

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

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Guernsey, 10 July 2019

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 NAV* total return performance was -1.0%, bringing the YTD performance to 6.4%.

One driver for this was the USD depreciation over the month against the EUR by 1.7%, which detracted almost 0.5% from the monthly performance.

In addition, both CLO debt and CLO Equity prices were lower over the month reflecting the lack of appetite from investors for floating rate instruments. Given the low level of yield that has already been achieved in recent months in the US and the record low yields seen in Europe, we believe that investors may soon reverse the recent trend and favor floating rate instruments which would limit their risk of capital losses should term yields begin to rise again.

In June, the monthly performances of Volta’s sub-asset classes were, in local currency: +1.0% for Bank Balance Sheet transactions, -0.5% for CLO Equity tranches; -0.4% for CLO Debt; +2.7% for Cash Corporate Credit deals; and -0.6% for ABS. As noted in the market announcement of 8 July 2019, CLO Equity prices were sourced from JP Morgan PricingDirect as pricing vendor with effect from this month. CLO Debt prices have been sourced from JP Morgan PricingDirect for some time.

In June, we invested the equivalent of €15.4m in 3 positions (one USD CLO Equity, one USD CLO Debt and additional capital was drawn by the existing CMV). On average, based on market standard assumptions, the IRR of these investments was close to 11.5%.

Because the settlement of the recent CLO investments is in August, the reported amount of cash (on a trade date basis) is negative at the end of June. July is a month with significant payments from our assets and, therefore, these settlements shall be financed with the July cash flows.

The total cash amount generated during the last six months in terms of interest and coupons reached €19.2m, an annualised 13.3% yield to closing NAV. In July we will have the first payment from two CLO equity positions that were purchased earlier this year, which is likely to push Volta’s ongoing cashflows to a new record.

As at the end of June 2019, Volta’s NAV was €289.1m or €7.90 per share. The GAV stood at €328.5m.

**It should be noted that approximately 10.6% 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 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 May 2019 and for 4.1% as at 29 March 2019.*

*** “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.*



CONTACTS

For the Investment Manager

AXA Investment Managers Paris
Serge Demay
srge.demay@axa-im.com
+33 (0) 1 44 45 84 47

Company Secretary and Administrator

BNP Paribas Securities Services S.C.A, Guernsey Branch
guernsey.bp2s.volta.cosec@bnpparibas.com
+44 (0) 1481 750 853

Corporate Broker

Cenkos Securities plc
Andrew Worne
Oliver Packard
Sapna Shah
+44 (0) 20 7397 8900

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 739 investment professionals and €750 billion in assets under management as of the end of March 2019.

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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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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