

NEWS RELEASE

FIRST PRIVATE EQUITY BONDS TO BE LISTED IN SINGAPORE

- **A significant milestone in the development of Singapore’s bond market**
- **US\$510m bonds backed by cash flows from 34 private equity funds of over US\$1.1bn**
- **Strong demand from wide range of institutions and sophisticated investors**
- **In line with Azalea’s phased approach to widen co-investor base in private equity**

Singapore, 22 June 2016 – The first listed bonds in Singapore that provide investors with exposure to a diversified portfolio of private equity (“PE”) funds were successfully priced and launched overnight. The bonds were issued by Astrea III Pte. Ltd., which is sponsored by Astrea Capital Pte. Ltd., a wholly-owned subsidiary of Azalea Asset Management Pte. Ltd. (“Azalea”).

The Astrea III PE bonds or Notes were subscribed by more than 8 times for the US\$510 million issue. Strong demand was seen from institutional investors, including insurance companies, endowment funds and foundations, as well as individual sophisticated investors. About one third of the Astrea III PE bonds were allocated to individual sophisticated investors.

Margaret Lui, Chief Executive Officer of Azalea, said, “Traditionally, private equity is an asset class only available to a selected group of investors with significant capital to invest over the long term. Azalea is proud to be the first in Singapore to make private equity more accessible to the wider investment community through a PE bond structure. Astrea III is a step towards achieving our vision of broadening the co-investor base for our diversified portfolios of private equity funds. We are actively exploring suitable opportunities for retail investors to participate in private equity-based products in the future.”

Azalea is a wholly-owned subsidiary of Singapore investment company, Temasek. Following the successful launches of Astrea I and Astrea II by Temasek, in 2006 and 2014 respectively, Azalea was set up in 2015 to take on the role of development and innovation of investment products, based on diversified portfolios of private equity funds. The Astrea platform is part of Azalea’s phased approach to make private equity portfolios more accessible to a broader range of investors.

Astrea III comprises four different classes of PE bonds: Class A-1, A-2, B, and C, with interest rates of 3.90%, 4.65%, 6.50% and 9.25% per annum, respectively. Each class caters to investors with different risk preferences and investment horizons.

Class A-1 bonds, the most senior class of bonds, are expected to be rated “Asf” by Fitch Ratings and “A (sf)” by Standard & Poor’s Ratings Services. Denominated in Singapore Dollars, Class A-1 bonds have been designed as an investment grade product that could potentially be made available to retail investors in future. Class A-2 and Class B bonds are also expected to be rated investment grade, while Class C bonds are not rated. *(Please refer to the Astrea III fact sheet in the appendix for more details of the different classes of bonds).*

Fullerton Fund Management (“Fullerton”), a wholly-owned, independently-operated, investment management subsidiary of Temasek, is the manager of Astrea III.

Chue En Yaw, Head of Private Equity Funds at Fullerton, said, “We are very excited to see a bond offering based on a new asset class to investors in Singapore. The Astrea III PE bonds are unique and innovative, allowing investors to receive regular income while enjoying the benefits of risk mitigation and portfolio diversification. This new PE bond will add depth to the financial markets and widen the choice of yield instruments to increasingly sophisticated investors.”

Astrea III has a diversified investment portfolio that consists of 34 underlying private equity funds managed by 26 established managers. These funds are invested in more than 590 companies diversified geographically across the U.S., European, and Asian markets, and over a wide range of sectors. The funds were selected based on various factors, including the track record and quality of the fund managers, investment strategies, as well as diversity across vintage years.

Based on data from Preqin, the private equity industry has enjoyed significant growth over the last 15 years. As of June 2015, the industry’s assets under management (“AUM”) stood at US\$2.5 trillion and have grown at an annualised rate of 12% since December 1999. Buyout and Growth Equity strategies have produced strong historical performance with a median net internal rate of return of 13.3% and 12.0% respectively, across vintages of 1990 to 2012.

