S&P Global
Ratings

RatingsDirect®

Presale:

Astrea IV Pte. Ltd.

May 23, 2018

This presale report is based on information as of May 23, 2018. The ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings.

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Preliminary Ratings

Class	Preliminary ratings(i)	Prelim amt (mil. $)	Scheduled call date (years)	Legal maturity date (years)	LTV(ii) (%)
Liquidity facility	NR	US$100.0(iii)	N/A	10(iv)	N/A
A-1	A (sf)	S$242.0(v)	5	10	16.4
A-2	NR	US$210.0	5	10	19.1
B	NR	US$110.0	N/A	10	10.0
Capital call facility	NR	US$168.1(vi)	N/A	10(iv)	N/A
Equity	NR	US$598.4	N/A	N/A	N/A

(i)The ratings are preliminary and subject to change at any time. (ii)LTV calculated as a percentage of total portfolio funded net asset value. (iii)The liquidity facility available amount steps down over time (see table 5). (iv)The liquidity facility and capital call facility terminate on the earlier of 10 years or the date on which both the class A and class B bonds have been redeemed, discharged, and/or fully repaid. (v)Or US$180mm equivalent. (vi)The capital call facility available amount declines over time in conjunction with decline of the aggregate undrawn capital commitment. LTV--Loan-to-value. S$--Singapore dollars. NR--Not rated. N/A--Not applicable.

Profile

Expected closing date	June 2018
First payment date	December 2018
Collateral	A portfolio of 36 private equity funds, diversified by vintage, sector, geography, and strategy.
Financial and Structuring advisor	Greenhill Cogent LP.
Issuer	Astrea IV Pte. Ltd.
Sponsor	Astrea Capital IV Pte. Ltd., a Singapore company wholly owned by Astrea Capital Holdings Pte. Ltd., which, in turn, is a wholly owned subsidiary of Azalea Asset Management Pte. Ltd.
Manager	Azalea Investment Management Pte. Ltd., a wholly owned investment management subsidiary of Azalea Asset Management Pte. Ltd.

Profile (cont.)

Transaction and fund administrator	Sanne (Singapore) Pte. Ltd.
Bond trustee	DBS Trustee Limited.
Security trustee	Perpetual (Asia) Limited.
Liquidity facility provider	DBS Bank Ltd.
Capital call facility provider	DBS Bank Ltd.
Hedge counterparties	DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited.

Transaction Overview

Astrea IV Pte. Ltd. is a collateralized fund obligation managed by Azalea Investment Management Pte. Ltd. (Azalea), a wholly owned investment management subsidiary of Azalea Asset Management Pte. Ltd. It is backed primarily by interests in private equity buyout and growth equity funds that invest in the private equity market.

By net asset value (NAV), this transaction is collateralized by 86.1% buyout private equity funds, 12.3% growth equity funds, and 1.6% private debt. In addition, by NAV, the transaction's funds are split geographically as follows: 62.8% U.S., 18.1% Asia, and 19.1% Europe.The A-1 bonds are denominated in Singapore dollars (S$), and were sized to be equivalent to US$180 million.

Both the A-1 and A-2 bonds are expected to be fully reserved for by their scheduled call date, as distributions from the underlying funds are deposited into the class A reserve account. One hundred percent of proceeds available at step 8 in the priority of payments, up to the periodic reserve amount targets (as specified in table 4 below), will be deposited in the reserve account. Though the class A reserve account and scheduled reserve amounts are designated for the benefit of both the A-1 and A-2 bonds, repayment of the class A bonds from the reserve account is made sequentially on the scheduled call date, first to the A-1, then to the A-2 bonds, in the event the reserve amount is insufficient to redeem both classes of bonds simultaneously.

To mitigate the risk of paying the principal and interest of the A-1 bonds in S$, the issuer is entering into a currency hedge to exchange US$ for S$. Distributions to equity are permitted under the priority of payments (as long as the loan-to-value trigger has not been breached) after the periodic reserve amount has been deposited.

The transaction also has a US$100 million senior liquidity facility to cover senior fees and expenses, as well as interest on the class A-1, A-2, and B bonds.

Capital calls (drawdowns) on the underlying funds will be funded first by available cash in the operating accounts. To the extent there are shortfalls, the capital call facility will cover them up to the available facility amount. The capital call facility will be sized at closing to match the total unfunded commitments, estimated to be approximately US$168.1 million as of March 31, 2018.

Rationale

The preliminary 'A (sf)' rating assigned to Astrea IV Pte. Ltd.'s class A-1 S$242.00 million bonds reflects the following:

- The substantial private equity investing experience of the manager, Azalea.

