

MONTHLY REPORT

Volta Finance Ltd



March 2016

Data as at 31 March 2016

Gross Asset Value	€319.8m
Estimated liabilities	€42.4m
Estimated NAV	€277.3m
Estimated NAV per share	€7.59
Outstanding Shares	36.5m
Share Price (Euronext)	€6.29
Share Price (LSE)	€6.25
Tickers	VTA.NA VTA.LN
ISIN	GG00B1GHHH78

Fund Facts

Launch Date	Dec-2006
Fund Domicile	Guernsey
Listing and Trading	AEX LSE
Type of Fund	Closed-ended
Dividend	Semi-annual
Trailing 12m Div. Yield ⁴	9.9%
Base currency	EUR
Assets types	Corporate Credit and ABS

Background and Investment Objective

AXA Investment Managers Paris ("AXA IM") has been the Investment Manager of Volta Finance Limited ("Volta") since inception. Volta's investment objectives are to preserve capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends. For this purpose, Volta pursues a multi-asset investment strategy on deals, vehicles and arrangements that provide leveraged exposure to target Underlying Assets (including corporate credit, residential and commercial mortgages, auto and student loans, credit card and lease receivables). Based on this strategy, **Volta targets a 9-11% p.a. total return³** over a credit cycle.

Fund Performance

+10.1%
Annualised since inception¹

+18.6%
Annualised over 5 years¹

+4.2%
1 month²

€277.3m
Estimated NAV as of Mar-16

Returns**	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-4.0%	-2.9%	4.2%										-2.9%
2015	3.7%	1.3%	3.1%	1.7%	1.6%	-0.7%	0.1%	-0.6%	-1.7%	0.1%	1.1%	0.2%	10.1%
2014	2.7%	-1.6%	0.8%	0.7%	1.5%	0.7%	1.3%	1.3%	2.4%	0.4%	1.7%	0.3%	12.4%
2013	3.6%	1.5%	2.5%	0.1%	4.1%	-0.7%	3.1%	2.0%	0.7%	2.4%	2.9%	1.3%	25.3%
2012	0.2%	6.0%	11.9%	-2.1%	5.4%	0.0%	4.2%	6.7%	5.4%	4.2%	2.0%	0.5%	51.9%

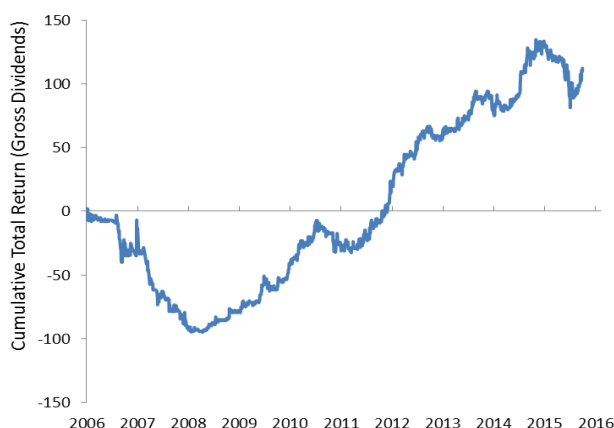
¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bloomberg (TRA function)

² Performance of published Estimated NAV

³ The target total return is indicative and provided for information purposes only. No representation is made by AXA IM or Volta that such target return will be achieved. Actual results may vary and the variations may be material

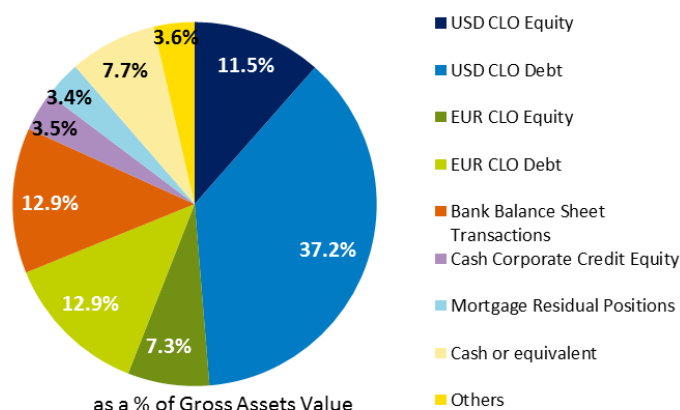
⁴ Calculated as the two most recent semi-annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of March-2016

Asset Breakdown



Source: AXA IM, as of March-2016

Monthly Commentary

March 2016 was marked by a significant rebound in most Equity markets and credit markets, although being still under some pressure. Indeed, the S&P/LSTA price index closed March at 91.51% from 89.44% at the end of February, showing the first significant increase in prices after ten consecutive months in decline.

AXA IM continues to see opportunities in several structured credit sectors including mezzanine and equity tranches of CLOs, RMBS tranches and tranches of Cash Corporate Credit and Synthetic Corporate Credit portfolios.

Performance

At the end of March 2016, Volta's Estimated NAV* was €277.3m or €7.59 per share, an increase of €0.30 (or 4.2%) per share from the Estimated NAV as at 29 February 2016. The GAV stood at €319.8m at the end of March 2016.

This positive performance is in line with the recent good performance of credit markets. In March, mark-to-market variations** of Volta's asset classes were: +1.2% for Synthetic Corporate Credit deals; +8.0% for CLO Equity tranches; +6.5% for CLO Debt tranches, +4.3% for Cash Corporate Credit deals; and, +0.3% for ABS.

