



## VOLTA FINANCE – MAY MONTHLY REPORT

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Guernsey, 24 June 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 30.05.14
Gross Asset Value (GAV / € million)	264.3	268.6
GAV per share (€)	7.25	7.36

At the end of May 2014, the Gross Asset Value\* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €268.6 m or €7.36 per share, an increase of €0.11 from the end of April 2014.

This brings the performance for the first 5 months of 2014 to +4.1% including the April dividend payment.

We take the opportunity of this report to again 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. At the end of May, the accrued amount of fees represented €0.8m.

The May mark-to-market variations\* of Volta’s asset classes have been: +0.1% for Synthetic Corporate Credit deals, +1.9% for CLO Equity tranches; +0.4% for CLO Debt tranches, -0.2% for Cash Corporate Credit deals and +1.6% for ABS. The positive performance of our assets in May is in line with modestly positive credit markets in May.

Volta’s assets generated the equivalent of €1.2m cash flows in May 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 €15.0m.

In May, we purchased one asset, a USD CLO Debt tranche for the equivalent of €4.0m. No position was sold in May. Under reasonable and standard assumptions, the projected IRR of the purchased asset was close to 8.5%.

At the end of May, Volta held €19.9m in cash excluding €1.3m received in relation to its currency hedge positions. Taking into account an unsettled commitment (the purchase made in May is to be settled in July), Volta has approximately €12m available to invest.

### MARKET ENVIRONMENT

In May 2014, credit markets were positive in both Europe and 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 tightened slightly, respectively from 70 and 273 bps at the end of April 2014 to 66 and 254 bps at the end of May 2014. In the US, in the same vein,



the 5y CDX main index (series 22) tightened from 64 to 62 bps. According to the CSFB Leverage Loan Index, the average price for US liquid first lien loans went up from 98.64% at the end of April 2014 to 98.85% at the end of May 2014. In Europe, the price of the S&P European Leveraged Loan Index reversed part of the April decrease with a significant increase from 95.41% to 94.77% at the end of May 2014. \*\*

## **VOLTA FINANCE PORTFOLIO**

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

We continued investing in CLO debt and equity tranches although we see increasing opportunities in several other structured credit sectors including mezzanine or equity tranches of CLOs, RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios.

Good progress has been made in seeking a solution to leverage part of the CLO debt positions (specifically the most stable components of the portfolio) and we hope to be able to report on this in the coming months.

*\* "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.

## **CONTACTS**

### **Company Secretary**

Sanne Group (Guernsey) Limited

[voltafinance@sannegroup.com](mailto:voltafinance@sannegroup.com)

+44 (0) 1481 739810



**Portfolio Administrator**

Deutsche Bank

[voltaadmin@list.db.com](mailto:voltaadmin@list.db.com)

**For the Investment Manager**

AXA Investment Managers Paris

Serge Demay

[serge.demay@axa-im.com](mailto:serge.demay@axa-im.com)

+33 (0) 1 44 45 84 47

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