SPIRE GLOBAL PRIVATE EQUITY

SPIRE AERO AGGREGATES FUND (AUD)

A UNIT CLASS OF SPIRE CAPITAL MASTER FUND

MONTHLY FACTSHEET – FEBRUARY 2021

Monthly Update

Negatively affecting the unit price during the month of February was the 0.82% increase in the value of the Australian dollar against the USD dollar from US$0.7644 to US$0.7707. The Fund does not hedge currency exposure.

The Underlying Investment Entity is valued at cost at the value dated 6 December 2019. The valuation will remain at cost for at least 18 months from date of investment (as per the Valterra Valuation Policy).

Performances (Net of Fees)*

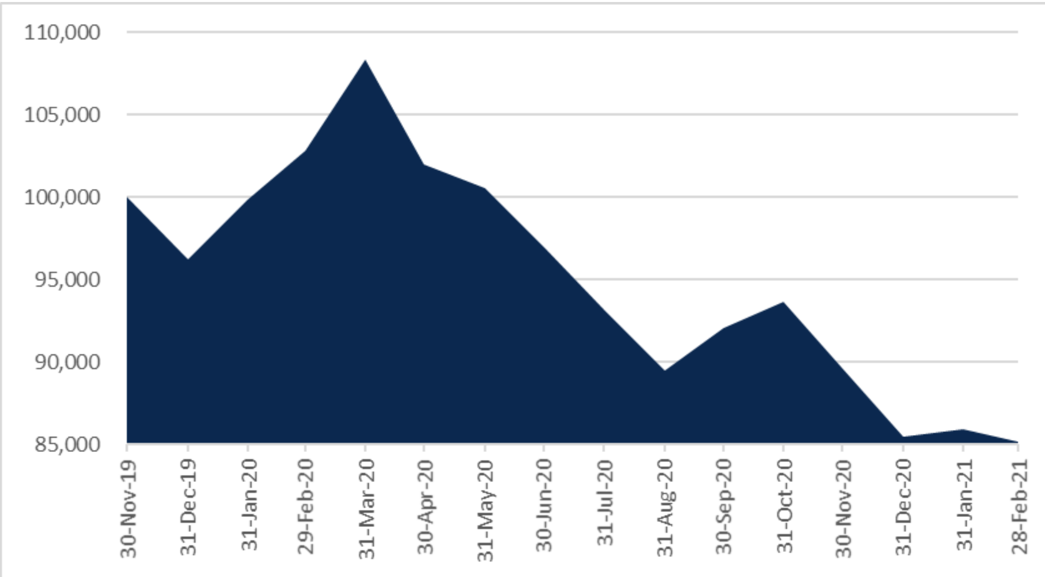
As at 28 February 2021
Underlying Investment Entity is valued at Cost

1 month	3 months	6 months	1 year	3 years (p.a)	Inception (p.a)
-0.88%	**-4.97%**	**-4.81%**	**-17.15%**	**N/A**	**-11.71%**

Asset Allocation as at 28 February 2021	
Cash AUD	2.54%
Cash USD	0.00%
Investments USD	97.46%

Unit Price Movement Breakdown	
Underlying investments (incl. cash and distributions)	0.00%
Foreign exchange	-0.81%
Fees and expenses	-0.07%
Total Movement	**-0.88%**

Growth of AU$100,000 Investment*



*Past performance is not an indicator of future performance.
Unit Price and performance do not include the value of Foreign Income Tax Offsets (FITOs) which may be distributed in addition to cash.

Fund Details

Fund Size (AUDm):	$9.42m
Unit Price:	$0.7664
APIR Code:	SPI8236AU
Commencement:	15 November 2019
Application Status:	CLOSED
Liquidity:	Nil - closed-ended Fund
Distribution Frequency:	Annually as at 30 June

Fund Manager:	Spire Capital Pty Limited
Investment Manager:	Valterra Partners LLC
Trustee:	Spire Capital Pty Limited
Base Management Fee:	0.50% p.a. x NAV
Underlying Fees:	2% of committed equity
Underlying Performance Fee:	20% of realised profits after an 8% preferred return is paid to Limited Partners.

