

Volta Finance Limited (VTA) – May 2017 monthly report

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES

Guernsey, 16 June 2017

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for May. The full report is attached to this release and will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

In May, Volta’s Estimated NAV* performance was +0.6%. This positive performance is mostly due to the good performance of the CLO Equity bucket and is in line with the modest but positive performance of credit markets in May.

The depreciation of the dollar against Euro contributed to -0.7%. The negative contribution this month needs to be put in perspective with the positive contribution (circa +2.1%) for the period from March 2016 to March 2017. Volta currency exposures are limited and through time are not expected to be a significant driver of performance.

During the month, Volta did not purchase nor sell any assets.

At the end of May 2017, Volta’s Estimated NAV* was €311.3m or €8.52 per share. The GAV stood at €354.6m. A 16 cents per share quarterly dividend payment is scheduled to be paid on the 29th of June (ex-dividend date was June 8th).

In May, mark-to-market variations** of Volta’s asset classes were: +0.9% for Synthetic Corporate Credit deals; +2.6% for CLO Equity tranches; 0.8% for CLO Debt tranches, 0.0% for Cash Corporate Credit deals; and -0.2% for ABS.

In May, Volta generated the equivalent of €1.1m 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 €15.7m.

Cash holdings or cash equivalent instruments at the end of May totaled €40.2m. €5.8m will be used to pay for the end of June dividend.

The current level of cash is higher than usual and mainly reflects the strong prepayments that occurred recently. Our view is still that credit markets are now quite fully valued and this amount will be deployed in due course when better opportunities arise. 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.

Volta’s currency exposure is relatively unchanged since the end of April. The exposure to the US Dollar at the end of May was still circa 24% against circa 33% one year ago.

In May we closed the modest and positive duration position that was added to the portfolio in Q4 2015. It modestly contributed to +0.2% to Volta performance during the period. This kind of hedge is aimed at dampening downside volatility arising from shorter-term mark to market developments that may arise. Ultimately, the returns of Volta continue to be predominantly driven by the performance and the strong cash flows from the structured finance assets held but we believe that these hedges will contribute to a better volatility profile.



** It should be noted that approximately 10.2% 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: 31 March 2017 for 1.0% of Volta's GAV and at 28 April for 9.2% 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.*

CONTACTS

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 Portfolio Administrator

Sanne Group (Guernsey) Limited
voltafinance@sannegroup.com
+44 (0) 1481 739810

Corporate Broker

Cenkos Securities plc
Alan Ray
Oliver Packard
Sapna Shah
+44 (0) 20 7397 1916

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 across the credit cycle 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 €717 billion in assets under management as of the end of December 2016. AXA IM employs approximately 2,420 people around the world.

This press release is distributed and 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 "Volta Finance") whose portfolio is managed by AXA IM.

This press release is for information only and does not constitute an invitation or inducement to acquire shares in Volta Finance. Its circulation may be prohibited in certain jurisdictions and no recipient may circulate copies of this document in breach of such limitations or restrictions. This document is not an offer for sale of the securities referred to herein in the United States or to persons who are "U.S. persons" for purposes of Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or otherwise in circumstances where such offer would be restricted by applicable law. Such securities may not be sold in the United States absent registration or an exemption from registration from the Securities Act. Volta Finance does not intend to register any portion of the offer of such securities in the United States or to conduct a public offering of such securities in the United States.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The securities referred to herein are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. Past performance cannot be relied on as a guide to future performance.

This press release contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "anticipated", "expects", "intends", "is/are expected", "may", "will" or "should". They include the statements regarding the level of the dividend, the current market context and its impact on the long-term return of Volta Finance's investments. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. Volta Finance's actual results, portfolio composition and performance may differ materially from the impression created by the forward-looking statements. AXA IM does not undertake any obligation to publicly update or revise forward-looking statements.

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.

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 Volta Finance, 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.

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 Volta Finance 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.

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 - 92800 Puteaux. AXA IMP is authorized by the *Autorité des Marchés Financiers* under registration number GP92008 as an alternative investment fund manager within the meaning of the AIFM Directive.
