

Volta Finance Limited (VTA) – November 2017 monthly report

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Guernsey, 18 December 2017

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 will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

In November, Volta’s Estimated NAV* performance was +0.1%, bringing the performance for the year to date to 6% (dividends reinvested at NAV).

On 21 December, Volta will pay a quarterly dividend of 0.16 euro per share (with an ex-dividend date of 30 November) representing an annualised yield of 9% based on the end of November share price.

The November performance was adversely impacted by the depreciation of the US Dollar against the Euro (-0.7% impact) which more than reversed the 0.4% positive contribution in October. As we have noted previously, currency exposure, principally to the US Dollar, is not intended to act as a meaningful driver of medium to long term performance. Rather, the foreign currency exposure is not fully hedged back to Euro to avoid excessive liquidity demands if hedges were to move adversely and also to limit the cash drag that arises from the need to maintain margin against open hedges. The estimated impact of currency exposures were +0.8% in 2016 and -2.5% for 2017 (as at the end of November).

In November, exposures were increased to the CLO Equity bucket as well as the Bank Balance sheet bucket. It is expected that we will continue to do so at the expense of CLO Debt positions given the significant tightening of CLO debt tranches. During the month, Volta purchased nine assets: two Euro CLO Equity positions, two Bank Balance Sheet transactions and five CLO Debt BB tranches for the equivalent of €24.3m with an average projected yield of close to 9.6% under market standard assumptions. No sales occurred in November.

At the end of November 2017, Volta’s Estimated NAV was €308.1m or €8.43 per share calculated on a cum-dividend basis (i.e. before deduction of the dividend of €0.16 per share). The GAV stood at €351.3m.

In November, mark-to-market variations of Volta’s asset classes were: +0.9% for Bank Balance Sheet Transactions; +0.2% for CLO Equity tranches; +1.3% for CLO Debt tranches, 0.0% for Cash Corporate Credit deals; and +0.5% for ABS.

In November, Volta generated the equivalent of €0.7m 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 €16.2m.

**It should be noted that approximately 11.4% 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 October 2017 for 9.9% and 29 September 2017 for 1.5% 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*

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.

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Any target information is based on certain assumptions as to future events which may not prove to be realised. Due to the uncertainty surrounding these future events, the targets are not intended to be and should not be regarded as profits or earnings or any other type of forecasts. There can be no assurance that any of these targets will be achieved. In addition, no assurance can be given that the investment objective will be achieved.

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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