



## VOLTA FINANCE – APRIL MONTHLY REPORT

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Guernsey, 21 May 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 30.04.14	At 31.03.14
Gross Asset Value (GAV / € million)	264.3	272.1
GAV per share (€)	7.25	7.50

At the end of April 2014, the Gross Asset Value\* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €264.3 m or €7.25 per share, an increase of €0.05 from the end of March 2014, taking into account the €0.30 dividend payment made in April.

This reflects a +2.6% performance for the first 4 months of 2014 including the dividend.

We remind investors that since March 2014, we have changed the way the GAV (Gross Asset Value) is computed to get closer to a NAV (Net Asset Value) measure by deducting from the valuation of our assets the accrued management and incentive fees on a monthly basis. We felt it would be a better measure of Volta’s intrinsic value to the extent fees could be predicted, rather than to deduct management fees on a semi-annual basis and take the corresponding hit on valuation twice a year.

The April mark-to-market variations\* of Volta’s asset classes have been: +0.1% for Synthetic Corporate Credit deals, +1.6% for CLO Equity tranches; +0.5% for CLO Debt tranches, +2.2% for Cash Corporate Credit deals and +4.8% for ABS. The positive performance of our portfolio in April is mostly due to a revaluation of one UK non-conforming ABS position.

Volta’s assets generated the equivalent of €3.1m cash flows in April 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 €15.3m.

In April, we purchased two assets, a Euro CLO Equity tranche and a USD CLO Debt tranche for the equivalent of €5.9m and committed €7.5m to an European Private loan Fund. No position was sold in April. Under reasonable and standard assumptions, the projected IRR of the purchases was close to 8.5%.

At the end of April, Volta held €18.8m in cash excluding €1.4m received in relation to its currency hedge and T-Notes positions. Taking into account unsettled commitment, Volta has approximately €12m available to invest.

### MARKET ENVIRONMENT

In April 2014, credit markets were mixed in Europe and in the US. Derivative corporate credit markets tightened modestly as illustrated by the 5 year iTraxx European Main index and 5 year iTraxx European Crossover Index (series 21) spreads that went down slightly, respectively from 76 and 286 bps at the end of March 2014 to 70 and 273 bps at the end of April 2014. In the US, in the same vein, the 5y CDX main index (series 21) tightened from 61 to 56 bps. In contrast, according to the CSFB Leverage Loan Index, the average price for US liquid first lien loans went modestly down from 98.72%



at the end of March 2014 to 98.62% at the end of April 2014. In Europe, the price of the S&P European Leveraged Loan Index decreased more significantly from 95.14% to 94.41% at the end of April 2014. \*\*

## **VOLTA FINANCE PORTFOLIO**

In April 2014, no particular event materially affected the situation of the Synthetic Corporate Credit deals.

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

In April the Company's investments in Equity or Debt tranches of CLOs, were not particularly affected. Considering the modest weight of European CLO equity positions and the large subordination of our Euro CLO Debt positions, the Vivarte default had no significant impact on Volta performance this month. All the positions are currently paying coupons.

Finally, regarding ABS investments, one UK Non-conforming position valuation was revised upward thanks to 2 quarters of steady cashflows and as it became more likely that such cash flows might continue for some time.

We consider 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 all be considered for investment.

*\* "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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