Credit Suisse (Singapore) Limited and DBS Bank Ltd. are the Lead Managers for the Astrea III PE Bonds offering, while PJT Partners LP/Park Hill Group LLC is the Financial and Structuring Adviser to Astrea III.

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About Azalea Asset Management

Azalea Asset Management Pte. Ltd. (“Azalea”) is in the business of investing in private equity funds, with a focus on the development and innovation of new investment products based on diversified portfolios of private equity funds.

Azalea launched Astrea III in June 2016, bringing to Singapore the first listed private equity bonds. Astrea III is a significant step towards achieving Azalea’s vision of broadening the co-investor base for its diversified portfolios of private equity funds. Astrea III is sponsored by Azalea’s wholly-owned subsidiary Astrea Capital Pte. Ltd. (“Astrea Capital”).

Azalea is a wholly-owned subsidiary of Temasek, with an independent board and management.

For more information on Astrea III, please visit www.astrea.com.sg.

About Fullerton Fund Management

Fullerton Fund Management (“Fullerton”) is an Asian and emerging market specialist, with investment capabilities that span equities, fixed income, multi-asset and alternatives. Fullerton was incorporated in Singapore in 2003 and is a wholly-owned subsidiary of Temasek Holdings.

Prior to its establishment, Fullerton’s investment team operated as the internal fund management division within Temasek, managing its capital resources since 1989. Today, Fullerton’s clients span government agencies, pension plans, insurance companies, endowments, sovereign wealth and private wealth. With more than 13 years of experience in Asian financial markets, Fullerton builds on its institutional heritage to provide its clients investment solutions that are long term, research-based and conviction-led.

Headquartered in Singapore, Fullerton also has offices in Shanghai, Tokyo and London. Fullerton is licensed under the Securities and Futures Act and regulated by the Monetary Authority of Singapore.

More information on Fullerton Fund Management is available at www.fullertonfund.com.

About the listing

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 bonds and the Class B bonds on the SGX-ST. Approval In-principle granted by the SGX-ST, and admission of the Class A 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 Astrea III, its subsidiaries and/or associated companies, the Class A

bonds or the Class B bonds. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed herein. The Class C bonds will not be listed on any securities exchange.

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Appendix

Astrea III Fact Sheet

Summary

- First PE bonds to be listed in Singapore
- US\$510 million offering via four classes of bonds (Class A-1, Class A-2, Class B and Class C)
- Class A-1 bonds are expected to be rated by Standard & Poor's Ratings Services (S&P) and Fitch Ratings
- Class A-2 and Class B bonds are expected to be rated by Fitch Ratings

Bonds*	Size (million)	Expected Rating(s) (Fitch)	Expected Rating (S&P)	Interest Rates	Scheduled Maturity	Final Maturity
Class A-1	S\$228	Asf	A (sf)	3.90% p.a.	3 Years	10 Years
Class A-2	US\$170	Asf	Not rated	4.65% p.a.	5 Years	10 Years
Class B	US\$100	BBBsf	Not rated	6.50% p.a.	N/A	10 Years
Class C	US\$70	Not rated	Not rated	9.25% p.a.	N/A	10 Years

* Class A-1, A-2 and B bonds will be listed on SGX-ST

PE Funds Portfolio Overview (as of 31 March 2016)

Total Net Asset Value (NAV)	▪ US\$1.14 billion
Number of PE Funds	▪ 34
Number of General Partners (GPs)	▪ 26
Companies under 34 PE Funds	▪ More than 590 companies across various sectors such as consumer, IT, industrials, healthcare and financials
PE Funds by Strategy	<ul style="list-style-type: none"> ▪ 77% Buyout PE funds ▪ 23% Growth Equity PE funds
PE Funds by Region	<ul style="list-style-type: none"> ▪ 67% U.S. ▪ 21% Asia ▪ 12% Europe
Weighted Average Vintage	▪ 2009