

Volta Finance Limited (VTA) – November 2016 monthly report

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Guernsey, 22 December 2016

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

PERFORMANCE and PORTFOLIO ACTIVITY

In November, Volta’s Estimated NAV* performance was 2.7%, in line with a positive performance in most credit and equity markets.

As at the end of November, the YTD NAV performance is 13.8%, adjusting for the April and September dividend payments. After 12.4% in 2014 and 10.0% in 2015, 2016 is so far another good year for Volta and its shareholders.

A dividend payment of €0.16 (16 cents) per share will be paid the 22nd of December and at the time of publishing this report we have passed the Ex-Dividend date.

In November, Volta purchased two positions (one BB and one Equity tranche of two different USD CLOs), both in the secondary market and for a total of €2.3m and sold three positions (two CLO BB tranches and one CLO Equity tranche) for a total of the equivalent of €10.3m. On average and based on standard market assumptions, the purchases were executed with an average expected yield close to 11% and the sales were traded with an average expected yield of close to 6%.

At the end of November 2016, Volta’s Estimated NAV* was €308.2m or €8.43 per share. The GAV stood at €352.2m.

In November, mark-to-market variations** of Volta’s asset classes were: +0.9% for Synthetic Corporate Credit deals; +2.2% for CLO Equity tranches; +1.0% for CLO Debt tranches, +0.8% for Cash Corporate Credit deals and 0.0% for ABS.

In November, 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), bringing the total cash amount generated during the last six months in terms of interest and coupons to €15.0m.

Cash holdings or cash equivalent instruments at the end of November totaled €17.7m and we expect to invest in some recent transactions, including some Bank Balance Sheet transactions, by the end of December 2016. On top of that, considering the significant rally that occurred on CLO debt tranches since the summer, we expect to continue selling some of Volta’s older positions and buying more recently issued deals in order to increase the projected yield of the portfolio.

Since the end of October, the US Dollar appreciated somewhat against the Euro which is beneficial to Volta as the US Dollar exposure is in the area of 27%. US mid and long term rates have increased toward levels unseen for some time and Volta added some duration in mid-November and then in mid-December through the US 5YR Note Future. At the time of writing this report the position represents circa 1.5 year of duration. AXA IM believe that fixed rate exposure (at a reasonable interest rate level) can provide a good hedge against further potential economic disappointments.

We continue 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.



VOLTA FINANCE
Limited

DIVIDEND CURRENCY ELECTION – CURRENCY CONVERSION RATE

Regarding the dividend of €0.16 per share payable on 22 December 2016, the currency conversion rate for those Shareholders who elected to receive pounds sterling will be 0.84550 pounds sterling per euro, based on the foreign currency exchange rate as at 18:00 (UK time) on 6 December 2016. Consequently, the applicable pounds sterling dividend rate is £0.13528 per share.

** It should be noted that approximately 10.7% 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. The most recently available fund NAV was as at: 30 September 2016 for 2.6% of Volta's GAV and as at 31 October 2016 for 8.1% of Volta's GAV.*

*** "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 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 €679 billion in assets under management as of the end of June 2016. AXA IM employs approximately 2,399 people around the world.



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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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