



## **VOLTA FINANCE – INTERIM MANAGEMENT STATEMENT – 5 JUNE 2014**

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*Guernsey, 5 June 2014* – Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) has published its Interim Management Statement. 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)).

### **Dear Shareholders and Investors,**

During the quarter, from the end of January 2014 to the end of April 2014, the Gross Asset Value (the “GAV”) of Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) went from €274,3m or €7.56 per share, to €264,3m or €7.25 per share. In the meantime a €0,30 per share dividend payment has been made.

It reflects a negative 0,1% quarterly performance in the per share value.  
Year to date 2014 performance is +2,6% as of the end of April.

During the quarter the Company paid the fees due to the investment manager for the 6-month period closed at the end of January 2014 and decided to change the way the GAV was computed, provisioning fees due to the manager on a monthly basis. It has an overall impact of 1,8% during the quarter.

During the quarterly period, the Company purchased four assets for a total of €13,3m: two debt tranches and two equity tranches of CLO. The company sold 1 CDO of ABS for €3,3m and committed €7,5% to a European Loan Fund. On average assets were purchased at an expected rate of return close to 8,5% (under reasonable historical hypothesis).

During the quarter, cash flows generated by the Company’s assets, excluding asset sales and principal payments from assets, amounted to €8,4m (non euro amounts being translated in euro using the end of month currency rate). This amount could be compared to €9.5m for the most recent comparable 3-month period (from the end of July 2013 to the end of October 2013). The cash generated by the assets, during the quarter under review, is rather significant, being close to an annual rate of 13,4% of Volta’s asset valuation, excluding cash, at the beginning of the period (€250,7m).

The cash position in the Company’s accounts went from €23,6m at the end of January 2014 to €16,9m at the end of April 2014. Considering the pace at which cash flows are generated and the commitment already taken, Volta could be considered as being able to invest €10m at the time of writing this statement.

The GAV increase (when taking into account the impact of fees on the GAV) during the quarter is mostly reflecting the high level of cash flows generated by Volta’s assets.

## **VOLTA FINANCE PORTFOLIO**

### **Synthetic Corporate Credit**

During the quarter, no material event affected the Synthetic Corporate Credit holdings. The Company has no more first loss positions in this bucket (ARIA III and JAZZ III matured).

### **CLO Equity and Debt tranches**

During the quarter, on average, defaults and rating changes in the underlying loan portfolios continued to occur, albeit at a slower pace than in the most recent quarters which remained low compared to



historical average for USD deals but at a pace that continued to be near historical average rates for European deals. This situation had no material consequences for Volta over the quarter.

#### **Cash Corporate Credit**

During the quarter, no material event affected the Cash Corporate Credit holdings.

#### **ABS**

During the quarter, no material event affected the ABS holdings.

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, European or US ABS as well as tranches of Cash or Synthetic Corporate Credit portfolios could be considered for investment. Potential investments could be done depending on the pace at which market opportunities could be seized and cash is available.

Depending on market opportunities, the Company may aim to take advantage of the current compression on discount margins to sell some assets in order to reinvest the sale proceeds on assets that the Investment Manager consider being, at the time of purchase, better opportunities.

The Investment Manager continues working on a solution to leverage part of the Company CLO debt positions.

Unless stated otherwise, the figures in this Interim Management Statement are as at the end of April 2014 as valuations are available only on a monthly basis with some delays. Between the end of April 2014 and 5 June 2014, the date of publication of this Interim Management Statement, the Company is not aware of any significant event, materially affecting the Company's financial position or the Company's controlled undertaking.

(Full Interim Management Statement attachment 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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**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.**

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