

Volta Finance Limited (VTA) – August 2017 monthly report

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Guernsey, 20 September 2017

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for August. 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 August, Volta’s Estimated NAV* performance was +0.4%. The performance would have been 0.2% higher without the negative impact of the USD depreciation against Euro. Volta’s USD exposure was around 31% of its NAV in August.

During the month, Volta purchased three assets (3 USD CLO Debt) and was further drawn on a warehouse commitment made earlier this year. The equivalent of €9.5m in total was deployed with an average projected yield close to 9% under standard assumptions. The equivalent of €6.7m of principal was received from one USD CLO Debt position being called.

At the end of August 2017, Volta’s Estimated NAV* was €306.3m or €8.38 per share. The GAV stood at €348.5m.

In August, mark-to-market variations** of Volta’s asset classes were: +0.4% for Synthetic Corporate Credit deals; +0.7% for CLO Equity tranches; +0.8% for CLO Debt tranches, +4.0% for Cash Corporate Credit deals; and -0.1% for ABS.

In August, Volta generated the equivalent of €1.7m 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 €15.6m.

Cash holdings or cash equivalent instruments at the end of August totalled €29.4m. The quarterly dividend will be paid on 28th of September (€0.15 per share).

After a few weeks of relative calm in August, the CLO market was very active again through the early days of September with the pursuit of refinancing and reset activities. It can be reasonably expected that spreads on CLO debt tranches will continue to tighten to the benefit of CLO equity positions. Volta is still considering increasing its CLO equity bucket in this favourable environment.

**It should be noted that approximately 11.6% 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. The most recently available NAV was as at 30 June 2017 for 2.4% of Volta’s GAV and at 31 July 2017 for 9.2% 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.



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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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