

**Contact on the portfolio composition**

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**Volta Finance Limited**

**May Monthly Report**

**At 31 May 2007**

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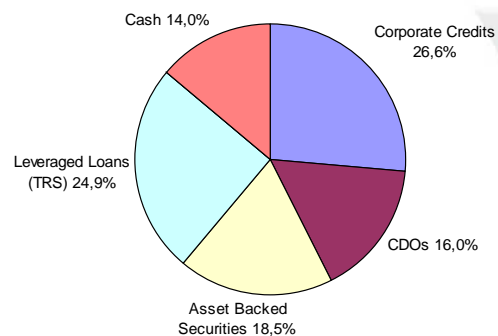
# Portfolio Composition

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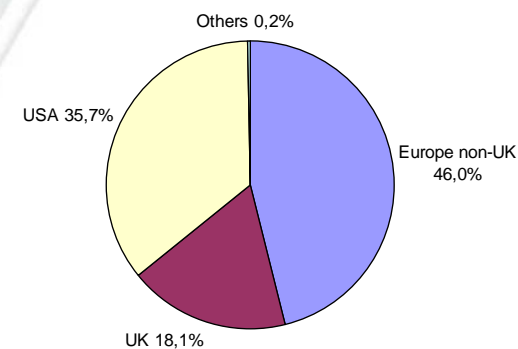
|                                    | At 31.05.07        | Note                          | At 30.04.07 |
|------------------------------------|--------------------|-------------------------------|-------------|
| <b>Gross Asset Value (GAV - €)</b> | <b>297,387,238</b> | -                             | 296,433,896 |
| <b>GAV per Share (€)</b>           | <b>9.91</b>        | 30 000 001 outstanding shares | 9.88        |
| <b>Cash (%)</b>                    | <b>14.0</b>        | -                             | 16.6        |

## Breakdown by Primary Target Asset Class



| Asset class             | At 31.05.07  | At 30.04.07 |
|-------------------------|--------------|-------------|
| Corporate Credits       | <b>26.6%</b> | 26.7%       |
| CDOs                    | <b>16.0%</b> | 13.0%       |
| Asset Backed Securities | <b>18.5%</b> | 18.8%       |
| Leveraged Loans (TRS)   | <b>24.9%</b> | 25.0%       |
| Cash                    | <b>14.0%</b> | 16.5%       |

## Breakdown by Geography \*\*



| Region        | At 31.05.07  | At 30.04.07 |
|---------------|--------------|-------------|
| Europe non-UK | <b>46.0%</b> | 45.2%       |
| UK            | <b>18.1%</b> | 18.3%       |
| USA           | <b>35.7%</b> | 36.3%       |
| Others        | <b>0.2%</b>  | 0.2%        |

\*\* Look through. Includes the geographic exposure gained through the underlying portfolio of the TRS, Jazz III and Aria II.

# Portfolio Composition

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## Top 15 Investments and Investments over 3% of GAV

| Issuer                          | % GAV | Primary target asset class | Description of investment | Description of underlying asset                | Manager/Service               | Principal geographical exposure |
|---------------------------------|-------|----------------------------|---------------------------|--|-------------------------------|---------------------------------|
| TRS *                           | 24.93 | Leveraged Loans            | Leveraged loans           | Senior secured, second lien and mezzanine debt | Axa Investment Managers Paris | Europe                          |
| ARIA CDO II (IRELAND) PLC       | 23.12 | Corporate Credit           | Bespoke CDO tranche       | Majority investment grade corporate credit     | Axa Investment Managers Paris | USA                             |
| EUROSAIL 2006-1 PLC             | 4.22  | ABS                        | Residual of ABS           | UK non-conforming RMBS                         | SPML                          | United Kingdom                  |
| PROMISE MOBILITY 2006-1         | 4.11  | ABS                        | Residual of ABS           | German SME first loss                          | IKB                           | Europe non-UK                   |
| ALBA 2006-2 PLC                 | 3.97  | ABS                        | Residual of ABS           | UK non-conforming RMBS                         | Oakwood                       | United Kingdom                  |
| NEWGATE FUNDING PLC 2006-2      | 3.90  | ABS                        | Residual of ABS           | UK non-conforming RMBS                         | Mortgage Plc                  | United Kingdom                  |
| JAZZ III CDO (IRELAND) P.L.C.   | 3.43  | Corporate Credit           | Residual of Corporate CDO | Majority investment grade corporate credit     | Axa Investment Managers Paris | USA                             |
| ALBA 2006-1 PLC                 | 2.25  | ABS                        | Residual of ABS           | UK non-conforming RMBS                         | Oakwood                       | United Kingdom                  |
| NORTHWOODS CAPITAL LIMITED      | 2.00  | CDO                        | Residual of CLO           | Broadly syndicated loans                       | Angelo Gordon                 | USA                             |
| LIGHTPOINT PAN EUROPEAN CLO PLC | 2.00  | CDO                        | Residual of CLO           | Broadly syndicated loans                       | Lightpoint                    | Europe                          |
| OCEAN TRAILS CLO I LLC          | 1.92  | CDO                        | Residual of CLO           | Broadly syndicated loans                       | WG Horizons                   | USA                             |
| WASATCH CLO LTD                 | 1.88  | CDO                        | Residual of CLO           | Broadly syndicated loans                       | Invesco                       | USA                             |
| KINGSLAND IV LTD                | 1.47  | CDO                        | Residual of CLO           | Broadly syndicated loans                       | Kingsland Capital Management  | USA                             |
| SANDS POINT FUNDING LTD         | 1.41  | CDO                        | Residual of CLO           | Middle market loans                            | Guggenheim                    | USA                             |
| CARLYLE HY PART IX              | 1.24  | CDO                        | Residual of CLO           | Broadly syndicated loans                       | Carlyle                       | USA                             |