Q4 2020 Investor Letter from Valterra Partners

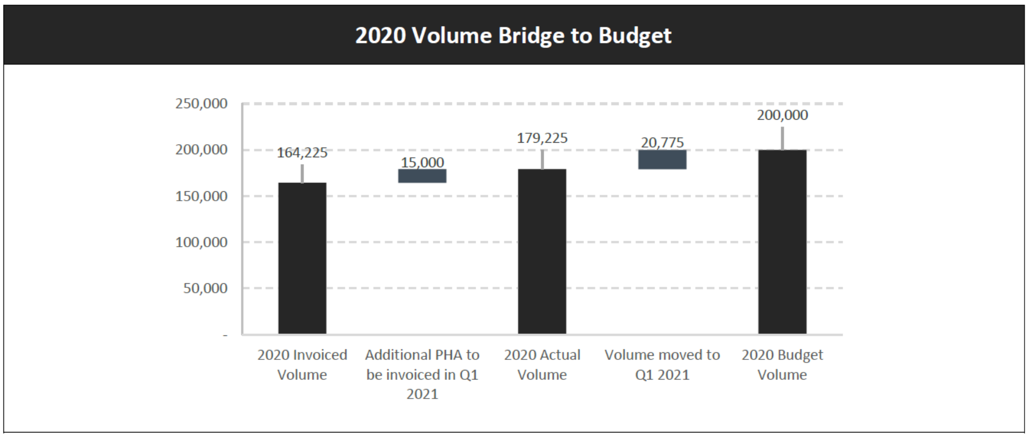
Note: All dollar amount and performance returns quoted are US Dollar denominated.

We hope this letter finds you happy and healthy as we start the new year. Looking back, 2020 was certainly a year unlike any other, but we are happy to say the Archie and the team have done a great job growing the business and continuing to execute on our growth initiatives. While there were certainly challenges along the way, we at Valterra are pleased with how the business has performed and believe that its resiliency during a global societal and economic disruption is a testament to the underlying strength and fundamental drivers of the business.

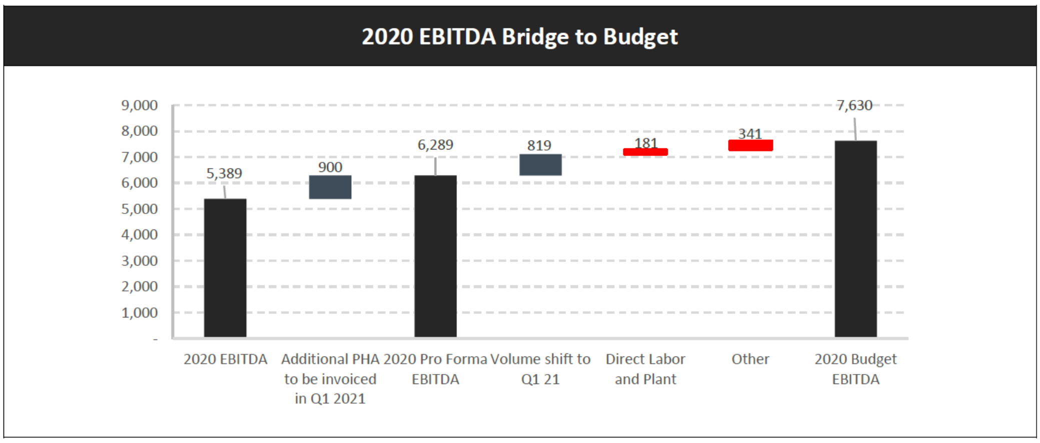
2020 Performance

From a volume perspective, the big highlight from 2020 was the booking and shipping of the Philadelphia Airport project. As a reminder, the Philadelphia Airport project was a 105,000 cubic yard project which holds the record for largest foamed glass aggregate project ever completed globally. That project began shipping in Q4 but given the size of the project and time to install, only 90,000 cubic yards were able to be booked in 2020 with an additional 15,000 expected to be booked in Q1 2021.

Including the airport project, the total volume of material shipped in 2020 was 180,000 cubic yards which is 20,000 cubic yards less that our 2020 budgeted volume of 200,000 cubic yards. The volume difference to budget is almost entirely related to a small number of projects being delayed due to various government related shutdowns that occurred in 2020. From a pipeline perspective, the Company did not lose a single job during the year; the however, they did see the timing of those jobs push out (again, related to government mandated shutdowns and restrictions).



From an EBITDA perspective, the Company achieved a 2020 of EBITDA of $6.3m which is $1.3m below the budgeted 2020 EBITDA of $7.6m. Of the $1.3m difference to budget, $820k is related to volume that was delayed into 2021 and the remaining $500k is related to increased cost of goods sold that was a result of lower-than-expected kiln utilization.



As we think about the Company's performance in 2020, one important point to note is that even in spite of the pandemic, Aero remained capacity constrained during the 2020 fiscal year. Initially we had expected kiln #3 to come online in April of 2020 but because of travel restrictions, SGGC was unable to travel to the US to commission the kiln until October 2020. That delay in start-up time meant that the business lost ~40,000 cubic yards of production volume that it might have otherwise been able to sell. Looking back on 2020, the business was able to sell every single cubic yard of material it produced and more, reducing its inventory level down to less than 30,000 CYs of material which will need to be rebuilt heading into 2021.

