



## VOLTA FINANCE – JUNE MONTHLY REPORT

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Guernsey, 24 July 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 28.06.13	At 31.05.13
Gross Asset Value (GAV / € million)	239.8	241.5
GAV per share (€)	6.79	6.84

At the end of June 2013, the Gross Asset Value\* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €239.8 m or €6.79 per share, a decrease of €0.05 (-0.7%) since the end of May 2013 GAV.

Year to date 2013 performance is +11.5%.

The June mark-to-market variations\* of Volta Finance’s asset classes have been: -0.2% for Synthetic Corporate Credit deals, -4.3% for CLO Equity tranches; -3.4% for CLO Debt tranches, -0.4% for Cash Corporate Credit deals and +38.2% for ABS. The decrease of the GAV in June is explained by the significant widening of credit spreads. The effect has been modestly compensated by an upward revaluation of the UK non-conforming residual positions held by Volta.

Volta’s assets generated the equivalent of €2.8m cash flows in June 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 €16.2m which can be compared with €16.2m for the previous six-month period ended in December 2012.

In June, the company purchased four CLO debt tranches (3 in Euro and 1 in USD), invested in one Bank Balance Sheet Transaction and increased its investment in a US RMBS fund (St Bernard). All together the equivalent of €20m was invested. Under reasonable assumptions the annualized projected IRR of such purchases is close to 8.5%. In June one BBB tranche of a USD CLO has been called at par, from a most recent mark at 70.35%, a BB tranche of a USD CLO has been sold and one synthetic corporate credit position matured for a total of the equivalent of €4.7m.

At the end of June, Volta held €4.3m in cash, including €0.3m in relation with the Liquidity Enhancement Contract and €0.3m received in relation with its currency hedge positions. Volta could be considered as having roughly €3m available to invest.

#### MARKET ENVIRONMENT

In June 2013, credit spreads widened 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 103 and 422 bps at the end of May 2013 to 119 and 477 bps at the end of June 2013. During the same period, credit spreads in the US, as illustrated by the 5y CDX main index (series 20) widened from 79 to 87 bps. According to the CSFB Leverage Loan Index, the average price for USA liquid first lien loans decreased from 98.45% at the end of May 2013 to 97.60% at the end of June 2013. It was almost similar in Europe: the price of the S&P European Leveraged Loan Index went from 92.98% to 92.21% at the end of June 2013.\*\*



## **VOLTA FINANCE PORTFOLIO**

In June 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 May 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, June witnessed quarterly payments of three of Volta's holdings, which proved to generate continuous and steady cashflows. Their valuation have thus been revised upward accordingly alongside with market bid recently observed, while still forecasting cautious future cashflows.

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, RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios could be considered for investment.

Considering the recent widening of corporate credit spreads some investments should be executed in the coming weeks.

*\* "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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expected", "may", "will" or "should". They include the statements regarding the level of the dividend, the current market context and its impact on the long-term return of Volta's investments. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. Volta Finance's actual results, portfolio composition and performance may differ materially from the impression created by the forward-looking statements. Volta Finance does not undertake any obligation to publicly update or revise forward-looking statements.

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