- The diversification of the portfolio of funds, across fund managers, regions, investment sectors, and fund vintages.
- The legal maturity of the bonds, which is 10 years from the closing date. Private equity cash flows are less predictable than those of fixed-income instruments but have historically followed a J-curve, which may extend up to 10 years (see "CDO Spotlight: Global Criteria for Private Equity Securitization," Jan. 18, 2006). A legal maturity date that generally matches the lifespan of a diversified portfolio of underlying private equity funds allows the transaction to be less susceptible to any short-term delay in fund distributions.
- The static nature of the portfolio of private equity investments, which does not allow the manager to alter the composition of the portfolio through purchases of additional funds.

Transaction strengths

The transaction's strengths, in our opinion, include the following:

- The subordination provided by the structure. Subordination below the class A-1 bonds is approximately 64.5% based on the portfolio NAV (they are pari passu with the class A-2 bonds).
- The structural features that protect the bondholders, which include a reserve account that is funded after interest payments on the class A and B bonds, and is intended to fully repay the principal of the class A bonds by their scheduled call date. The transaction also includes a loan-to-value (LTV) trigger, set to 50%, that redirects residual cash flow to the reserve account when the trigger is breached.
- The seven-year weighted average age of the underlying funds purchased by the issuer (the weighted average vintage is 2011 by NAV). Relative to a portfolio of less-seasoned private equity funds, these funds may exhibit more net positive cash flows during the transaction's 10-year legal term, as they are generally at a later stage on their expected J-curves.
- The availability of a capital call facility to fund any shortfalls on future capital calls from the underlying funds--to the extent there is insufficient cash in the operating accounts. The facility's available amount will match the total undrawn capital commitment amount for the funds held in the issuer's portfolio, estimated at approximately US$168.1 million as of March 31, 2018.
- The availability of the liquidity facility, in an initial amount of US$100 million (to step down over time in accordance with table 5), which provides a significant source of liquidity to meet nondeferrable expenses, and class A and B interest.

Transaction weaknesses

We believe the transaction's weaknesses include the following:

- The expected source of cash flows for the timely payment of interest and ultimate repayment of principal of the rated bonds comes from investments in private equity, an illiquid asset class with volatile cash flows.
- The class A-1 bonds are denominated in S$, while the underlying fund cash flows are in US$ and euros.
- The portfolio includes 12.3% growth equity funds and 18.1% Asia-based private equity funds.

Although these allocations are lower than those included in the previous transaction (Astrea III), our methodology for analyzing the magnitude and timing of future capital calls and distributions of private equity funds was designed for U.S. and European buyout or venture capital funds. We have made certain adjustments in our cash flow projections to account for the potential mismatch between the Asian funds and the data used in our model.

- Distributions to equity are permitted while the class A bonds are outstanding, as long as the periodic scheduled reserve account deposit has been made. Historically, many private equity securitizations have not allowed for equity distributions while the debt classes remain outstanding.
- There is a lack of consistency and standardization of information inherent in the reports produced by the private equity managers about the performance of their underlying investments.

Mitigating factors

We believe the following factors partially mitigate the transaction's weaknesses:

- The substantial cash-generating capacity of private equity funds, which we expect to meet the obligations of the bonds prior to their legal maturities given our rating scenario assumptions.
- The availability of the liquidity facility, designed to ensure timely payment of nondeferrable expenses, as well as nondeferrable bond interest.
- The availability of the capital call facility, sized to the aggregate undrawn capital commitments as of the closing date, to fund any shortfall in the operating account's ability to cover capital calls by the funds.
- The series of currency hedges into which the issuer will enter to minimize the mismatch between asset cash flows denominated in US$ and euros, and payments due to the liabilities in US$ and S$. This will include (1) a series of forward contracts to exchange the euro-denominated asset cash flows for US$ and (2) a separate set of forward contracts to exchange US$ cash flows from the assets and amounts in the reserve account for S$ to pay the interest and principal of the class A-1 bonds. All hedges are expected to satisfy our counterparty criteria related to derivatives for securities rated at the 'A' level.
- The conservative 45% haircut we applied to future distributions from Asian private equity funds in our rating stress, to account for any potential mismatch between Asian equity fund performance and the non-Asian fund performance on which our methodology was based.
- The conservative 100% haircut we applied to future distributions from the portfolio's private debt fund (1.6% of NAV), which our methodology was not designed to address.
- Our view that growth equity funds can be appropriately modeled as buyout funds for the purposes of our quantitative analysis, despite the fact that our methodology was not originally designed to address growth equity. This view is based on our analysis of the magnitude and velocity of historical returns for growth equity funds from 1990 to 2010; we observed that their distributions were similar to those of buyout fund strategies over the same period.
- The semiannual scheduled US$39 million reserve amount payments designed to fully reserve class A principal by the scheduled call date. Though distributions to equity will be allowed after these scheduled reserve account deposits have been made in priority of payments, they can only continue as long as the LTV trigger has not been breached. Furthermore, although the

periodic reserve deposit amount is sized to fully reserve for both the class A-1 and A-2 bonds by the scheduled call date, the scheduled reserve account balance is expected to fully cover the class A-1 bond within five payment periods (2.5 years) from closing. The reserve account balance will be used to pay down the class A-1 bond, then the class A-2 bond, sequentially, on the later of the scheduled call date and the payment date on which there is sufficient cash in the reserve account to pay down the class A-1 bond in full.

