



## VOLTA FINANCE – FEBRUARY MONTHLY REPORT

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Guernsey, 24 March 2014 – 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](http://www.voltafinance.com)).

### Gross Asset Value

	At 31.01.14	At 28.02.14
Gross Asset Value (GAV / € million)	274.3	269.7
GAV per share (€)	7.56	7.44

At the end of February 2014, the Gross Asset Value\* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €269.7 m or €7.44 per share, a decrease of €0.11 per share from the end of January 2014.

The decrease is due to the provision of €4m corresponding to the management fees (€1.7m) and the incentive fees (€2.3m) expected to be paid in the coming weeks to the Investment Manager for the 6-month period ended 31 January 2014. Without this provision the GAV would have been €7.55 per share, almost unchanged.

It reflects a +1.1% performance for the first 2 months of 2014.

The February mark-to-market variations\* of Volta’s asset classes have been: +0.1% for Synthetic Corporate Credit deals, +0.7% for CLO Equity tranches; -0.1% for CLO Debt tranches, +1% for Cash Corporate Credit deals and +1.9% for ABS. The almost flat performance of Volta’s assets in February, despite a positive performance of almost all asset classes, is due to the depreciation of the USD against Euro from 1.35 to 1.38 USD per Euro.

Volta’s assets generated the equivalent of €1.6m cash flows in February 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 €15.7m.

In February, the Company did not make any sale or purchase.

At the end of February, Volta held €21.7m in cash excluding €0.1m paid in relation to its currency hedge and T-Notes positions and excluding €4m to be paid in the coming weeks. Volta could be considered to have €20m available to invest when considering further expected payments and the need to finance the next dividend payment.

### MARKET ENVIRONMENT

In February 2014, credit markets were positively oriented in Europe and in the US. Derivative corporate credit markets modestly widened as illustrated by the 5 year iTraxx European Main index and 5 year iTraxx European Crossover Index (series 20) spreads that went respectively, from 82 and 316 bps at the end of January 2014 to 70 and 257 bps at the end of February 2014 reversing the January widening. During the same period, in the US the 5y CDX main index (series 21) went from 72 to 64 bps. According to the CSFB Leverage Loan Index, the average price for USA liquid first lien loans was almost unchanged from 98.85% at the end of January 2014 to 98.71% at the end of February 2014. In Europe, the price of the S&P European Leveraged Loan Index decreased from



95.34% to 94.97% at the end of February 2014.\*\*

## **VOLTA FINANCE PORTFOLIO**

In February 2014, no particular event materially affected the situation of the Synthetic Corporate Credit deals. However, it is worth mentioning that the last synthetic equity position held by Volta since 2007 (Jazz III) borne almost no risk as at the end of February (the underlying CDS matured the 20<sup>th</sup> of February). The final payment is due by the end of March. The overall performance of this position will have been very close to a 16% annualized return since original purchase.

Regarding the Cash Corporate Credit Deals, no particular event or information materially affected the situation of the positions in this bucket during the month.

Regarding the Company's investments in Equity or Debt tranches of CLOs, in February 2014, no particular event materially affected the situation of the positions in this bucket. All the positions are currently paying coupons.

Regarding the Company's ABS investments, no particular event affected the situation of these investments.

The Company considers that opportunities could arise in several structured credit sectors in the current market environment. Amongst others, mezzanine or equity tranches of CLOs, RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios could be considered for investment. An investment in European private loans is also currently being contemplated.

*\* "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](http://www.voltafinance.com))

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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 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 €553 billion in assets under management as of the end



of December 2012. AXA IM employs approximately 2,450 people around the world and operates out of 21 countries.

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