Utilization Initiatives

Although kiln utilization has been trending upward, it still currently sits at 75-80% which is below the Company's target of 90%+. The primary driver kiln downtime has been directly related to the quality of glass that the Company has been able to source. Initially, the Company's goal was to source dirty glass for as close to $0/ton as possible. On that front, the Company was successful and at one point had its cost per ton down to less than $5/ton. That said, one complication was that the organic material in the dirty glass was clogging the cleaning system and the mill which meant more downtime for cleaning and maintenance. The Company pivoted to purchasing cleaner glass with a cost per ton at $15/ton which has been performing better in the system. Even still, the system still has difficulty handling the glass when it is delivered wet (from rain or snow) which makes it difficult to separate the glass from the other organic material in the cullet. As a solution, the team at Aero will be installing a drying unit at the facility (total cost <$60k) which they believe will significantly reduce clogging and improve the cleaning system's ability to separate out paper and other organic material. In addition, the Company is hiring a dedicated VP of Operations to focus on improving utilization in the plant and Herb Northrup will take the title of VP of Supply and focus solely on glass sourcing, both for Eddystone as well as for the new facility in Florida and others as the business expands in the future.

Central Florida Facility

As we discussed in our previous letter, the coronavirus pandemic caused delays in the development of our second location in Central Florida. The delays were the result of government mandated shutdowns and longer permitting times from the local government due to the pandemic. The new Central Florida facility is now on track to have kiln #4 and Kiln #5 producing FGA in July/August 2021 as outlined in our previous letter.

2021 Strategic Plan and Budget

The key focus for Aero in 2021 will be increasing capacity to meet the strong and ever-increasing demand we are seeing for FGA across numerous applications. In 2020, due to delays in commissioning new capacity in both Eddystone and Florida, the business ended the year in line with budget, but with inventory ~100,000 CY below potential. Given the lower than anticipated inventory level, the company is capacity constrained with topline growth being limited by how much volume the Company can produce. Because of that dynamic, the budget for 2021 was set based on the volume of material we believe the Company can physically produce during the year. In addition, the Company is implementing several different initiatives to improve the utilization and efficiency of our existing kilns which would be additive to the total current production capacity. As a result, the 2021 budget for the year is being set as range with the lower end of the range being based upon our current production levels and the higher end of the range assuming that our utilization and efficiency initiatives are successful.

Currently, the annual capacity of the 3 existing kilns in Eddystone is 190,000 CY assuming our historic 80% utilization level. Through the addition of the new VP of operations, switching to cleaner glass sources, and adding a drying unit to Aero's glass handling process, the Company believes that it can increase its utilization to 92%+ or 220,000 CY of annual capacity at Eddystone. The two new kilns in Central Florida will be operational for 6 months of 2021 and as a new facility, we initially expect a lower average utilization rate of 73% as that facility ramps up production over time.

The budget target range for the year are summarized as follows:

	Base Budget	Target Budget
Eddystone Production (3 Kilns; 12 months operation)	190,000 CYs	220,000 CYs
Ocala Production	60,000 CYs	60,000 CYs
(2 kilns; 6 months operation)		
Total Sales*	190,000 CYs	230,000 CYs
Revenue	$14,250,000	$16,250,000
EBITDA	$6,270,000	$7,050,000

*Sales volume lower than production volume to account for inventory rebuild and mismatch between job timing and production timing during fiscal year.

While the business held up extremely well during the pandemic from a topline perspective, there is no doubt that COVID related shut-downs delayed the company's expansion initiatives, both with kiln #3 in Eddystone as well with kiln #4 and #5 in Central Florida. Importantly, by July of 2021 we expect everything to be on track and for the Company to have a run-rate production capacity of 360,000 CYs across 2 locations and 5 kilns.

At the end of February 2021, the Company has 120,000 cubic yards currently under purchase order or specified FGA as part of a broader pipeline of 450,000 cubic yards in 2021 alone. In addition, the Company is seeing its longer-term pipeline broaden into 2022 and 2023. The expanded profile of the Company within the industry is due primarily to an increasing number of high profile projects, expanded sales team and virtual marketing initiatives and a broadening portfolio of new use cases for it material. This growing awareness has started manifesting itself through an increasing number on inbound calls as well as a higher number of new jobs where foamed glass aggregate is included in the project specifications.

West Coast Expansion

From a growth perspective, the Aero Board has decided to push forward with an expansion of the business into a third production facility on the US West Coast in 2021. With Eddystone and Central Florida covering the East Coast, the Board believes that a location on the West Coast will be optimal to expand our geographic reach and cover the increasing demand for FGA that we are already seeing in that market. That increasing demand, coupled with the West Coast's large population centers, abundant glass supply and poor soil quality, makes it the ideal location for expansion. The Company is in the process of finalizing a development budget, capital deployment schedule and financing proposal for third location and has already begun evaluating prospective site locations and contacting potential sources of glass supply. While Aero has completed significant progress to date on the West Coast facility, the strategy vis-à-vis timing and footprint is still being finalized. Valterra will continue to provide updates as this situation develops.