On 19th of April Volta paid a €31 cents per share dividend corresponding to a 10.1% annualised dividend yield (using the share price at closing the day before the ex-dividend date) or an annualised yield of 8.2% on NAV.

Portfolio Activity

In March the sole warehouse position held by Volta was closed leading to a successful pricing of a new CLO (Cordatus CLO 6). Volta re-invested roughly €8m of the proceeds from its exposure to the warehouse into the equity of this CLO. Volta also purchased two CLO debt positions during the month (one euro BB tranche and one US dollar BBB tranche). In total, Volta invested the equivalent of €16.6m in March with an average projected yield at 11.6% using standard market assumptions.

In March, Volta received the equivalent of €3.9m in interest and coupons (non-euro amounts translated into euro using end-of-month cross currency rates), including €2.4m from the warehouse that closed this month, bringing the total cash amount received in terms of interest and coupons during the last six months to €18.3m.

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown of Gross Asset Value (% GAV)	
CLO	220.2	USD CLO Equity	11.5%
		USD CLO Debt	37.2%
		EUR CLO Equity	7.3%
		EUR CLO Debt	12.9%
		CLO Warehouse	0.0%
Synthetic Corporate Credit	41.3	Synthetic Corporate Credit Equity	0.0%
		Bank Balance Sheet Transactions	12.9%
Cash Corporate Credit	15.1	Cash Corporate Credit Equity	3.5%
		Cash Corporate Credit Debt	1.2%
ABS	18.5	Mortgage Residual Positions	3.4%
		ABS Debt	2.4%
Cash or equivalent	24.8	Cash or equivalent	7.7%
GAV	319.8		
Liability	(39.6)	Debt from Repurchase Agreement	(12.4)%
Fees due	(2.8)	Fees due to Investment Manager	(0.9)%
Estimated NAV	277.3	Per Share	7.59

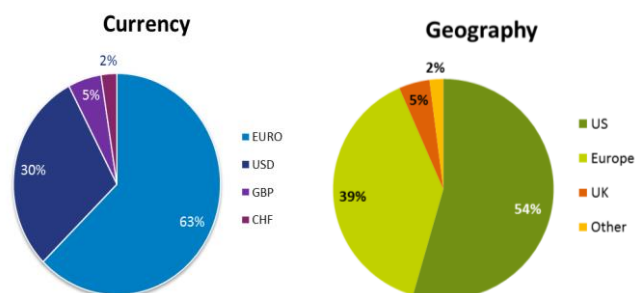
Source: AXA IM, as of March-2016

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
First Data	0.88	Software
Altice Financing	0.88	Media
Ineos Group	0.68	Chemicals
Ziggo	0.63	Telecommunications
Valeant Pharmaceuticals	0.54	Pharmaceuticals

Cash or cash equivalent instruments at the end of March totalled €24.8m. After deducting the cash required to meet the dividend payment in April, Volta can be considered as almost fully invested. However, AXA IM expects to continue to rotate the portfolio from its old positions to more recently issued deals in order to increase the projected yield of the portfolio.

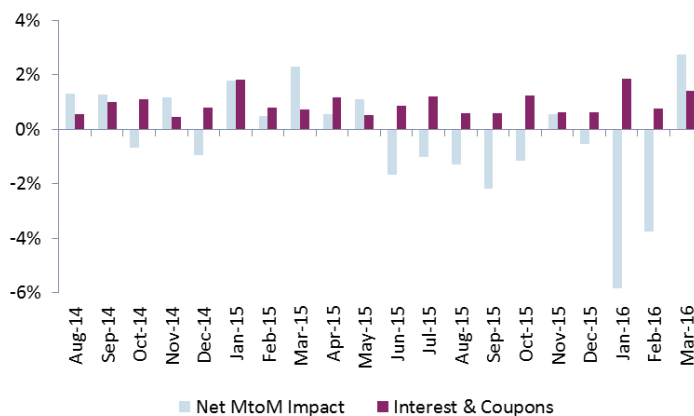
Currency and Geography exposures (%)



Source: AXA IM, as of March-2016 (% of NAV for ccy / % of GAV for geography)

** "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.

Last Eighteen Months Performance Attribution



Source: AXA IM, as of March-2016

Issuer	%	Bloomberg Industry Group
Community Health Systems	0.53	Healthcare-Services
American Airlines	0.43	Airlines
Charter Communications	0.39	Media
Dell International	0.38	Household Products/Wares
Berry Plastics Group	0.37	Packaging & Containers

Source: Intex, Bloomberg, AXA IM Paris as of March 2016 – unaudited figures - not accounting for unsettled trades nor warehouses. Figures expressed in % of the Estimated NAV

Important Information

* It should be noted that approximately 11.7% of Volta's GAV comprises investments in funds for which the relevant NAVs as at the month-end date are normally available only after Volta's NAV has already been published. Volta's policy is to publish its own NAV on as timely a basis as possible in order to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments in funds are valued using the most recently available NAV for each fund. As at 31 March 2016, the most recently available fund NAV was as at: 29 February 2016 for 6.5% of Volta's GAV and 31 January 2016 for 5.2% of Volta's GAV.

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Volta qualifies as an investment institution within the meaning of the Alternative Investment Fund Managers Directive and is notified as such under the licence held by AXA IM with the Autorité des Marchés Financiers (the "AMF") in France.

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