

NEWS RELEASE

FITCH UPGRADES RATINGS ON ASTREA PE BONDS

Singapore, 21 May 2019 – Azalea Investment Management Pte. Ltd. (“Azalea”) is pleased to announce that global ratings agency Fitch Ratings (“Fitch”) has upgraded and affirmed the ratings assigned to the private equity bonds issued by Astrea III Pte. Ltd. (“Astrea III”) and Astrea IV Pte. Ltd. (“Astrea IV”) as follows:

Issuer	Astrea PE Bonds	Rating Action
Astrea III Pte. Ltd.	SGD 228m Class A-1	Affirmed at ‘A+sf’
	USD 170m Class A-2	Upgraded from ‘Asf’ to ‘A+sf’
	USD 100m Class B	Upgraded from ‘BBBsf’ to ‘BBB+sf’
Astrea IV Pte. Ltd.	SGD 242m Class A-1	Upgraded from ‘Asf’ to ‘A+sf’
	USD 210m Class A-2	Affirmed at ‘Asf’
	USD 110m Class B	Affirmed at ‘BBBsf’

This follows Fitch’s previous upgrade of Astrea III’s Class A-1 Bonds from ‘Asf’ to ‘A+sf’ in July 2017.

Margaret Lui, Chief Executive Officer of Azalea, said, “We are heartened by Fitch’s upgrade and affirmation of the ratings of the Astrea PE Bonds, in particular the Astrea IV Class A-1 Bonds, which were upgraded within a year of launch. The performance of the Astrea PE Bonds exemplifies the dynamism and strength of the Astrea platform. This upgrade bears testament to the quality and cash generative nature of both Astrea PE portfolios, which enables investors to receive regular income while enjoying diversification benefits.”

The upgrade and affirmation by Fitch reflect the performance and reserves accounts balances of both the Astrea III and Astrea IV transactions. Fitch has attributed this to their diversified PE portfolios, sufficient over-collateralisation, ability to pass all loan-to-value (“LTV”) tests to date and other key structural protections, as well as the close alignment of interests between the Sponsors and Bondholders. According to Fitch, both Astrea III and Astrea IV have thus far performed in line with its expectations, and significantly better than the stress scenarios run in its initial rating analysis.



The Astrea Platform is a series of investment products based on diversified portfolios of PE funds. It represents a phased approach to develop products for Singapore retail investors to co-invest with Azalea in private equity. Started in 2006, there are four in the series to date, with Astrea IV being the first listed retail PE Bond available to retail investors in Singapore.

Chue En Yaw, Managing Director and Head of Private Equity Funds at Azalea, said, “The Astrea PE Bonds are a unique product, and we are encouraged by the positive feedback and strong interest in the bonds so far. Investor education continues to be a key focus area at Azalea, and we have taken efforts to make our Annual Reports easy to understand for Astrea Bondholders. We also held our inaugural Astrea Investor Day in January this year, as part of our commitment to actively engage with retail investors.”

The Astrea III and Astrea IV Annual Reports for the financial year 2018/2019 are available on the Astrea website (www.astrea.com.sg). Through the website, investors can also access the Semi-Annual Distribution Reports to Bondholders, explainer videos and webinars about the Astrea transactions.

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About Astrea III

Astrea III comprises four different classes of PE bonds: Classes A-1, A-2, B and C, with their respective interest rates being 3.90%, 4.65%, 6.50% and 9.25% per annum. The PE bonds are backed by cash flows from a well-diversified portfolio of 33 funds across various vintages, managed by 25 general partners. The funds were invested in 420 companies across different sectors and regions as of 31 December 2018.

Astrea III is sponsored by Astrea Capital Pte. Ltd., a wholly-owned subsidiary of Azalea. Launched in June 2016, Astrea III issued the first listed bonds in Singapore which were backed by cash flows from private equity (“PE”) funds (“PE Bond”).

About Astrea IV

Astrea IV comprises three different classes of PE bonds: Classes A-1, A-2 and B, with their respective interest rates being 4.35%, 5.50% and 6.75% per annum. The PE bonds are backed by cash flows from a well-diversified portfolio of 36 funds across various vintages, managed by 27 general partners. The funds were invested in 546 companies across different sectors and regions as of 31 December 2018.

Astrea IV is sponsored by Astrea Capital IV Pte. Ltd., a wholly-owned subsidiary of Azalea. Launched in June 2018, Astrea IV was the first listed retail PE Bond in Singapore. It represented a significant milestone in Azalea’s vision of broadening the co-investor base for PE-related products.

About the Azalea Group and Astrea Platform

The Issuers of Astrea III and Astrea IV PE Bonds are indirect wholly-owned subsidiaries of Azalea Asset Management Pte. Ltd., which is in turn an indirect wholly-owned subsidiary of Temasek.

The Azalea Group 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.

Azalea Investment Management Pte. Ltd. is the management arm of the Azalea Group.

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

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