



## VOLTA FINANCE – APRIL MONTHLY REPORT

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Guernsey, 21 May 2013 – 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 30.04.13	At 29.03.13
Gross Asset Value (GAV / € million)	212.7	221.1
GAV per share (€)	6.57	6.87

At the end of April 2013, the Gross Asset Value\* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €212.7 m or €6.57 per share, an increase of €0.01 (+0.2%) since the end of March 2013 GAV after taking into account the 31 cents per share dividend payment that occurred in March.

Year to date 2013 performance is +8.0%.

Note that the Company decided to subtract from the end of April GAV an unsettled amount corresponding to the Investment Manager’s Incentive Fees for the semi-annual period ended 31 January 2013: €3.7 million (details can be found in the Semi-Annual Report and Accounts of the Company published at the end of March). This has been done in order to provide investors with a GAV figure that better reflects the value of assets per share at the end of April 2013.

The April mark-to-market variations\*\* of Volta Finance’s asset classes have been: +1.8% for Synthetic Corporate Credit deals, -0.1% for CLO Equity tranches; +1.8% for CLO Debt tranches, +0.3% for Cash Corporate Credit deals and +2.2% for ABS. The very modest increase of the GAV in April relative to the above mark-to-market variations is the consequence of the 2.6% depreciation of the USD during the month.

Volta’s assets generated the equivalent of €2.4m cash flows in April 2013 (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 €15.6m which can be compared with €16.5m for the previous six-month period ended in October 2012.

In April, the company sold 4 positions (3 CLO debt tranches and one ABS) and purchase one asset (ResLoc 2007-1X E2B, a debt tranche of UK RMBS ABS). The 3 CLO debt tranches were sold due to the tightening of their respective discount margin. Considering the latest tightening of discount margins in the CLO area, further sales can be expected in the coming months in order to rotate the portfolio on higher yielding assets.

At the end of April, taking into account the coming settlement of the incentive fees to the Investment Manager, Volta held €0.8m in cash, including €0.3m in relation with the Liquidity Enhancement Contract and €0.5m received in relation with its currency hedge positions. Considering the recent capital raise and the pace at which cash flows are generated Volta could be considered as having roughly €16m available to invest.

#### MARKET ENVIRONMENT



In March 2013, credit markets were positive in Europe and in the US. The 5 year iTraxx European Main index and 5 year iTraxx European Crossover Index (series 19) spreads went respectively, from 126 and 486 bps at the end of March 2013 to 98 and 396 bps at the end of April 2013. During the same period, credit spreads in the US, as illustrated by the 5y CDX main index (series 20), tightened from 91 to 75 bps. According to the CSFB Leverage Loan Index, the average price for USA liquid first lien loans increased from 98.14% at the end of March 2013 to 98.43% at the end of April 2013. It was almost similar in Europe: the price of the S&P European Leveraged Loan Index went from 92.28% to 92.81% at the end of April 2013.\*\*\*

## **VOLTA FINANCE PORTFOLIO**

In April 2013, no particular event materially affected the situation of the Synthetic Corporate Credit deals. However, the first loss positions in this bucket (ARIA III and the residual positions in JAZZ III) remain highly sensitive to any new credit event.

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 April 2013, no particular event materially affected the situation of the positions in this bucket. All the positions are currently paying their coupons.

Regarding the Company's ABS investments, no particular event materially affected the situation or the value of the positions in this bucket during the month.

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 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 volatility in prices to sell some assets in order to reinvest the sale proceeds on assets representing, at the time of purchase, those which the Company considers a better opportunity.

*\* GAV : In order to give a better indication of the value of assets for shareholders the GAV has been diminished by Management and Incentive Fees due for the financial period recently closed but not yet settled at the end of the reported period*

*\*\* "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) Laws, 1994 to 1996 (as amended) and listed on 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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