



FOR IMMEDIATE RELEASE

Digital Tokens With Exposure to Astrea VI Bonds Issued For The First Time, Enabling iSTOX To Reduce Minimum Investment By Up To 10 Times

Investors can subscribe to highest-yielding Astrea VI Class B bonds through security tokens for as low as US\$20,000 instead of the usual US\$200,000

SINGAPORE, 22 MARCH 2021 – The Astrea VI private equity bonds issued this month by Astrea VI Pte. Ltd. have been tokenised by iSTOX (through Prometheus-3 Pte. Ltd.)¹ to reduce the minimum investment ticket by up to 10 times, private market platform iSTOX, which handled the digital token allocation, announced today. This marks the first time digital tokens with exposure to bonds in the Astrea series² have been offered.

The manager of the Astrea VI transaction is a wholly-owned subsidiary of the Azalea Group, which is in turn an indirect wholly-owned subsidiary of Temasek Holdings. iSTOX's digital tokens lower the threshold for accredited investors to gain exposure to the private equity bond asset class.

The digital issuance, or tokenisation, covered bonds from the two USD-denominated tranches – Class A-2 and Class B bonds, which saw interest rates fixed at 3.25% and 4.35% per annum respectively³. iSTOX was able to reduce the minimum investment size for Class B security tokens to US\$20,000, from the typical US\$200,000 minimum denomination for wholesale bonds. Class A-2 security tokens were also made available from US\$20,000, instead of the bonds' US\$50,000 minimum denomination. Under Monetary Authority of Singapore (MAS) regulations, the Class A-2 and Class B security tokens were open to subscriptions from accredited individual investors⁴ and institutions.

¹ This issuance of digital tokens by iSTOX was carried out through a special purpose vehicle company (Prometheus-3 Pte. Ltd.) incorporated for this issuance.

² The Astrea series began in 2006. For more information, visit www.azalea.com.sg.

³ The interest rate for the SGD-denominated Class A-1 bonds was fixed at 3% p.a.

⁴ An individual accredited investor is defined by the Monetary Authority of Singapore (MAS) as someone whose net personal assets exceed S\$2 million (or its equivalent in another currency), or whose net financial assets exceed S\$1 million (or its equivalent in another currency), or whose income in the preceding 12 months is at least S\$300,000 (or its equivalent in another currency).



With tokenisation, bonds or other types of securities such as equity or funds are issued on a blockchain network that uses smart contracts. This enables the automation of manual processes in the issuance, distribution and post-sale management of the bond, including coupon payments. The efficiency gains make it cost effective for the bond to be offered to a much larger group of smaller investors via lower minimum ticket sizes.

Investors who successfully subscribed via iSTOX to the security tokens that provide Astrea VI bond exposure can now begin trading them, as the tokens have been listed on the iSTOX exchange. New investors can participate in secondary trading by signing up as iSTOX users. The speed of the blockchain network reduces transaction costs and allows trades to be settled instantly, instead of the usual 2 working days for exchanges not powered by blockchain technology.

Oi Yee [Choo](#), Chief Commercial Officer of iSTOX, said, “Like Azalea, iSTOX aims to democratise the private markets and ensure the benefits of private equity and other private asset classes are spread more equally among smaller investors. Studies have shown that global private equity averaged returns roughly double to that of global public equity over the past 10 years⁵. Since 2018, Azalea has offered Astrea Class A-1 Private Equity Bonds to retail investors. At iSTOX, we believe the next logical step in democratisation is to help individual investors gain access to the other two USD-denominated tranches as well – Class A-2 and Class B bonds. With this latest digital token issuance, iSTOX further levels the playing field by lowering minimum investments significantly, putting these tokens within the reach of many accredited investors – hundreds of thousands in Singapore and tens of millions worldwide.”

“Digital tokens are transforming the financial markets in a profound way,” she said. “The technology is fundamentally more efficient. Over time, as issuers and investors become better acquainted with digital tokens, we expect market forces to shift much if not all of the global bond market to digital issuances.”

She added, “The issuance of digital tokens with exposure to the Astrea VI Private Equity Bonds is one of the most significant deals on the iSTOX platform to-date. Since the Monetary Authority of Singapore granted iSTOX a full license in February 2020, our strategy has been to offer high-quality issuances to accredited investors, as the issuers of these securities lead the market in embracing innovation and set standards that other issuers follow.”

The Astrea VI bonds are backed by cash flows from a diversified portfolio of 35 private equity funds managed by reputable general partners. The portfolio consists of buyout funds (81%) and growth equity funds (19%), with exposure to 802 underlying companies at launch. The US\$228 million Class A-2 bonds are rated Asf by Fitch, and have a scheduled call date in March 2026. The US\$130 million Class B bonds are rated BBBsf by Fitch, and are amortizing after the full redemption of the Class A bonds. This means Class A-2 bonds could be fully or partially

⁵ See March 2020 study by [Cambridge Associates](#), which reports that global private equity returned approximately 13.2% in the past decade.



redeemed in March 2026, while Class B bonds could be fully or partially redeemed after the redemption of Class A-2 bonds. Interest is paid to bond holders every 6 months.

At a time when global interest rates are at historic lows, private equity bonds can offer steady returns with relatively low risk. Furthermore, like in earlier Astrea issuances, Astrea VI investors benefit from structural safeguards such as a credit facility and diversion of cash to bondholders when the loan-to-value ratio exceeds 50%.

iSTOX is fully regulated by the MAS as a multi-asset digital securities platform for the issuance, custody and secondary trading of private market products, such as hedge funds, wholesale bonds and private equity. Founded in 2017, iSTOX is backed by Singapore Exchange, Temasek-subsidary Heliconia Capital and Japan government-backed investors Japan Investment Corporation – Venture Growth Investments (JIC-VGI) and the Development Bank of Japan (DBJ)⁶. Individual accredited investors using the iSTOX platform today come from 24 countries, spanning Asia, Europe, the Americas (excluding the US), Australia and New Zealand.

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About iSTOX

iSTOX is a future-ready capital markets platform set to usher in a new era for capital fundraising and investment. Through digital securities, iSTOX offers a more innovative, flexible, inclusive, and efficient system for an emerging generation of investors and issuers. As part of its mission, iSTOX seeks to enable all users to transact exactly the way they want to and extends capital market access to a wider segment of the community. iSTOX is owned and operated by ICHX, which has been approved by MAS as a recognised market operator (RMO) and has a capital markets services (CMS) license to deal in securities and collective investment schemes, and to provide custodial services. For more information, visit www.iSTOX.com.

⁶ Other investors include Korea's Hanwha Asset Management, Japan's Tokai Tokyo Financial Holdings and Thailand's Kiatnakin Phatra Financial Group.