



Volta Finance Limited (VTA) – May 2018 monthly report

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Guernsey, 20 June 2018

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for May. 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 May, Volta’s Estimated NAV* performance was +2.4%, a very good monthly performance in a context of relatively quiet credit markets in general. This month the dollar exposure of Volta contributed positively to half of the performance (1.2% impact).

On 28th of June Volta will pay a quarterly dividend corresponding to €0.16 per share (ex-dividend date was the 7th of June).

In May, mark-to-market performances of Volta’s asset classes, in local currencies, were: +1.9% for Bank Balance Sheet Transactions mainly thanks to coupon payments; +0.2% for CLO Equity tranches; +1.3% for CLO Debt tranches, +0.7% for Cash Corporate Credit deals and +0.4% for ABS.

In May, Volta generated the equivalent of €1.3m 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 €18.2m, a level unseen for several years.

The increasing quantum of interest and coupons generated by Volta assets continue being the result of the increase in 3 month LIBOR rate as well as the result of the increasing size of the CLO Equity bucket (being the asset class with the highest cash contribution).

During the month some of our clients did have some questions relative to our exposure to Italy. As a platform and it is the obviously the case for Volta, we never invested in bank balance sheet transactions from an Italian bank and do not intend to do so as we never reached such a level of confidence in the deals we looked at that made us comfortable. Regarding European CLOs, the exposure to loans from corporate entities based in Italy represented, as of the end of May, less than 2.5% of the underlying loan portfolios from our European CLO bucket (16.6% of Volta GAV as of the end of May). Overall Volta direct exposure to Italy is insignificant.

Volta saw two USD CLO debts being called during the month for a total of the equivalent of €12.0m and the equivalent of €1.8m was drawn on the two CLO warehouses that were opened in April.

As planned, we continue allocating capital to CLO warehousing facilities. It is anticipated that the two warehouses to which Volta contributed this month should lead to a CLO pricing by the end of Q2/early Q3 2018. Expected return on such CLO equity positions are most of the time in the area of 13 to 15%.

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

As of the end of May 2018, Volta’s Estimated NAV was €309.1m or €8.45 per share. The GAV stood at €355.8m.



**It should be noted that approximately 11.4% 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 and investments in certain subordinated notes which are in the process of liquidation for which fully up-to-date prices might be unavailable. 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 each such subordinated note. The most recently available valuation was for 7.0% as at 30 April 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.

CONTACTS

For the Investment Manager

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

Company Secretary and Portfolio Administrator

Sanne Group (Guernsey) Limited
voltafinance@sannegroup.com
+44 (0) 1481 739810

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.

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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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