

Volta Finance Limited - Net Asset Value as at 31 August 2019

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

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Guernsey, 12 September 2019

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for August. 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 August, Volta’s NAV* total return performance was -1.5%, bringing the YTD performance to 5.3%.

The monthly performances ** of the sub-asset classes were the following, in local currency: +0.8% for Bank Balance Sheet transactions, -2.6% for CLO Equity tranches; -0.6% for CLO Debt; -1.2% for Cash Corporate Credit deals; and +0.5% for ABS.

On average the prices of the CLO equity positions were contaminated by the overall increase in risk premium in credit markets with the increasing tension between US and China and the gesticulations around Brexit. At the time of writing it seems that, regarding Brexit, with the clock ticking down towards the 31 October 2019 deadline and a no-deal Brexit apparently off the agenda, the uncertainty risk premium may begin to unwind to the benefit of valuations of our European CLO positions going forward.

The recent easing from the ECB might also support the valuation of our assets going forward.

The main thing that happened in the CLO markets during the recent weeks is a significant tightening of Euro CLO AAA tranche spread. It might open the door for refinancing or reset of existing European CLO liabilities to the benefit of our CLO Equity positions.

In August, we invested the equivalent of €1.9m in a Euro CLO Debt tranche rated B and sold 3 other debt positions for the equivalent of €6m. With standard assumptions, the projected IRR of the B tranche that was purchased was close to 10%.

The total cash amount generated during the last six months in terms of interest and coupons reached €21.6m, an annualised 14.9% yield to closing NAV. This is a further new high for this measure of Volta’s performance, reflecting the increasing share of CLO Equity positions in Volta’s portfolio.

As at the end of August 2019, Volta’s NAV was €286m or €7.82 per share. The GAV stood at €325.4m.

**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 6.1% as at 31 July 2019 and for 4.4% as at 28 June 2019.*

*** “monthly performances” are 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.

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

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Attachment

- | [August 2019 Monthly Press Release Finale](#)