

## **Volta Finance Limited : Net Asset Value(s)**

### **Volta Finance Limited (VTA) - December 2016 monthly report**

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*Guernsey, 19 January 2017*

AXA IM has published the Volta Finance Limited (the "Company" or "Volta Finance" or "Volta") monthly report for December. The full report is attached to this release and is available on Volta's website ([www.voltafinance.com](http://www.voltafinance.com)).

#### **PERFORMANCE and PORTFOLIO ACTIVITY**

In December, Volta's Estimated NAV\* performance was 1.4% including the December dividend payment (€0.16 per share). It is in line with a positive performance in most credit and equity markets.

For 2016, the NAV performance was 15.2%, adjusting for the April, September and December dividend payments. This good performance was mostly due to the strong performance of the CLO Equity and CLO debt buckets. The rest of the portfolio provided diversification and stability to the portfolio as illustrated by the relatively modest drawdown of Volta's NAV in Q1 2016. Our ability to rotate the portfolio through the year was also key in producing such a performance.

In December, Volta purchased two positions (one Euro CLO Equity and one Bank Balance Sheet transaction) for a total of €16.1m and sold four positions (3 CLO debt tranches and the remaining UK non-conforming residual position) for a total of the equivalent of €14.0m. On average and based on standard market assumptions, the purchases were executed with an average expected yield close to 12.5% and the sales were traded with an average expected yield of close to 6.5%.

At the end of December 2016, Volta's Estimated NAV\* was €306.4m or €8.39 per share. The GAV stood at €351.4m.

In December, mark-to-market variations\*\* of Volta's asset classes were: +0.2% for Synthetic Corporate Credit deals; +1.5% for CLO Equity tranches; +2.2% for CLO Debt tranches, -0.4% for Cash Corporate Credit deals; and -0.1% for ABS.

In December, Volta generated the equivalent of €1.1m in interest and coupons net of repo costs (non-euro amounts translated into euro using end-of-month cross currency rates), bringing the total cash amount generated during the last six months in terms of interest and coupons net of repo costs to €14.6m.

Cash holdings or cash equivalent instruments at the end of December totaled €16.0m and we expect to invest in some recent transactions, including some Bank Balance Sheet transactions, in early 2017.

On top of that, considering the significant rally that occurred on CLO debt tranches since the summer, we expect to continue selling some of the old debt positions and buying more recently issued ones as well as CLO Equity positions in order to increase the projected yield of the portfolio.

Again this month, the US Dollar appreciated somewhat against the Euro which is beneficial to Volta as the US Dollar exposure is in the area of 26%.

In November and December we added some duration through the US 5YR Note Future. At the time of writing this report we took some profits on this position that represents circa 0.75 year of duration. AXA IM believes that fixed rate exposure (at a reasonable interest rate level) can provide a good hedge against further potential economic disappointments.

We continue to see opportunities in several structured credit sectors including mezzanine and equity tranches of CLOs and Bank Balance Sheet transactions.

*\* It should be noted that approximately 10.9% of Volta credit sectors including mezzanine and equity tranches of CLOs and Bank Balance Sheet transactions, circa 0.75 year of duration. AXNAV 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 in funds are valued using the most recently available NAV for each fund. The most recently available fund NAV was as at: 30 September 2016 for 0.9% of Volta's GAV and as at 30 November 2016 for 10.0% of Volta's GAV.*

*\*\* "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.*

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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.

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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 €679 billion in assets under management as of the end of June 2016. AXA IM employs approximately 2,399 people around the world.

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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.

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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[December 2016 Monthly Report](#)