

NEWS RELEASE

ASTREA IV PE BONDS CONNECTING RETAIL INVESTORS TO PRIVATE EQUITY

- **Class A-1 Bonds will be the first listed private equity bonds for retail investors**
- **A landmark transaction in the development of Singapore's bond market**
- **Attracted placement orders across all classes of bonds of over US\$1.8 billion equivalent, 4.5x subscribed**
- **Public offer of S\$121 million Class A-1 Bonds at a fixed coupon of 4.35% p.a.**
- **Offer closes at 12 noon on Tuesday, 12 June 2018**

Singapore, 5 June 2018 – Astrea IV Pte. Ltd. (the “Issuer”¹) and Azalea Investment Management Pte. Ltd. (“AIM” or the “Manager”) are pleased to announce the launch of the first listed private equity (“PE”) bonds for retail investors. The Issuer is offering S\$121 million of Class A-1 Bonds at a fixed interest rate of 4.35% per annum, for subscription by the public in Singapore (“Public Offer”).

The Public Offer follows the successful placement of S\$121 million of the Class A-1 Bonds, US\$210 million Class A-2 Bonds and US\$110 million Class B Bonds to institutional investors and accredited investors. Overall demand for Astrea IV placement tranche was strong despite broader market volatility and the Issuer received a combined placement orderbook in excess of US\$1.8 billion equivalent from over 100 accounts. Diverse distribution of the orderbook was achieved with a good mix of high quality institutions (74%) and accredited investors participating.

Margaret Lui, Chief Executive Officer of AIM, said, “We are excited to bring this unique, groundbreaking investment product to the Singapore retail market. Traditionally, private equity has been accessible to mostly institutions and high net-worth individuals. This Astrea IV transaction marks the first time retail investors can invest in private equity bonds at an affordable level, starting with a subscription of S\$2,000. Over time, we hope to offer more innovative products based on private assets to investors.”

Explaining the Astrea IV transaction, Chue En Yaw, Managing Director & Head of Private Equity Funds of AIM, said: “Astrea IV PE Bonds are backed by cash flows from a quality portfolio of investments in 36 underlying PE funds managed by 27 fund managers. These underlying PE

¹ Unless otherwise defined, all capitalised terms shall have the same meanings given to them in the Prospectus registered with the Monetary Authority of Singapore on 5 June 2018.

funds have a net asset value of US\$1.1 billion, and are invested in 596 investee companies globally across multiple sectors. Such diversification reduces the risks associated with any investee company.”

The Astrea IV PE Bonds comprise three different classes of PE bonds: Class A-1, A-2, and B, with interest rates of 4.35%, 5.50% and 6.75% per annum, respectively. Each class caters to investors with different risk preferences and investment horizons². The Class A-1 Bonds are expected to be rated “Asf” by Fitch Ratings and “A (sf)” by S&P Global Ratings³. The Class A-2 and Class B bonds are also expected to be rated Asf and BBBsf respectively by Fitch Ratings³. Only Class A-1 Bonds are available for retail subscription in Singapore.

The Class A-1 Bonds have a final maturity of 10 years and a non-call period of 5 years (10NC5). The Issuer will be required to redeem the Class A-1 Bonds on 14 June 2023 if there is sufficient cash set aside to repay Class A-1 Bonds and other conditions are satisfied. Otherwise, the interest rate on the Class A-1 Bonds will have a one-time step-up of 1.00% to 5.35% per annum until the Class A-1 Bonds are fully redeemed.

The Prospectus in respect of the offering by Astrea IV Pte. Ltd. of the Class A-1 Bonds in Singapore is available for collection at selected DBS/POSB branches during operating hours until 12 noon on 12 June 2018. A copy of the Prospectus is also available, when uploaded, on the Issuer’s website at <https://www.astrea.com.sg/a4/prospectus>, the MAS’ OPERA website at <https://eservices.mas.gov.sg/opera/> and website of the Singapore Exchange Securities Trading Limited (“SGX-ST”) at www.sgx.com.

Anyone wishing to acquire the Class A-1 Bonds will need to make an application in the manner set out in the Prospectus.

The Public Offer will open from 9.00 am tomorrow and will close at 12 noon on 12 June 2018. The Bonds are expected to be issued on 14 June 2018 and listed on the SGX-ST. The Class A-1 Bonds are expected to start trading on the Mainboard of the SGX-ST on 18 June 2018 in board lot sizes of S\$1,000⁴.