- The availability of additional cash contributions to the reserve account, in the form of 50% of the cash flow that would otherwise flow to the sponsor in step 14 of the priority of payments, if certain performance conditions are met. Such contributions would facilitate a more rapid buildup of reserves for the redemption of the class A bonds on the scheduled call date.

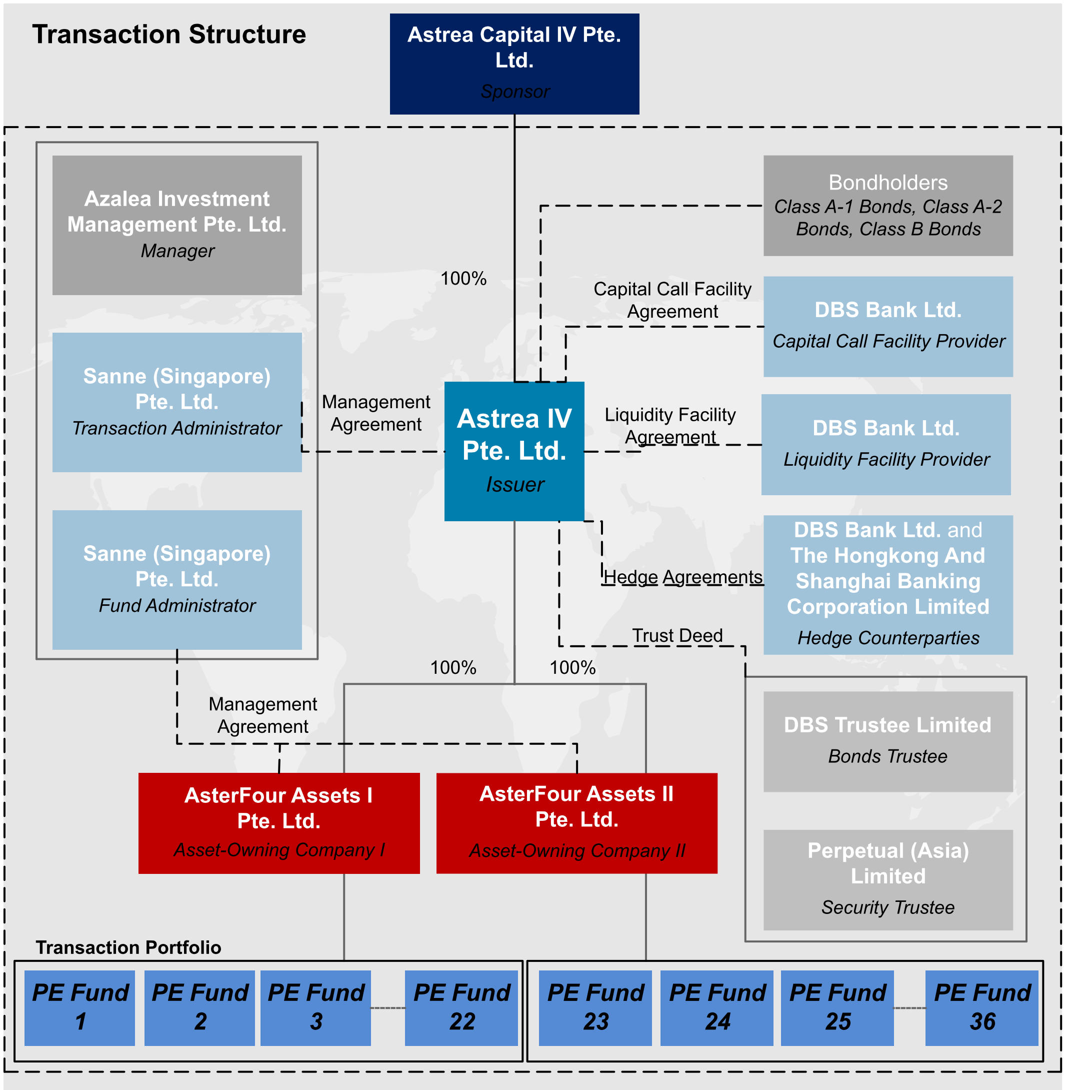
Industry Characteristics: Sector Overview

