



VOLTA FINANCE – DECEMBER MONTHLY REPORT

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Guernsey, 21 January 2015 – 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 Finance Limited’s financial website (www.voltafinance.com).

Gross Asset Value

	At 28.11.14	At 31.12.14
Gross Asset Value (GAV / € million)	290.2	280.0
GAV per share (€)	7.95	7.67

At the end of December 2014, the Gross Asset Value* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €280.0 m or €7.67 per share, a decrease of €0.28 per share from the end of November 2014 GAV. However, during the course of December the Company paid a dividend of €0.30 per share. Accounting for this, the GAV per share gained €0.02 per share in December.

This brings the performance for calendar 2014 to +12.4% including the April and December dividends: the overall performance was comprised €0.60 of dividend payments and €0.30 GAV increase per share.

The December mark-to-market variations* of Volta’s asset classes were: -1.0% for Synthetic Corporate Credit deals, -0.1% for CLO Equity tranches; -0.9% for CLO Debt tranches, -1.2% for Cash Corporate Credit deals and +6.1% for ABS. The modest but positive performance of Volta in December is in line with a limited deterioration of credit markets although the intra-month volatility was quite high.

Volta’s assets generated the equivalent of €2.6m cash flows in December 2014 (non-Euro amounts converted to Euro using end-of-month cross currency rates and excluding principal payments from debt assets) bringing the total cash generated during the last six months to €15.8m.

In December, Volta invested the equivalent of €12.5m through 3 transactions:

- A BB rated tranche of a new European CLO. Under standard assumptions this debt tranche is expected to have an IRR close to 8.5%;
- A second capital call in relation with the European CLO warehouse opened in November. This warehouse is expected to have an IRR between 13% and 17%;
- An investment in a fund (BDOF, Bank Deleveraging Opportunity Fund) managed by AXA IM Paris. The Company has invested €7.5m in the fund, which takes exposure to European bank balance sheet transactions. It has an expected performance in the region of 9 to 11%. For the avoidance of doubt, Volta invests into a share class of the fund which is free of management and performance fees to avoid double charging to investors in the Company.

During the month, Volta sold 4 debt tranches of CLO (3 in USD, 1 in Euro) for the equivalent of €13.9m. On average, the assets sold had projected IRRs near 4%.

At the end of December, after the settlement of the dividend payment (€10.9m paid), Volta held €6.7m in cash, excluding €4.8m pledged as margin under its currency hedging facilities. Presently, taking into account unsettled commitments, Volta can be considered as fully invested.

Markets have experienced a number of dislocations over recent months. As noted in the last



commentary, Volta has limited exposure to the debt of oil and oil services companies and so an increase of the default rate for these companies is anticipated to have no direct material impact upon the portfolio or the Company's likely performance.

In addition, foreign exchange markets have experienced considerable volatility, most recent in the weakening Euro against the Dollar and the sudden strengthening of the Swiss Franc. The Company seeks to maintain a relatively stable exposure to the US Dollar, typically around 40-45% of GAV. This has been maintained during the recent bout of Dollar strength, with exposure to the Dollar at approximately 45% at the end of December.

The Company has had no adverse impact from recent Swiss Franc volatility.

MARKET ENVIRONMENT

In December 2014, credit market spreads were highly volatile and closed the month with some widening both in Europe and in the US: the 5 year iTraxx European Main index and 5 year iTraxx European Crossover Index (series 22) spreads went respectively from 58 and 319 bps at the end of November 2014 to 63 and 349 bps at the end of December 2014. In the US, in the same vein, the 5y CDX main index (series 23) widened from 62 to 66 bps. According to the CSFB Leverage Loan Index, the average price for US liquid first lien loans decreased from 97.78% at the end of November 2014 to 96.28% at the end of December 2014. In Europe, the price of the S&P European Leveraged Loan Index decreased significantly from 97.20% to 95.34%. **

VOLTA FINANCE PORTFOLIO

In December 2014, no particular event materially impacted any of Volta's assets.

We continue to see opportunities in several structured credit sectors including mezzanine or equity tranches of CLOs, RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios.

UPDATE ON LONDON STOCK EXCHANGE LISTING

In accordance with the Company's announcement in December, Volta continues to make significant progress in relation to the Admission of shares to trading on the Main Market of the London Stock Exchange. Admission is anticipated by mid-February. A further announcement will be made shortly.

** "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.*

*** Index data source: Markit, Bloomberg.*

(Full monthly report in attachment or on www.voltafinance.com)

ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) and listed on NYSE Euronext Amsterdam. Its investment objectives are to preserve capital and to provide a stable stream of income to its shareholders through dividends. For this purpose, it pursues a multi-asset investment strategy targeting various underlying 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; automobile loans. Volta Finance Limited's basic approach to its underlying assets is through vehicles and arrangements that provide leveraged exposure to some of those underlying assets.



Volta Finance Limited 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 €607 billion in assets under management as of the end of September 2014. AXA IM employs approximately 2,300 people around the world and operates out of 21 countries.

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