

Volta Finance Limited (VTA) – June 2018 monthly report

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Guernsey, 23 July 2018

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for June. 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 June, Volta’s Estimated NAV* performance was +0.2%, a positive performance in a context of relatively quiet credit markets in general, including the 16 cents per share dividend paid on the 28th of June.

The last 4 quarterly dividends were covered 1.6 times by Volta’s income and contributed to a 7.5% trailing dividend yield relative to the share price.

In June, mark-to-market performances of Volta’s asset classes, in local currencies, were: 0.0% for Bank Balance Sheet Transactions; +0.1% for CLO Equity tranches; +1.1% for CLO Debt tranches, -2.1% for Cash Corporate Credit deals and +0.6% for ABS.

In June, 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 €18.0m, a level unseen for several years.

The increasing amount of interest and coupons generated by Volta’s assets continues, resulting from the increase in the 3 month USD Libor rate as well as the increasing importance of the CLO equity bucket (the asset class with the highest cash on cash contribution).

During the month, Volta sold one European CLO equity position, saw one CLO debt position called and received the final payment from the warehouse facility that closed this month for a total equivalent of approximately €8.1m. Volta purchased two USD CLO debt positions and two recently opened CLO warehouse facilities were partially drawn for a total equivalent amount of €12.5m. On average and under market standard assumptions, the projected IRR of these purchases is in the area of 11.5%.

As planned, we continue to allocate capital to CLO warehousing facilities. It is anticipated that the two warehouses to which Volta contributed this month should lead to a CLO pricing during Q3 2018. Expected returns on such CLO equity positions are in the area of 13% to 15%.

On top of the good performance that we realise on our warehouse facilities, they generally offer a way to secure attractive terms for new CLO equity positions.

We’ve seen a bit of widening in CLO BB tranches, and if this was to continue we will use this opportunity to deploy more cash in this area.

As of the end of June 2018, Volta’s Estimated NAV was €303.9m or €8.31 per share. The GAV stood at €350.6m.

**It should be noted that approximately 11.2% 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 6.8% as at 31 May 2018 and for 4.4% as at 31 March 2018.

** "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.

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 €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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