S&P Global Ratings' outlook for asset managers in 2018 is stable, based on our expectations for largely benign economic and market conditions. S&P Global Ratings' economists forecast U.S. GDP growth of 2.9% in 2018. Furthermore, our economists currently see a low chance (15%-20%) of recession over the next 12 months, also supporting our stable outlook. Most of the asset managers we rate have posted growth in assets under management (AUM) in 2017, largely because of rising markets. However, we have already seen some volatility in the first quarter of 2018 and we believe the impact of market appreciation on AUM will ease in 2018. We also consider the potential ramifications of modestly rising interest rates when assessing market impact on total AUM. Our economists expect the Federal Reserve to raise interest rates four times (of 25 basis points each) in 2018 (including the March rate hike that already took place). Our stable outlook on the sector also incorporates our view that rated managers will largely maintain adequate cushion relative to the leverage thresholds we've stated for upgrades or downgrades. We also think that rated managers will have largely good liquidity, supported by limited debt maturities over the next two years, and solid cash earnings generation. Our sentiments toward the future fundraising ability and performance of alternative asset managers (including private equity managers) relative to traditional asset managers are favorable due to increasing demand for alternative products (which often come in the form of locked-up long-dated AUM) and the advantageous environment for investment realizations. Over 90% of our rated asset managers on a global basis currently have a stable outlook.

Transaction Structure

Astrea IV Pte. Ltd., a bankruptcy-remote company incorporated with limited liability under the laws of Singapore, will issue the bonds. The issuer's capitalization (excluding accumulated profits) consists of ordinary shares and preference shares, shareholder loans (100% of which are held by Astrea Capital IV Pte. Ltd.), and the class A-1, A-2, and B bonds. The issuer holds a 100% shareholding interest in two holding companies (which we refer to as the "asset-owning companies"): AsterFour Assets I Pte. Ltd. (AOC I) and AsterFour Assets II Pte. Ltd. (AOC II).

The asset-owning companies hold the fund investments and are the limited partners for each of the underlying limited partnership interests. AOC I holds 22 fund investments, and AOC II holds the remaining 14. The asset-owning companies' capitalization (excluding accumulated profits) comprises ordinary shares, preference shares, and shareholder loans (100% of which are held by the issuer as described above). The asset-owning companies will transfer all cash distributions from the fund investments to the issuer daily via a combination of repayment of the issuer's shareholder loans and the payment of dividends--or redemptions--relating to the shares held by the issuer in the asset-owning companies. The issuer will apply such distributions semiannually in accordance with the priority of payments (see table 2).



Collateral

The bonds, liquidity facility, capital call facility, and hedge counterparties will be secured primarily by:

- A first fixed charge by the issuer of its shares in the asset-owning companies, which are limited partners for the 36 private equity funds in the portfolio, and all dividends in respect of such shares;
- A first fixed charge by the issuer of its bank accounts and custody accounts;

- An assignment (as security) of the issuer's rights under the shareholder loan agreements between the issuer and the respective asset-owning companies;
- A first floating charge by the issuer and sponsor of their respective undertaking and all their assets;
- A first fixed charge by the sponsor of its share in the issuer and the dividends in respect of such shares;
- A first fixed charge by the sponsor of its bank accounts and custody accounts; and
- An assignment (as security) of the sponsor's rights under the sponsor shareholder loan agreement between the sponsor and the issuer.

Portfolio Characteristics

On the closing date, the issuer's subsidiaries will have limited partnership interests in 36 private equity funds with an approximate NAV of US$1.098 billion. The funds are managed across 27 general partners and are diversified by geography, sector, strategy, and vintage.

