



Volta Finance Limited (VTA) – August 2015 monthly report

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Guernsey, 21 September 2015

PERFORMANCE

At the end of August 2015, the Estimated NAV of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €297.8m or €8.16 per share, a decrease of €0.05 per share since the end of July 2015.

The YTD performance for the 2015 calendar year, including the April dividend paid, stands at +10.4% as at the end of August.

The GAV stood at €327.9m at the end of August.

MARKET REVIEW AND PORTFOLIO ACTIVITY

In August, the “devaluation” of the Yuan triggered volatility in global equity markets and currencies as speculation mounted that the Chinese economy faces ongoing headwinds and difficulties. Credit spreads were not immune from these events and spread widening was observed almost everywhere. High yield spreads rose around 80bps in the US mid-month before tightening somewhat into month-end.

That said, the structured finance markets in which Volta invests were only modestly impacted as illustrated by the monthly performances that were observed: August mark-to-market variations* of Volta’s asset classes were: +0.7% for Synthetic Corporate Credit deals; +0.8% for CLO Equity tranches; +0.1% for CLO Debt tranches; +3.0% for Cash Corporate Credit deals; and, -0.1% for ABS. The negative performance for August mainly reflects the 2% depreciation in the USD against the EUR during the month. As at the end of August, Volta’s exposure to USD represented 43.7% of the Estimated NAV.

In August, Volta entered into a new CLO warehouse in Euro for €15.5m. Under a reasonable hypothesis, the projected yield for this warehouse is between 13 and 15% per annum.

At the end of August, Volta could be considered to be fully invested.

In August, Volta received the equivalent of €1.7m of interest and coupons (non-Euro amounts translated into Euro using end-of-month cross currency rates) bringing the total cash amount received in terms of interest and coupons during the last six months to €15.1m.

In August 2015, no particular event materially impacted any of Volta’s assets. In Volta’s portfolio there are still some short-term instruments (some old debt tranches of CLOs mainly) that are very insensitive to the kind of volatility that was observed in August. This kind of situation is likely to be an opportunity to accelerate the rotation of the portfolio from these old debt assets into more sensitive assets that could be purchased at a lower price/ higher discount margin.

We continue to see opportunities in several structured credit sectors including mezzanine or equity tranches of CLOs, CMVs (Capitalized Manager Vehicles: structures that permit issuing CLOs satisfying the retention rule), RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios.



BOARD COMPOSITION

The Company announced on 10th September that Jim Gilligan will be stepping down from the board at the forthcoming AGM and will be succeeded by Paul Meader, the current Senior Independent Director, subject to Mr Meader's re-election at the AGM.

Paul Varotsis will assume the role of Senior Independent Director, subject to Mr Varotsis' re-election at the AGM. A search and selection process for a new independent director is nearly complete and an announcement will be made in due course.

** "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.*

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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 Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the AFM, being the regulator for financial markets in the Netherlands.

Volta's investment objectives are to preserve capital and to provide a stable stream of income to its shareholders through dividends. Volta seeks to attain its investment objectives predominantly through diversified investments in structured finance 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; and, automobile loans. The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such underlying assets. The Company 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 €689 billion in assets under management as of the end of March 2015. AXA IM employs approximately 2,350 people around the world and operates out of 22 countries.

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