

Rating Raised On Astrea V Pte. Ltd. Class A-1 Bonds

August 28, 2023

Overview

- Astrea V Pte. Ltd. is a collateralized fund obligation securitization backed by cash flows from a static portfolio of limited partner interests in private equity funds, diversified by vintage, sector, geography, and strategy.
- We raised our rating on the class A-1 bonds to 'AA- (sf)' from 'A+ (sf)'.
- The upgrade is primarily due to the class A-1 and class A-2 bonds being fully reserved ahead of their scheduled call date in June 2024.

NEW YORK (S&P Global Ratings) Aug. 28, 2023--S&P Global Ratings today raised its rating on Astrea V Pte. Ltd.'s (Astrea V) class A-1 bonds to 'AA- (sf)' from 'A+ (sf)'.

Astrea V is managed by Azalea Investment Management Pte. Ltd., a Singapore investment management company that invests in private equity. The transaction is a collateralized fund obligation securitization backed by cash flows from a static portfolio of limited partner interests in private equity funds, diversified by vintage, sector, geography, and strategy. We only rate the class A-1 bonds from the transaction.

As of June 20, 2023, the eighth semiannual distribution date, Astrea V's reserve account has accumulated \$467 million, which is sufficient to redeem both the class A-1 and A-2 bonds in full on their scheduled call date on June 20, 2024. According to the transaction documents, the issuer has a mandatory obligation to redeem the class A-1 bonds with the funds in the reserve account. Funds in the reserve account are invested in securities allowed by the transaction documents and will not be affected by future performance of the underlying private equity funds. We analyzed the eligible temporary investments for the reserve account and minimum counterparty requirements for the currency hedges and raised our rating on the class A-1 bonds to 'AA- (sf)' from 'A+ (sf)'.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured

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Finance Securities: Methodology And Assumptions, Jan. 30, 2019

- Criteria | Structured Finance | General: Foreign Exchange Risk In Structured Finance--Methodology And Assumptions, April 21, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009
- Criteria | Structured Finance | CDOs: CDO Spotlight: Global Criteria For Private Equity Securitization, Jan. 18, 2006

Related Research

- Economic Outlook U.S. Q3 2023: A Sticky Slowdown Means Higher For Longer, June 26, 2023
- Presale: Astrea V Pte. Ltd., May 22, 2019

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