Chart 2

Portfolio NAV By Geography

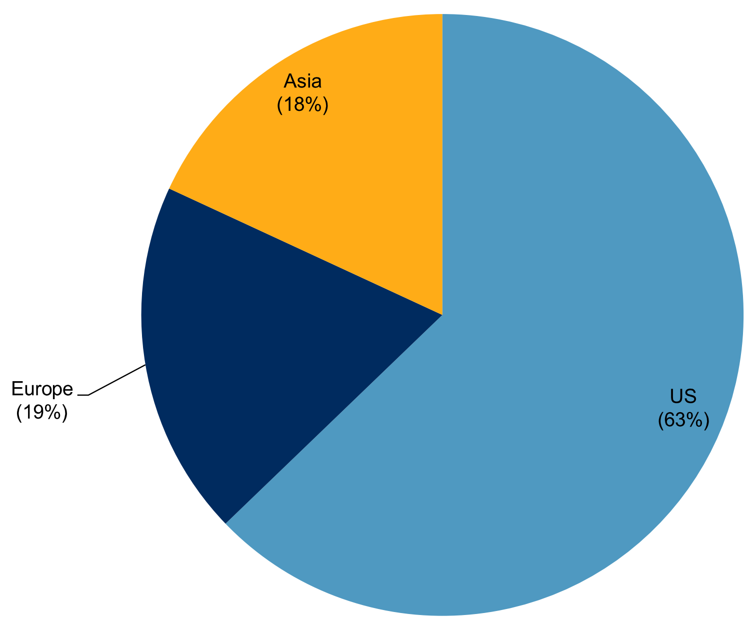


Chart 3

Portfolio NAV By Sector
Based on underlying company investments

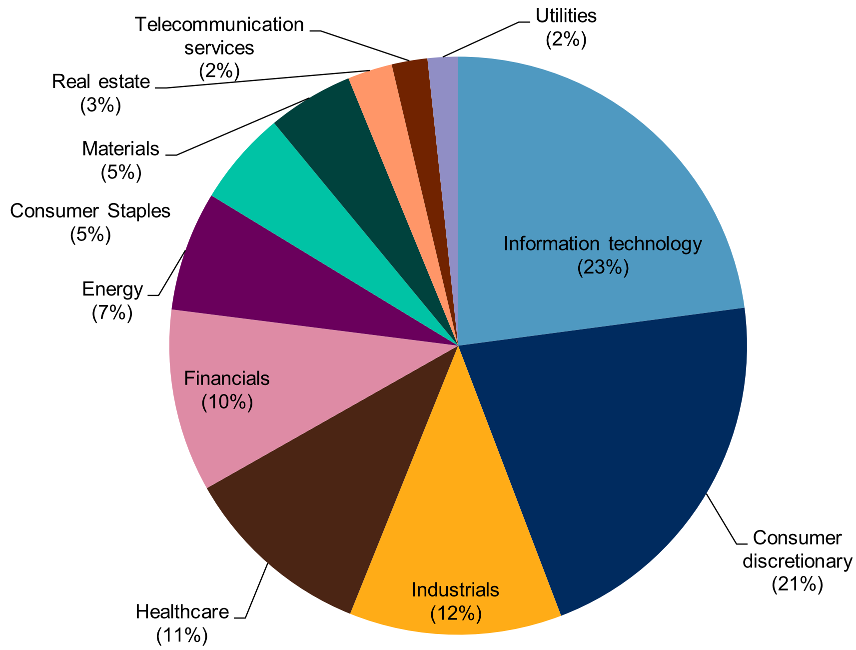


Chart 4

Portfolio NAV By Vintage

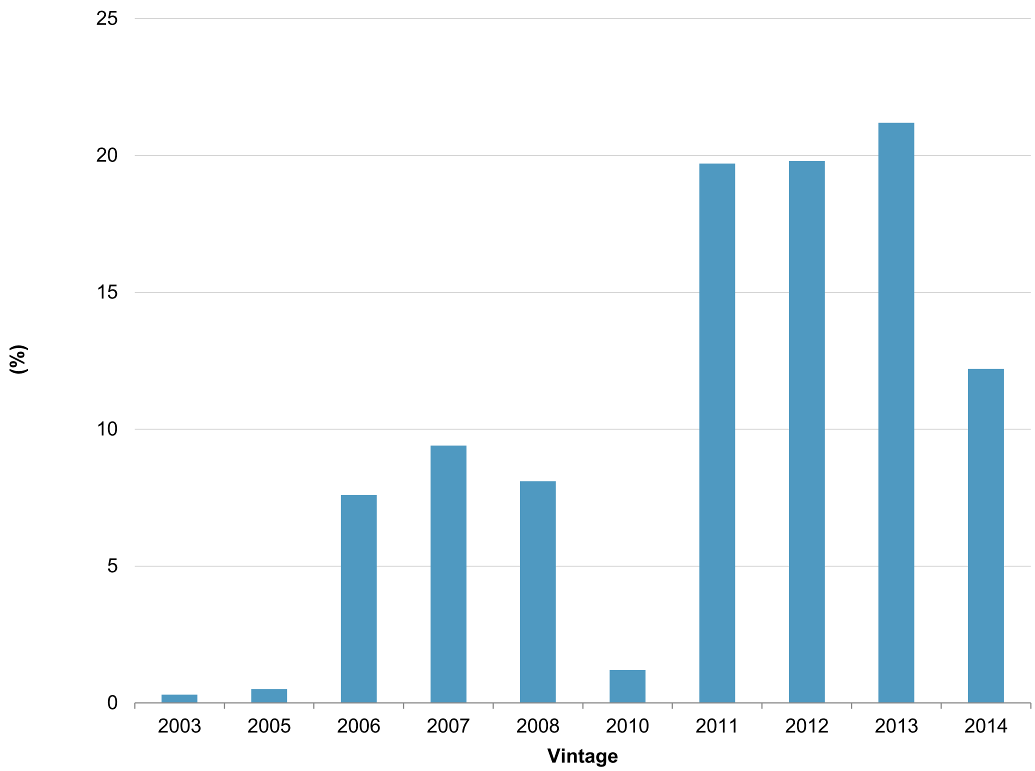
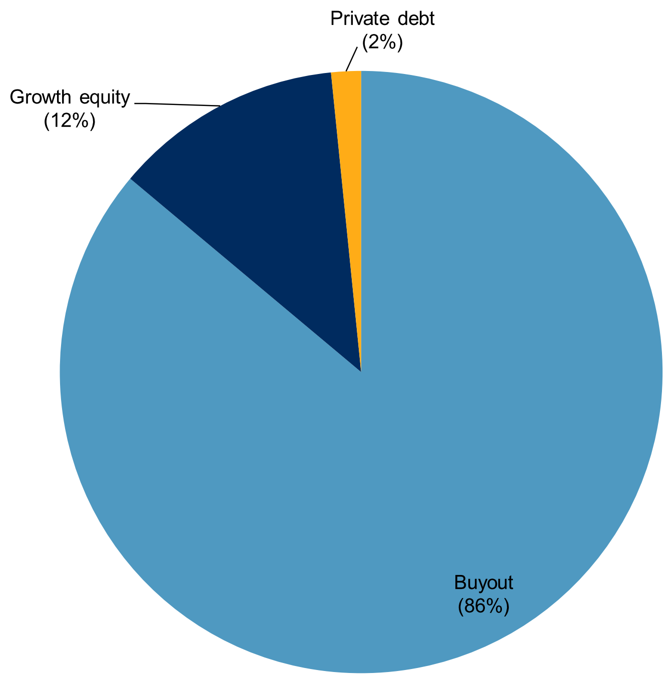


