable and standard assumptions.

Cash or cash equivalent instruments at the end of January totalled €19.5m. The cash flows received from our assets have increased in the recent months and should continue to do so as we start seeing the benefit of the rotation that took place and will continue to take place from old and low-spread debt assets into recent and higher-spread debt assets.



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** It should be noted that approximately 9.6% 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. As at 29 February 2016, the most recently available fund NAV was as at: 31 January 2016 for 4.3% of Volta's GAV; 31 December 2015 for 4.8% of Volta's GAV; and as at 30 September 2015 for 0.5% 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.*

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ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) and listed on Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the AFM, being the regulator for financial markets in the Netherlands.

Volta's investment objectives are to preserve capital and to provide a stable stream of income to its shareholders through dividends. Volta seeks to attain its investment objectives predominantly through diversified investments in structured finance assets. The assets that the Company may invest in either directly or indirectly include, but are not limited to: corporate credits; sovereign and quasi-sovereign debt; residential mortgage loans; and, automobile loans. The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such underlying assets. The Company has appointed AXA Investment Managers Paris an investment management company with a division specialised in structured credit, for the investment management of all its assets.

ABOUT AXA INVESTMENT MANAGERS

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with €694 billion in assets under management as of the end of June 2015. AXA IM employs approximately 2,360 people around the world.

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Any target information is based on certain assumptions as to future events which may not prove to be realised. Due to the uncertainty surrounding these future events, the targets are not intended to be and should not be regarded as profits or earnings or any other type of forecasts. There can be no assurance that any of these targets will be achieved. In addition, no assurance can be given that the investment objective will be achieved.
