

## Rating On Astrea III Pte. Ltd.'s Class A-1 Notes Raised And Removed From CreditWatch Positive

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OVERVIEW

- Astrea III Pte. Ltd. is a CFO transaction backed by a portfolio of 34 private equity funds diversified by vintage, geography, and strategy.
- We raised our rating on Astrea III Pte. Ltd.'s class A-1 notes to 'A+ (sf)' from 'A (sf)' and removed it from CreditWatch positive.
- The upgrade and CreditWatch removal reflect that the reserve account balance should be sufficient to fully repay the class A-1 notes.

NEW YORK (S&P Global Ratings) Sept. 27, 2017--S&P Global Ratings today raised its rating on the class A-1 notes from Astrea III Pte. Ltd. to 'A+ (sf)' from 'A (sf)' and removed it from CreditWatch positive, where it was placed on June 29, 2017.

Astrea III Pte. Ltd. is a collateralized fund obligation transaction backed by a portfolio of 34 private equity funds that are diversified by vintage, geography, and strategy. The transaction is a static portfolio of private equity investments that does not allow the manager to alter the portfolio's composition through purchases or sales.

Since the transaction closed in July 2016, the securitization has accumulated over \$180.4 million in cash deposits in its reserve account and paid timely interest. Given the currency hedges the issuer entered into when the transaction closed, the U.S. dollar-denominated reserve account balance should be sufficient to fully repay the Singapore dollar-denominated class A-1 notes.

Thus, we were able to raise our rating and resolve the June 2017 CreditWatch placement.

The repayment of the class A-1 notes has now been fully reserved for across multiple bank accounts, but we believe there is still counterparty risk from the bank account providers. We have therefore weak-linked the rating on the class A-1 notes to the lowest rating on the bank deposit providers, currently 'A+'.

We will continue to monitor the transaction and take rating actions, including CreditWatch placements, when appropriate.

RELATED CRITERIA

- 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
- General Criteria: Understanding Standard & Poor's Rating Definitions, June 3, 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

- Rating On Astrea III Pte. Ltd.'s Class A-1 Notes Placed On CreditWatch Positive, June 29, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Presale: Astrea III Pte. Ltd., June 6, 2016

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.

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