Chart 5

Portfolio NAV By Strategy



Cash Flow Assumptions

Our methodology for rating debt backed by interests in a portfolio of private equity funds relies on a stochastic approach in which cash flow paths are simulated. Each represents a possible cash flow path for the aggregated funds that are in the portfolio. For each path, estimated fund cash flows are applied to pay the CFO's obligations according to its priority of payments (see "CDO Spotlight: Global Criteria For Private Equity Securitization," Jan. 18, 2006).

S&P Global Ratings projects the expected cash from a well-diversified pool of private equity funds by sampling individual J-curves of fully liquidated vintages that have the same characteristics as each of the individual funds in the pool. To achieve that goal, we use the mean, median, and standard deviation statistics available from 1980 through 2002 for each of the four risk parameters that compose a J-curve (money multiple, internal rate of return, speed of draw, and depth of curve) to create J-curves that are sampled in a stochastic Monte Carlo process. In this way, a historical set of J-curves, each of which is statistically feasible, is stochastically created.

To estimate the expected future cash flow of the CFO, we combined a historical simulation of J-curves (through a historical sampling approach) with a stochastic parametric simulation of a public market index that is used to conservatively deflate the portfolio's cash distributions. Using this approach, we created a stochastic cash flow path by first sampling a vintage year from the pool of fully liquidated vintage years and, further, a set of J-curves that have the same characteristics as the funds being sampled from the drawn vintage year. In addition, S&P Global Ratings uses a parametric approach to simulate the performance of the relevant public markets over the same projection period to compare their return performance with that of each private equity fund in the drawn vintage year. If the returns of the vintage year exceed the public market returns, the cash flow returns of each fund in such vintage year are reduced by an amount that would equate the returns of that vintage year to those of the public market (an adjusted J-curve). For U.S. private equity funds, the relevant public markets are the S&P 500 for buyout funds and the NASDAQ 500 for venture capital funds.

We then apply the committed capital of such funds to the adjusted J-curve pattern to estimate its expected future cash flow. The total amount of cash flow the CFO is capable of generating in a single stochastic path is estimated as the sum of all the funds. Simultaneous to such sampling, we simulate an interest rate model to estimate the cost of the rated liabilities.

The total amount of cash flow over the entire exposure period is then applied to a priority of payments that incorporates all of the CFO's obligations, including funding capital calls, payment of fees and expenses, and payment of the rated liabilities (timely interest and principal at maturity).

If cash flows are insufficient to pay a liability in full, that path is deemed to be a failed path for the purpose of rating that liability. After running the stochastic simulation a sufficient number of times to ensure model stability, the number of failed paths is counted and compared with the total number of paths run to compute the probability of default of each of the liabilities rated. To determine whether a liability is able to sustain a particular rating, the number of failed paths has to be commensurate with the default probability of a corporate obligation with a rating equal to the rating sought and with a tenor equal to the weighted average maturity of the liabilities in the number of paths run. For example, if the default probability for a rated 10-year corporate bond was 1%, the number of failed paths out of a 100,000 run can be 1,000 at most.

Cash Flow Results

As previously discussed, to determine whether a liability is able to achieve a given rating level, the number of failed paths in our cash flow modeling simulation has to be commensurate to the default probability of a corporate obligation with a rating equal to the rating sought and with a tenor equal to the weighted average maturity of the liabilities in the number of paths run (50,000 in this case). Stated differently, the private equity securitization debt may not be any more risky than an equivalently rated corporate obligation (it cannot have a higher default probability than the corporate obligation). The following are the percentage of failed paths for the class with preliminary ratings, along with its assumed weighted average maturities in our cash flow simulation and the relevant corporate default probability to which we are comparing the percentage of failed paths.

Table 1

Cash Flow Modeling Results

Class	Preliminary rating (i)	Failed paths in our simulation (%)	Assumed weighted average maturity (years)	Corporate default probability for rating and maturity (%)
A-1	A (sf)	1.514	5	1.622

(i) The rating on each class of securities is preliminary and subject to change at any time.

