

Volta Finance Limited: Estimated Net Asset Value as at 31 October 2018

Volta Finance Limited (VTA / VTAS) – October 2018 monthly report

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Guernsey, 20 November 2018

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for October. 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 October, Volta’s Estimated NAV* total return performance was +1.3%, a strongly positive performance in a context of volatile credit and equity markets. A significant portion of this positive monthly performance (0.8%) was due to USD appreciation in October.

In October, almost all buckets contributed to performance as shown by the mark-to-market performances of Volta’s asset classes. In local currencies: +1.3% for Bank Balance Sheet Transactions; +1.0% for CLO Equity tranches; +0.6% for CLO Debt tranches; -2.7% for Cash Corporate Credit deals; and +1.1% for ABS.

In September, Volta converted a USD CLO warehouse facility into a CLO Equity position (USD13m was purchased) which settled in October. The holding period performance realised on this warehouse was 26.6%.

In October, another warehouse was converted into a CLO Equity position (€6.4m was purchased). It is too early to finalise the performance of this warehouse but it is expected to be in the 20% area again.

A new USD CLO warehouse was opened in October with an initial contribution of USD4m.

Overall, during the month the equivalent of €24.0m was amortized or reimbursed from previous deals and the equivalent of €17.3m was invested (representing various contributions to the existing warehouses and the purchase in the primary market of a USD5m position on a USD Middle Market CLO Equity position). On average and under market standard assumptions, the projected average IRR of all purchases was in the area of 14.5%.

We continue to pursue our investment strategy that consists in increasing the allocation to CLO Equity tranches in order to benefit from the structural optionality embedded with such positions (contrary to CLO debt positions). At the end of October, Volta’s CLO Equities represented 32.5% of GAV with a further 2.3% invested in CLO warehouses that will be converted into CLO Equity positions. Depending on the market situation, a target allocation in the area of 40% into CLO Equity positions seems reasonable for Volta.

In October, Volta generated the equivalent of €7.1m 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 interests and coupons to €19.3m.

As at the end of October 2018, Volta’s Estimated NAV was €306.7m or €8.39 per share. The GAV stood at €354.5m.

**It should be noted that approximately 9.2% 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. The most recently available fund NAV was for 5.6% as at 30 September 2018 and for 3.6% as at 30 June 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 Administrator

BNP Paribas Securities Services S.C.A, Guernsey Branch
guernsey.bp2s.volta.cosec@bnpparibas.com
+44 (0) 1481 750 853

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.

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 766 investment professionals and €759 billion in assets under management as of the end of June 2018.

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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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Attachment

| [Volta - Monthly Report - October 2018](#)