



Volta Finance Limited (VTA) – October 2015 monthly report

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Guernsey, 23 November 2015

PERFORMANCE

At the end of October 2015, the Estimated NAV of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €293.3m or €8.03 per share, an increase of €0.01 per share, or +0.1%, since the end of September 2015.

The YTD NAV performance for the 2015 calendar year, including the April dividend paid, stands at +8.7% as at the end of October.

The GAV stood at €338.8m at the end of October.

MARKET REVIEW AND PORTFOLIO ACTIVITY

In October, credit markets were mixed, with a positive performance of corporate credit bonds and a slightly negative performance of both the US and the European loan markets.

The impact of the last 3 months volatility on structured finance markets in which Volta invests is still, on average, relatively modest as illustrated again by the monthly performances that were observed: October mark-to-market variations* of Volta’s asset classes were: +0.9% for Synthetic Corporate Credit deals; +0.7% for CLO Equity tranches; -1.4% for CLO Debt tranches; +0.1% for Cash Corporate Credit deals; and, +0.3% for ABS. During the month, the US Dollar appreciated by 1.6% against the Euro, contributing positively to the overall performance (USD exposure of Volta was 40.0% of the Estimated NAV as at the end of October).

In October, Volta purchased 3 assets: two BB rated debt of USD CLOs (ICG 2014-2 E and ICG 2015-2 E) for €4.8m and USD4m was added to its investment in Saint Bernard Fund (a fund co-managed by AXA IM and Ellington investing predominantly in US RMBS). The average projected yield for these 2 CLO assets was close to 9.5%. St Bernard since inception in 2008 delivered a performance slightly above 14% per year and we expect this fund to perform in line with the rest of Volta’s portfolio bringing some diversification to the large CLO bucket of Volta.

In October, Volta received the equivalent of €9.1m of principal from two deals: a USD CLO Debt position (Duane Street 3) and a USD CLO Equity position (Northwoods VIII) that our Investment Manager decided to call. It is worth noting that the Equity piece of CLO was reimbursed at 133% of par. This is very unusual. This position throughout its life in Volta’s portfolio delivered a performance at 18.8% IRR.

In October, Volta received the equivalent of €3.3m in 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 €13.2m. Cash or cash equivalent instruments, at the end of October, post settlement of the most recent purchases, was at €21.7m. Considering the December dividend payment, Volta could be considered as having approximately €6m to deploy.

In October, we took the opportunity of the widening in CLO debt tranches to purchase some recent tranches (having longer duration hence being more sensitive to spread widening). In Volta’s portfolio there are still some short-term instruments (some old debt tranches of CLOs mainly) that are less affected by the kind of volatility that was observed in August and September. We intend to continue



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rotating 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, RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios.

** "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.*

CONTACTS

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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 €694 billion in assets under management as of the end of June 2015. AXA IM employs approximately 2,360 people around the world.

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