

Volta Finance Limited (VTA) – September 2017 monthly report

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Guernsey, 20 October 2017

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for September. 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 September, Volta’s Estimated NAV* performance was +0.6% including the dividend payment made on the 28th of September.

During the month, Volta purchased one asset (a bank balance sheet transaction) for the equivalent of €6.8m with an average projected yield close to 12% under standard assumptions. The equivalent of €15.3m was received from 3 CLO Debt positions being called.

The CLO market was again very active with a pursuit of CLO debt spread tightening. It can be reasonably expected that spreads on CLO debt tranches will continue to tighten to the benefit of CLO equity positions. Volta is still considering increasing its CLO equity bucket in this favourable environment, at the detriment of its CLO debt bucket.

It is worth mentioning that bank balance sheet transactions are relatively isolated from the overall environment of spread compression that exist for some quarters. Considering the diversification benefit that this kind of transactions provide to Volta portfolio, we should continue increasing the allocation to this bucket.

At the end of September 2017, Volta’s Estimated NAV* was €302.8m or €8.28 per share. The GAV stood at €345.3m.

In September, mark-to-market variations of Volta’s asset classes were: +0.6% for Synthetic Corporate Credit deals; 0.0% for CLO Equity tranches; +0.8% for CLO Debt tranches, -1.6% for Cash Corporate Credit deals; and +2.1% for ABS.

In September, Volta generated the equivalent of €0.8m 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 €15.8m.

Due to the significant amounts received in September cash holdings or cash equivalent instruments at the end of September totalled €33.3m. It is expected that most of this cash will be deployed in a few weeks.

**It should be noted that approximately 11.6% 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. The most recently available fund NAV was as at: 30 June 2017 for 2.3% of Volta’s GAV and at 31 August 2017 for 9.3% 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 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.



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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.

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