

Volta Finance Limited (VTA / VTAS) – September 2018 monthly report

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Guernsey, 17 October 2018

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for September. The full report is attached to this release and will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

In September, Volta’s Estimated NAV* performance was -0.4% in total return, a slightly negative performance in a context of volatile credit and FX markets in general. Volta paid a dividend of 0.15 euro per share in September 2018, representing an 8.6% yield based on a share price of €7.20 as at end of September.

In September, mark-to-market performances of Volta’s asset classes, in local currencies, were: 0.0% for Bank Balance Sheet Transactions; +0.2% for CLO Equity tranches; +0.4% for CLO Debt tranches; +0.1% for Cash Corporate Credit deals; and +0.1% for ABS.

For the second consecutive month, the CLO market was characterised by an oversupply situation (mostly affecting the spread at which AAA/AA and A rated tranches are issued). The mezzanine tranches of CLO owned by Volta (mostly BB rated tranches) performed positively this month again reflecting the fact that on a fundamental basis these assets continue to perform well.

In October, one of the USD CLO warehouse facilities held by Volta since the early summer was distributed as a CLO. Volta purchased USD13m of the CLO Equity tranche. The exact performance of this facility will not be known before the closing, but we can reasonably expect a performance in the area of a 20% IRR.

During the month of September, Volta received capital calls under the warehouse facilities it had subscribed earlier and under the existing CMV. Volta also purchased \$2m of a USD BB CLO Debt tranche. Through the month, a total of €17m equivalent was invested. On average and under market standard assumptions, the projected IRR of all instruments was in the area of 13%.

In September, Volta generated the equivalent of €0.9m in interest and coupons net of repo costs (non-euro amounts translated into euro using end-of-month cross currency rates). This brings the total cash amount generated during the last six months in terms of interest and coupons to €20.1m.

As planned, we continue to allocate capital to CLO warehousing facilities in order to source new CLO Equity positions with attractive economic terms. As at the end of September 2018, Volta allocation to CLO Equity tranches moved in excess of 30% of the GAV for the first time in many years. We intend to increase the CLO Equity bucket as we consider this instrument as one of the rare instruments that can benefit from market volatility thanks to its reinvestment capabilities.

As at the end of September 2018, Volta’s Estimated NAV was €302.9m or €8.28 per share. The GAV stood at €348.9m.

**It should be noted that approximately 11.7% of Volta’s GAV comprises investments 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 are valued using the most recently available NAV for each fund. The most recently available fund NAV was for 8.1% as at 31 August 2018 and for 3.6% as at 30 June 2018.*



** "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.

This announcement contains information that is inside information for the purposes of the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

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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 across the credit cycle 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 766 investment professionals and €759 billion in assets under management as of the end of June 2018.

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The figures provided that relate to past months or years and past performance cannot be relied on as a guide to future performance or construed as a reliable indicator as to future performance. Throughout this review, the citation of specific trades or strategies is intended to illustrate some of the investment methodologies and philosophies of Volta Finance, as implemented by AXA IM. The historical success or AXA IM's belief in the future success, of any of these trades or strategies is not indicative of, and has no bearing on, future results.

The valuation of financial assets can vary significantly from the prices that the AXA IM could obtain if it sought to liquidate the positions on behalf of the Volta Finance due to market conditions and general economic environment. Such valuations do not constitute a fairness or similar opinion and should not be regarded as such.

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