

Volta Finance Limited (VTA) – October 2017 monthly report

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Guernsey, 23 November 2017

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for October. 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 October, Volta’s Estimated NAV* performance was +1.7%.

During the month, Volta purchased two USD BB tranches of CLO for the equivalent of €9.3m with an average projected yield close to 9% under market standard assumptions. One BBB CLO debt tranche was sold for the equivalent of €4.4m with a projected yield close to 4.5%.

The CLO market was again very active with a pursuit of CLO debt spread tightening. As at the end of October, spreads on CLO debt reached post 2008-crisis record lows and were tightening again in November. This is beneficial for the mark-to-market of the existing CLO debt positions of Volta although price appreciation above par is limited due to the callable nature of these instruments. Fundamentally speaking it is highly favourable to CLO equity positions as they are able to lock in a cheaper cost of funding. Volta continue to consider increasing the portion of its investments in CLO equities.

At the end of October 2017, Volta’s Estimated NAV was €307.9m or €8.42 per share. The GAV stood at €351.4m.

In October, mark-to-market variations of Volta’s asset classes were: +1.0% for Synthetic Corporate Credit deals; +2.3% for CLO Equity tranches; +0.8% for CLO Debt tranches, 0.0% for Cash Corporate Credit deals; and +0.7% for ABS.

In October, Volta generated the equivalent of €6.2m 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 €16.6m.

Due to the significant amounts received recently, cash holdings or cash equivalent instruments at the end of October are still near 10% of the NAV. It is expected that most of this cash will be deployed in coming weeks.

**It should be noted that approximately 9.8% 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: 29 September 2017 for 9.8% 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.*

This announcement contains information that is inside information for the purposes of the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.



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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.

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.

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