



## VOLTA FINANCE – JULY MONTHLY REPORT

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Guernsey, 20 August 2014 – Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) has published its monthly report. 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)).

#### Gross Asset Value

	At 31.07.14	At 30.06.14
Gross Asset Value (GAV / € million)	274.0	270.3
GAV per share (€)	7.51	7.41

At the end of July 2014, the Gross Asset Value\* (the “GAV”) of Volta Finance Limited (the “Company”, “Volta Finance” or “Volta”) was €274.0 m or €7.51 per share, an increase of €0.10 per share from the end of June 2014.

This brings the performance for the first 7 months of 2014 to +6.1% including the April dividend payment.

We take the opportunity of this report to again remind investors that, since March 2014, we have changed the way the GAV (Gross Asset Value) is computed to get closer to a NAV (Net Asset Value) measure by deducting from the valuation of our assets the accrued management and incentive fees on a monthly basis. We felt it would be a better measure of Volta’s intrinsic value to the extent fees could be predicted, rather than to deduct management fees on a semi-annual basis and take the corresponding hit on valuation twice a year. At the end of July, the accrued amount of fees represented €1.5m.

The July mark-to-market variations\* of Volta’s asset classes have been: -0.1% for Synthetic Corporate Credit deals, +0.7% for CLO Equity tranches; +0.0% for CLO Debt tranches, -0.2% for Cash Corporate Credit deals and +2.0% for ABS. The positive performance of Volta in July is mostly due to the depreciation of the Euro against USD and GBP as credit markets were roughly weak.

Volta’s assets generated the equivalent of €3.1m cash flows in July 2014 (non-Euro amounts converted to Euro using end-of-month cross currency rates and excluding principal payments from debt assets) bringing the total cash generated during the last six months to €15.0m.

In July, Volta invested in one transaction, a USD BB tranche of CLO from the primary market for the equivalent of €4m and sold one position, an old BB tranche of CLO for the equivalent of €3.6m. Under reasonable and standard assumptions, the projected IRR of the purchase was close to 8.3%, 6% for the sale. In July we received principal payment from one old European CLO (Tara Hill) : the original BBB tranche was fully paid as well as part of the original BB, resulting in a total principal payment of €2.8m.

At the end of July, Volta held €18.1m in cash including €0.3m posted in relation to its currency hedge positions. Taking into account unsettled commitment (the remaining USD10m committed of the warehouse transaction), Volta has approximately €8m available to invest.

#### MARKET ENVIRONMENT

In July 2014, credit markets spread widened both in Europe and in the US : the 5 year iTraxx



European Main index and 5 year iTraxx European Crossover Index (series 21) spreads went respectively from 62 and 242 bps at the end of June 2014 to 65 and 264 bps at the end of July 2014. In the US, in the same vein, the 5y CDX main index (series 22) widened from 59 to 64 bps. According to the CSFB Leverage Loan Index, the average price for US liquid first lien loans went down from 99.08% at the end of June 2014 to 98.65% at the end of July 2014. In Europe, the price of the S&P European Leveraged Loan Index was unchanged at 95.12%. \*\*

## **VOLTA FINANCE PORTFOLIO**

In July 2014, no particular event materially impacted any of Volta's assets.

We continue seeing opportunities in several structured credit sectors including mezzanine or equity tranches of CLOs, RMBS tranches as well as tranches of Cash or Synthetic Corporate Credit portfolios.

*\* "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.*

*\*\* Index data source: Markit, Bloomberg.*

(Full monthly report in attachment or 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 €553 billion in assets under management as of the end of December 2012. AXA IM employs approximately 2,450 people around the world and operates out of 21 countries.

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