² Please refer to the Astrea IV fact sheet in the appendix for more details of the different classes of bonds

³ Fitch Ratings and S&P Global Ratings have not provided their consent, for the purposes of Section 249 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), to the inclusion of the information cited and attributed to them in the Prospectus, and are thereby not liable for such information under Sections 253 and 254 of the SFA (as described in the section “Credit Ratings” of the Prospectus)

⁴ Please refer to the Appendix for information regarding the listing of the Bonds on the SGX-ST.

The Issuer and the Manager will be conducting two public presentations on “helping you to understand before investing” in relation to the Astrea IV transaction. Details of the presentations can be found in the Appendix.

Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Standard Chartered Bank are the Lead Managers and Undewriters for the Astrea IV PE Bonds offering.

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About the Issuer and Azalea Group

The Issuer is an indirect wholly-owned subsidiary of Azalea Asset Management Pte. Ltd. (“Azalea”) which is in turn an indirect wholly-owned subsidiary of Temasek. Azalea Investment Management Pte. Ltd is the management arm of the Azalea Group. Azalea is in the business of investing in private equity funds, with a focus on the development and innovation of new investment platforms and products based on private assets, starting with private equity. One such innovation is the Astrea Platform, a series of PE-related investment products.

For more information about Azalea, please visit <https://www.azalea.com.sg/>.

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Appendix

Astrea IV Fact Sheet

Summary

- Class A-1 Bonds will be the first listed PE bonds available to retail investors
- US\$501 million offering via three classes of bonds (Class A-1, Class A-2 and Class B)
- Class A-1 Bonds are expected to be rated Asf and A (sf) by Fitch Ratings (“Fitch”) and S&P Global Ratings (“S&P”)⁵, respectively
- Class A-2 and Class B Bonds are expected to be rated Asf and BBBsf respectively by Fitch Ratings⁴

Bonds*	Size (million)	Expected Rating(s) (Fitch) ⁴	Expected Rating (S&P) ⁴	Interest Rates	Scheduled Call Date	Final Maturity
Class A-1	S\$242	Asf	A (sf)	4.35% p.a.	14 June 2023	14 June 2028
Class A-2	US\$210	Asf	Not rated	5.50% p.a.	14 June 2023	14 June 2028
Class B	US\$110	BBBsf	Not rated	6.75% p.a.	Not Applicable	14 June 2028

* Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the Class A-1 Bonds on the Mainboard of the SGX-ST, and the Class A-2 Bonds and the Class B Bonds on the SGX-ST, subject to certain conditions. The Class A-1 Bonds, the Class A-2 Bonds and the Class B Bonds will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the Global Certificate(s) (as defined herein) relating thereto having been issued. Approval in-principle granted by the SGX-ST and admission of the Class A-1 Bonds, the Class A-2 Bonds and the Class B Bonds to the Official List of the SGX-ST are not to be taken as an indication of the merits of the Issuer, its Subsidiaries and/or associated companies, the Class A-1 Bonds, the Class A-2 Bonds or the Class B Bonds. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Prospectus.

PE Funds Portfolio Overview (as of 31 March 2018)

Total Net Asset Value (NAV)	▪ US\$1.1 billion
Number of PE Funds	▪ 36
Number of General Partners (GPs)	▪ 27
Total number of investee companies (as of 31 December 2017)	▪ 596

⁵ Fitch Ratings and S&P Global Ratings have not provided their consent, for the purposes of Section 249 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), to the inclusion of the information cited and attributed to them in the Prospectus, and are thereby not liable for such information under Sections 253 and 254 of the SFA (as described in the section “Credit Ratings” of the Prospectus)

PE Funds by Strategy	<ul style="list-style-type: none"> ▪ 86.1% Buyout PE funds ▪ 12.3% Growth Equity PE funds ▪ 1.6% Private Debt
PE Funds by Region	<ul style="list-style-type: none"> ▪ 62.8% U.S. ▪ 19.1% Europe ▪ 18.1% Asia
Weighted Average Vintage	<ul style="list-style-type: none"> ▪ 2011

Public Presentations

Date / Day	Time	Venue
7 June 2018, Thursday	6.30 pm	Maybank Tower
9 June 2018, Saturday	9.00 am	DBS Auditorium @ MBFC Tower 3

Kindly note that:

- Admission is free and open to all members of the public
- Light refreshments will be provided
- Interested participants are required to register at www.sgx.com/academy