\* See following page for more information on the TRS.

# Asset Class Analysis

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| Asset Class             | Number of Positions | Average Position Size (€) |
|-------------------------|---------------------|---------------------------|
| CDOs                    | 11                  | 4,287,436                 |
| Corporate Credit        | 2                   | 39,476,837                |
| ABS                     | 5                   | 10,975,449                |
| Leveraged Loans (TRS) * | 1                   | 74,162,156                |
| Infrastructure          | 0                   | 0                         |

\* Leveraged loans exposure is gained through a Total Return Swap. The amount published in the table above is the equity equivalent of the TRS (which is equal to the posted collateral). **Information on the invested underlying TRS portfolio is the following:**

## TRS portfolio description \*\*

|                           |             |
|---------------------------|-------------|
| Mark-to-Market value (€)  | 290,896,399 |
| Number of Issuers         | 50          |
| Average position size (€) | 5,817,928   |

## Breakdown by type of asset

|                |       |
|----------------|-------|
| Senior Secured | 91.3% |
| Second Lien    | 5.7%  |
| Mezzanine      | 3.0%  |

# About Volta Finance Ltd

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Volta Finance Ltd. (the "**Company**") is incorporated in Guernsey under the Companies (Guernsey) Laws. The Company's investment objectives are to preserve capital and to provide a stable stream of income to its shareholders through dividends. It seeks to attain its investment objectives by pursuing a multi-asset class investment strategy. The strategy focuses on direct and indirect investment in and exposures to a variety of assets selected for the purpose of generating overall stable and predictable cash flows for the company. The underlying assets principally targeted for direct and indirect investment (collectively, the "**Primary Underlying Assets**") consists of (but not limited to): corporate credits, sovereign and quasi-sovereign debt, residential mortgage loans, commercial mortgage loans, automobile loans, student loans, credit card receivables, leases, and debt and equity interests in infrastructure projects.

Volta Finance Ltd.'s basic approach to investment in these Primary Underlying Assets is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of Primary Underlying Assets (for example, the kind of risk/reward profile typically associated with the residual interest in a securitisation transaction). In this regard, the Company has instructed AXA Investment Managers Paris, the company's investment portfolio manager (the "**Investment Manager**"), to pursue its investment strategy by concentrating initially on five principal target asset classes, each of which is supported principally if not entirely by cash flows generated by Primary Underlying Assets ("**Primary Target Asset Classes**"):

## **Corporate Credits**

Investment grade, sub-investment grade and unrated credits. These may include industrial companies as well as financial institutions (such as banks), among others. The Company uses the term "corporate credits" to refer both to cash obligations (bonds or loans) of corporate or other commercial borrowers and to synthetic arrangements (such as credit default swaps) referencing these entities.

The Company's focus in this area is on acquiring or creating the equivalent of a first loss or a junior second loss investment exposure to diversified portfolios of these credits (e.g., through bespoke collateralised swap obligations ("CSOs") managed by the Investment Manager). As a general matter, the Company includes in this Primary Target Asset Class cash and synthetic CDOs/CSOs that have corporate credits a majority of which are investment grade and that are managed by the Investment Manager.

## **CDOs**

The Company intends to invest in the securities of collateralised debt obligations, collateralised loan obligations, collateralised synthetic obligations and similar leveraged investment vehicles (collectively "CDOs").

The Company's initial focus in this Primary Target Asset Class will be on the residual income positions of CDOs managed by portfolio managers other than the Investment Manager, although the Company may invest to a lesser extent in higher-ranking positions in a leveraged format as well.

## **Leveraged Loans**

Leveraged loan obligations, including positions in mezzanine and second lien loans, as well as loans with higher payment priorities. These loan obligations may be rated or unrated, secured or unsecured and senior or subordinated. Initially, the Company intends to obtain exposure to this asset class in a leveraged format through a synthetic arrangement (Total Return Swap).

## **Asset-Backed Securities**

The Company's initial focus in this area is on residual income positions of asset-backed securities, although the Company may also invest in debt tranches in a leveraged format.

## **Infrastructure Assets**

Infrastructure assets. The Company will seek to acquire investments in infrastructure projects generally but not necessarily located in Europe. Among the sectors in which the Company may invest are transport, public buildings, energy and utilities. The Company may invest in both "greenfield" and "brownfield" projects, and may acquire both debt and equity/quasi-equity interests in infrastructure projects.