Sensitivity Analysis

SGD hedge analysis

The class A-1 bonds are S$ denominated, while the asset cash flows will generally be US$ and euro-denominated. As a result, the issuer will be entering into a series of forward currency agreements to minimize the mismatch between asset cash flows denominated in US$ and euros, and payments due to liabilities in US$ and S$. There will be separate forward agreements relating to the fixed interest payments and full principal repayment of the A-1 bonds through their scheduled call date in year five.

S&P Global Ratings does not currently have published currency stress assumptions related to S$. Despite that limitation, we have incorporated projected asset cashflows beyond year five in our scenarios by applying a 50% haircut to all US$-denominated cashflows received from the funds following the expiration of the forward agreements. This haircut only affects those scenarios where the available US$ amount is insufficient to redeem the class A-1 bonds in full on the scheduled call date. Even given the application of this conservative haircut, our model indicated that the class A-1 bonds would still be able to sustain an 'A (sf)' rating level.

Payment Priority

Prior to an enforcement event, the issuer will be required to disburse all amounts in the operating account according to the following priority of payments:

Table 2

Payment Priority

Priority	Payment
1	Taxes and administrative expenses of the issuer and asset-owning companies, up to a cap of US$0.75 million per distribution period.
2	Payments of amounts due to hedge counterparties, other than those payable in Item 13 below.
3	Management fees.
4	Liquidity facility commitment fees; then liquidity facility interest expense (and any other payables); then liquidity facility principal repayment.
5	Class A-1 and A-2 interest expense (on a pro rata and pari passu basis).
6	Class B interest expense.
7	If net cash proceeds are received from the sale or disposal of fund investments, payment of 100% of cash flow remaining to the reserve accounts (or, if the reserve accounts cap has been met, to the principal repayment of the class B bonds) until the amount paid in this step is equal to (but does not exceed) the total amount of net cash proceeds received so far.
8	To the reserve account: For losses realized on investments held in the reserve custody account until such losses have been recouped; then for the unpaid reserve amount applicable to such distribution date; then for the reserve amount applicable to such distribution date.
9	Upon the full repayment of the class A-1 and A-2 bonds, 90% of remaining cash flow to the principal repayment of the class B bonds.
10	If the LTV exceeds the maximum LTV ratio, then 100% of cash flow remaining to the reserve accounts (or if the reserve account caps have been met, to the principal repayment of the class B bonds), until the maximum LTV ratio is no longer exceeded.

Table 2

Payment Priority (cont.)

Priority	Payment
11	Funding of capital calls on the fund investments; then capital call facility commitment fees; then capital call facility interest expense and any other payables; then capital call facility principal repayment.
12	Administrative expenses in excess of the cap in Item 1.
13	Payment of any hedge unwind costs incurred due to an event of default under any hedge agreement where the counterparty is the defaulting party or a termination event where the counterparty is the affected party.
14	Payment for the following uses in the following order: prior to the performance threshold being met on any distribution date falling on or before the scheduled call date, (i) payment of 100% of the cash flow remaining after application of clause 1 through clause 13 of the priority of payments to the sponsor until the performance threshold is met. If and after the performance threshold has been met on a distribution date falling on or before the scheduled call date, the following order shall apply to cash flow remaining after application of clause 14(a) on that distribution date, as well as to cash flow available under clause 14 on each subsequent distribution date up to and including the distribution date falling on the scheduled call date: (ii) payment to the bonus redemption premium reserve accounts until the aggregate amount so paid under this clause 14(ii) is equal to 0.5% of the principal amount of the class A-1 bonds as of the issue date; (iii) payment to the sponsor and the reserve accounts in equal proportions until the reserve accounts cap has been reached; and, (iv) after the reserve accounts cap has been reached, payment of 100% of the cash flow remaining after application of clause 1 through clause 13 of the priority of payments to the sponsor. On each distribution date falling after the scheduled call date: payment of 100% of the cash flow remaining after application of clause 1 through clause 13 of the priority of payments to the sponsor.

The "performance threshold" is defined as the threshold where the aggregate cash received by the sponsor on or prior to the scheduled call date pursuant to step 14(i) of the priority of payments has exceeded US$313 million (equal to 50% of the total equity of the issuer following the issuance of the bonds and repayment of part of the sponsor shareholder loan).

