



## **VOLTA FINANCE – INTERIM MANAGEMENT STATEMENT**

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*Guernsey, 2 June 2015* – Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) has published its Interim Management Statement. The full report is attached to this release and is available on Volta Finance Limited’s financial website ([www.voltafinance.com](http://www.voltafinance.com)).

#### **Dear Shareholders and Investors,**

During the quarter, from the end of January 2015 to the end of April 2015, the Estimated NAV of Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) went from €289.9m or €7.94 per share, to €296.9m or €8.13 per share.

Taking into account the April dividend payments (€0.31 per share), it reflects a positive 6.3% quarterly performance in the per share value.

Year to date 2015 performance is +10% as at the end of April 2015.

The strong performance of Volta during the quarter reflects the positive stance on credit markets during the period as well as the gain from selling two UK non-conforming residual positions.

During the quarterly period, the Company purchased 5 assets for the equivalent of €16.7m: a BB tranche, two B tranches and one equity tranche of USD CLOs as well as one equity tranche of a European CLO. €11.7m was drawn down on previous commitments and €3.5m was added to the warehouse position previously established. In the meantime, two assets were sold during the quarter (two of the five UK non-conforming residual positions) for an equivalent of €12.2m and two USD CLO Equity tranches were called, generating the equivalent of €1.9m.

During the quarter, cash flows generated by the Company’s assets, excluding asset sales and principal payments from assets, amounted to €8.2m (non euro amounts being translated in euro using the end of month currency rate).

The Company entered into a Repurchase Agreement with Societe Generale towards the end of March. \$30m was received against USD CLO debt tranches.

As Volta now has leverage at a Company level, the Board has agreed to provide investors with additional reporting metrics. Henceforth, the Company will report a Gross Asset Value (“GAV”) and an Estimated Net Asset Value (“NAV”) on a monthly basis, with an audited Net Asset Value as at each 31st July and 31st January.

At the end of April, Volta held €37.6m in cash, excluding an amount of €2.8m which is pledged as margin under its currency hedging facilities. The most recent purchases have not yet been settled at the end of April. Post settlement cash available stand at €27m.

#### **Portfolio Review**

##### **Synthetic Corporate Credit**

During the quarter, no material event affected the Synthetic Corporate Credit holdings.

##### **CLO Equity and Debt tranches**



During the quarter, no material event affected the CLO holdings of the Company. As previously reported, Volta has been participating in the financing of a CLO warehouse; the CLO priced as expected on 30th April and the closing is scheduled for 18th June. The European CLO equity purchase noted above is the equity of this particular CLO.

### **Cash Corporate Credit**

During the quarter, no material event affected the Cash Corporate Credit holdings.

### **ABS**

During the quarter, two of the 5 UK non-conforming positions were sold at prices significantly above the previous end-of-month valuation. Following these sales, we have slightly amended the assumptions used for the valuations of the remaining UK non-conforming residual positions in order to reflect the uplifted valuations achieved on realisation. These assets, which represent 4.8% of the GAV, are the sole assets in the overall portfolio which are valued on a mark to model basis.

No material event affected the other positions in this bucket during the quarter.

The Company considers that opportunities could arise in several structured credit sectors in the current market environment. Amongst others, mezzanine or Equity tranches of CLOs, European or US ABS as well as tranches of Cash or Synthetic Corporate Credit portfolios could be considered for investment. Potential investments could be done depending on the pace at which market opportunities could be seized and cash is available.

Depending on market opportunities, the Company may aim to take advantage of the current compression on discount margins to sell some assets in order to reinvest the sale proceeds on assets that the Investment Manager consider being, at the time of purchase, better opportunities.

As previously announced, the Company entered into a repurchase agreement, borrowing USD30m against part of its USD CLO debt positions, the Investment Manager has the possibility to borrow up to USD30m more through a similar agreement. The execution of such agreement will depend on market conditions.

Unless stated otherwise, the figures in this Interim Management Statement are as at the end of April 2015 as valuations are available only on a monthly basis with some delays. Between the end of April 2015 and 1<sup>st</sup> June 2015, the date of publication of this Interim Management Statement, the Company is not aware of any significant event, materially affecting the Company's financial position or the Company's investments.

(Full Interim Management Statement attachment on [www.voltafinance.com](http://www.voltafinance.com))

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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 NYSE Euronext Amsterdam. Its investment objectives are to preserve capital and to provide a stable stream of income to its shareholders through dividends. For this purpose, it pursues a multi-asset investment strategy targeting various underlying 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; automobile loans. Volta Finance Limited's basic approach to its underlying assets is through vehicles and arrangements that provide leveraged exposure to some of those underlying assets.

Volta Finance Limited 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 €607 billion in assets under management as of the end of September 2014. AXA IM employs approximately 2,300 people around the world and operates out of 21 countries.



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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.**

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