

Volta Finance Limited (VTA) – February 2017 monthly report

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Guernsey, 20 March 2017

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

PERFORMANCE and PORTFOLIO ACTIVITY

In February, Volta’s Estimated NAV* performance was 0.9%, in line with a positive performance in most credit and equity markets.

During the month, Volta purchased six USD CLO debt positions and received a drawdown request on the “CMV” announced in the January monthly report for an aggregate equivalent of €15.7m. On average, and based on standard market assumptions, the purchases and the CMV drawdown have an average expected yield close to 9.5%. A BB European CLO tranche was called at par for €2.5m.

At the end of February 2017, Volta’s Estimated NAV* was €313.6m or €8.58 per share. The GAV stood at €360.1m.

In February, mark-to-market variations** of Volta’s asset classes were: +1.8% for Synthetic Corporate Credit deals; +0.2% for CLO Equity tranches; +0.5% for CLO Debt tranches, +1.5% for Cash Corporate Credit deals; and +0.1% for ABS.

During February, Volta generated the equivalent of €1.4m 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 €16.6m.

Cash holdings or cash equivalent instruments at the end of February totaled €31.4m.

The current level of cash is higher than usual but reflects our view that credit markets are now quite fully valued and better opportunities will arise in due course. Typically we expect to be able to deploy more capital in CLO Equity tranches and in Bank Balance Sheet transactions. We expect to utilize CLO warehouse exposure as a way to access CLO equity positions with better economics.

Regarding currency and rates exposure, Volta’s exposure is basically unchanged since January as the net exposure to USD stands at circa 24% at the end of February (after taking into account the six USD CLO debt purchases that were unsettled) while duration overlay still represents roughly 0.4 years of duration.

DIVIDEND CURRENCY ELECTION – CURRENCY CONVERSION RATE

Regarding the dividend of €0.15 per share payable on 30 March 2017, the currency conversion rate for those Shareholders who elected to receive pounds sterling will be 0.87359 pounds sterling per euro, based on the foreign currency exchange rate as at 18:00 (UK time) on 14 March 2017. Consequently, the applicable pounds sterling dividend rate is £0.1310385 per share.

** It should be noted that approximately 10.5% 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 0.8% of Volta’s GAV and as at 31 January 2017 for 9.7% of Volta’s GAV.*



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** "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.

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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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