

**Volta Finance Limited (VTA) – December 2017 monthly report**

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*Guernsey, 22 January 2018*

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for December. The full report is attached to this release and will be available on Volta’s website shortly ([www.voltafinance.com](http://www.voltafinance.com)).

**PERFORMANCE and PORTFOLIO ACTIVITY**

In December, Volta’s Estimated NAV\* performance was +0.6% (taking into account the December dividend payment), bringing the performance for the year to date to 6.6% (dividends reinvested at NAV).

On 21 December, Volta paid 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 annual performance is somewhat below that recorded in the last few calendar years, primarily on account of the negative performance drag caused by currency exposure to the US Dollar (nearly 30% of the NAV on average through 2017). The overall estimated impact of currency exposures for 2017 is -3.6%, meaning that the performance of Volta, prior to the currency impact is above 10% (net of fees) for 2017. As we have noted previously, 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. This strategy has been in place for many years and historically has not had any material impact on the mid to long-term performance of Volta as the Euro/dollar cross rate has been relatively stable for many years.

Late in December, Volta received the equivalent of €24.2m of prepayments from two positions. These repayments account for the rather significant amount of cash held at the end of December. Prepayment levels were very high in 2017 and this, in large part, accounted for periodically higher levels of cash in the Company than would be usual. However, it is encouraging that, throughout the year, we have continued to be able to source and reinvest in new opportunities at attractive IRRs, which bodes well for future returns. Volta was drawn on one asset (the lease transaction that was sourced in 2016) for the equivalent of €1.4m during December.

In 2018 we anticipate continuing to increase exposure 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. This tandem increase to CLO Equity and Bank Balance sheets from CLO Debt means that aggregate risk levels should not increase meaningfully.

At the end of December 2017, Volta’s Estimated NAV was €304.0m or €8.32 per share. The GAV stood at €347.4m.

In December, mark-to-market variations of Volta’s asset classes were: +0.5% for Bank Balance Sheet Transactions; +1.0% for CLO Equity tranches; +2.1% for CLO Debt tranches, 0.0% for Cash Corporate Credit deals as well as for ABS.

In December, Volta generated the equivalent of €1.9m 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 €17.4m.

*\*It should be noted that approximately 11.5% 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 for 8.9% as at 30 November 2017 and for 2.6% as at 29 September 2017.

\*\* "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.

**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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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 €717 billion in assets under management as of the end of December 2016. AXA IM employs approximately 2,420 people around the world.

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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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