Following an enforcement event, the issuer will be required to disburse all amounts in the operating account according to the following post-enforcement priority of payments:

Table 3

Post Enforcement Payment Priority

Priority	Payment
1	Taxes and administrative expenses of the issuer and asset-owning companies. With regard to administrative expenses, only those amounts required for enforcement of the rights of the bonds will be paid under this clause.
2	Payments of amounts due to hedge counterparties, other than those payable in Item 12.
3	Payment of unpaid commitment fees on the liquidity facility, then payment of unpaid accrued interest (and any other payables), then payment of outstanding principal of the liquidity facility.
4	Payment of class A-1 and A-2 interest (on a pro rata and pari passu basis).
5	Repayment of the outstanding principal amounts of the class A-1 and A-2 bonds (on a pro rata and pari passu basis).
6	Payment of accrued and unpaid interest on the class B bonds
7	Repayment of the outstanding principal amount of the class B bonds.
8	Payment of unpaid administrative expenses not paid in Item 1.
9	Funding of capital calls on the fund investments.
10	Payment of any hedge unwind costs incurred due to an event of default under any hedge agreement where the counterparty is the defaulting party or a termination event where the counterparty is the affected party.

Table 3

Post Enforcement Payment Priority (cont.)

Priority	Payment
11	All remaining cash flow to the sponsor.

The scheduled reserve amounts are the following:

Table 4

Reserve Amount Schedule

Distribution date	Reserve amount (mil. US$)
1	39.0
2	39.0
3	39.0
4	39.0
5	39.0
6	39.0
7	39.0
8	39.0
9	39.0
10	39.0

The liquidity facility available amount steps down according to the following schedule:

Table 5

Liquidity Facility Notional Schedule

Period	Amount (mil. US$)
Closing to the third anniversary of the issued date (Year 3)	100
First liquidity facility stepdown to the scheduled call date (Year 5)	80
Second liquidity facility stepdown until the earlier of ten years or the date on which all bonds are redeemed or discharged in full	15

Events of Default

Under the transaction documents, an event of default includes the following:

- Failure to make any interest or principal payments when due.
- Insolvency or moratorium declared in respect of any indebtedness of the issuer.
- Any corporate action, legal proceeding, or other procedure leading to (1) a suspension of payments, a moratorium of indebtedness, winding-up, dissolution, judicial management, administration, or reorganization of the issuer or the sponsor; (2) a composition, compromise, assignment, or arrangement with any creditor of the issuer or the sponsor generally; or (3) an appointment of a liquidator, receiver, judicial manager, administrative receiver, administrator, compulsory manager, or similar other officer of the issuer or the assets of the issuer or the

sponsor.

- Any expropriation, attachment, sequestration, distress, or execution that affects all or any material part of the assets of the issuer or sponsor and is not discharged within 30 business days.
- It becomes unlawful for the issuer to perform any of its obligations under the transaction documents.
- The occurrence of any enforcement action with respect to the security documents.
- The occurrence and continuance of any event of default defined under the liquidity facility agreement and the capital call facility agreement.

Manager Termination Events

Under the transaction documents, the issuer will have the right to terminate the securitization manager after the occurrence of any of the following:

- A manager bankruptcy or insolvency.
- Failure to approve and execute capital calls on behalf of the asset-owning companies.
- An event of default under the trust deed due primarily to a breach by the manager of any of its obligations under the management agreement.
- A material breach of certain representations and warranties by the manager.
- Certain inability of the manager to provide services.
- A material or persistent breach of its other obligations under the management agreement.
- Fraud or criminal activity.

Legal Matters

In rating this transaction, we will review the legal matters that we believe are relevant to our analysis, as outlined in our criteria.

Surveillance

We will maintain active surveillance on the rated bonds until the bonds mature or are retired. The purpose of surveillance is to assess whether the bonds are performing within the initial parameters and assumptions applied to each rating category. The transaction terms require the issuer to supply periodic reports and notices to S&P Global Ratings for maintaining continuous surveillance on the rated bonds.

Related Criteria

- Criteria - Structured Finance - General: Foreign Exchange Risk In Structured Finance--Methodology And Assumptions, April 21, 2017
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance:

Methodology And Assumptions, Aug. 8, 2016

- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria - Structured Finance - CDOs: Assumptions: Risk Profile Of Global Private Equity Securitizations No Longer Supports 'AAA' Ratings, Feb. 13, 2009
- Legal Criteria: Legal Criteria For U.S. Structured Finance Transactions: Special-Purpose Entities, Oct. 1, 2006
- Criteria - Structured Finance - CDOs: CDO Spotlight: Global Criteria For Private Equity Securitization, Jan. 18, 2006

Related Research

- 2018 Asset Manager Outlook: Sound Economic Conditions With Limited Risks Should Support Stable Credit Metrics, Dec. 1, 2017
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014

In addition to the criteria specific to this type of security (listed above), the following criteria articles, which are generally applicable to all ratings, may have affected this rating action: "Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'?" March 23, 2015; "Global Framework For Assessing Operational Risk In Structured Finance Transactions," Oct. 9, 2014; "Methodology: Timeliness of Payments: Grace Periods, Guarantees, And Use of 'D' And 'SD' Ratings," Oct. 24, 2013; "Counterparty Risk Framework Methodology And Assumptions," June 25, 2013; "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," Oct. 1, 2012; "Methodology: Credit Stability Criteria," May 3, 2010; and "Use of CreditWatch And Outlooks," Sept. 14, 2009.