With a West Coast location in 2021, Aero will have achieved a run rate capacity of ~430,000 CY. It is important to note that by beginning of 2022 Aero will have six kilns in operation, equal to the entire five-year business plan from a capacity perspective.

Summary

In spite of a challenging market environment, the team at Aero has continued to execute on their growth initiatives for the business. The year 2020 was Aero's highest volume year ever with more than 180,000 CYs booked which included the Philadelphia Airport job which is now the largest FGA project ever completed globally. The pipeline for 2021 is already shaping up to be another record year for Aero, and the team continues to focus on methodically growing its footprint and adding capacity to keep up with the demand it's seeing in the market. We at Valterra continue to be pleased with performance of the Company and are looking forward to another great year in 2021. As always, thank you all for your continued support and we look forward to keeping you updated on Aero's progress.

Yours sincerely,

Scott, Drew & Kevin

Drew Reid | Scott Macintosh | Kevin Reed

Fund Overview

Aero is a manufacturer of lightweight foamed glass aggregate ("FGA"), a product that contains the same compressive strength as traditional gravel but is ~10% of the weight. With a 25-year track record in Europe, Aero introduced FGA into the USA market in 2016 and has quickly gained traction in infrastructure construction end-markets (primarily roadbuilding) through its proven ability to dramatically reduce costs and provide other project benefits due to its lightweight properties.

Aero produces FGA in the USA utilizing the leading European kiln technology under an exclusive USA license, and has quickly gained the approval for use by numerous state departments of transportation ("DOTs"), and by the Federal Highway Administration. As such, Aero boasts an enviable track record with the product being utilized across a range of use cases, and in major infrastructure projects such as the I-95, Maine Turnpike, Philadelphia International Airport.

Aero generates costs savings for contractors and governments that have been shown to run into the millions of dollars, with consistent quality of performance. This is due to the lightweight quality of FGA allowing changes in project engineering, lower transportation costs and reduced project timelines that save significant cost to the end client.

FGA is made using the c.80% of "recycled" glass that is deemed uneconomic and destined for landfill. The glass is combined with a foaming agent and placed through a specialized kiln where the chemical reaction produces aggregate-sized particles. FGA thus provides an alternate use for a waste stream currently costing municipalities and waste contractors millions of dollars. In providing an alternate use for a waste stream, Aero secures its key feedstock at minimal cost, allowing for very strong gross margins.

Aero has experienced a significant increase in demand for its product as more DOTs and contractors become aware of, and experience, the quality and cost saving potential of Aero FGA. Further, customers and key stakeholders continue to buy-in to FGA's key environmental benefits. This is reflected in a significant increase in the number of purchase orders and in the project pipeline. As such, Aero is using the injection of equity from the Fund to expand kiln capacity to ensure that it can continue to grow with the accelerating demand.

Valterra specialises in equity investments that serve as a catalyst to tangible growth strategies in partnership with high quality management teams. With the Valterra team's infrastructure background, the opportunity provided by Aero was immediately apparent, and the investment has allowed the company to continue to expand kiln capacity and make key hires to support growth.

The Fund has made a commitment of US$7,204,000 into the Underlying Investment Entity. The value of the Underlying Investment Entity will be valued at cost for 18 months from the date of investment 6 December 2019. This is as per the Valterra Valuation Policy which is available on request.

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Contact our team

Operations – Email us at **operations@spirecapital.com.au** or call us on **+61 2 9047 8800**

Leakena Taing
Head of Operations

Email leakena.taing@spirecapital.com.au
Phone (+61) 2 9047 8803
Mobile (+61) 424 430 044

Suzette Tenedora
Office and Operations Administrator

Email suzette.tenedora@spirecapital.com.au
Phone (+61) 2 9047 8804
Mobile (+61) 450 119 320

Investor relations

Dale Holmes
Director

Email dale.holmes@spirecapital.com.au
Phone (+61) 2 9047 8802
Mobile (+61) 401 146 106

Chris Niall
Senior Manager – Investor Relations

Email chris.niall@spirecapital.com.au
Mobile (+61) 419 011 628

Stuart Haigh
Director

Email stuart.haigh@spirecapital.com.au
Phone (+61) 2 9047 8807
Mobile (+61) 413 750 521

Thomas Ryan
Investment Associate

Email thomas.ryan@spirecapital.com.au
Phone (+61) 2 9047 8808
Mobile (+61) 403 405 537

Important Information