



Volta Finance Limited (VTA / VTAS) – January 2019 monthly report



**VOLTA FINANCE**  
Limited

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Guernsey, 18 February 2019

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for January. 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 January, Volta’s NAV\* total return performance was +3.1%, a significant rebound after a volatile end of 2018.

This significantly positive performance is mainly driven by the strong performance of CLO debt and equity tranches. The overall monthly performances of Volta’s asset classes in local currencies were: +1.0% for Bank Balance Sheet Transactions; +4.5% for CLO Equity tranches; +3.6% for CLO Debt tranches; -4% for Cash Corporate Credit deals; and +0.0% for ABS. The Cash Corporate Credit bucket comprises allocations to two funds for which the NAV is only available with one month delay, the performance of January is, in reality, reflecting the December market situation for this bucket.

At the end of December, we were fully invested, having taken the opportunity of the December price declines to purchase more assets, deploying the surplus cash balances previously held. We believe we were therefore, well positioned for the January price rebound.

On a more fundamental basis, there are still few defaults in the US and European loan markets (respectively 1.4% and 0% default on the last-twelve-month basis as at the end of January), the maturity wall remains distant (most loans mature in 2024/2025) and the latest earnings reporting season was again globally positive. The market volatility experienced in Q4 2018 is, even accounting for its short duration, structurally positive for CLO Equity positions: it gave the opportunity of some purchases at a discount by the CLO managers.

In January, Volta generated the equivalent of €8.8m 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 interests and coupons to €20.6m. This is a multi-year record for Volta, representing 14.4% annualised cash return on the current NAV.

As at the end of January 2019, Volta’s NAV was €290.7m or €7.95 per share. The GAV stood at €338.8m.

As noted in last month’s reports, Volta has a limited exposure to Sterling & the UK (6% of underlying credits are from UK based companies) and so would be unlikely to suffer materially from direct losses from a disorderly Brexit (taking into account the 5 to 7.5% drop in GDP that many economists, including the BoE, expect from the most adverse scenario around Brexit). However, it is likely that there would be some volatility in UK based assets and we are alert to any opportunities that might arise in these circumstances.

*\*It should be noted that approximately 10.5% 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 for each fund or quoted price for such subordinated note. The most recently available fund NAV or quoted price was for 6.5% as at 31 December 2018 and for 4.0% as at 28 September 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.*



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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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### 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 766 investment professionals and €759 billion in assets under management as of the end of June 2018.

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This press release is published by AXA Investment Managers Paris ("AXA IM"), in its capacity as alternative investment fund manager (within the meaning of Directive 2011/61/EU, the "AIFM Directive") of Volta Finance Limited (the "Volta Finance") whose portfolio is managed by AXA IM.

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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.

Editor: AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6, Place de la Pyramide - 92800 Puteaux. AXA IMP is authorized by the *Autorité des Marchés Financiers* under registration number GP92008 as an alternative investment fund manager within the meaning of the AIFM Directive.

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