

Monthly Update

Positively affecting the unit price during the month of September was the 1.22% decrease in the value of the Australian dollar against the US dollar from US\$0.7317 to US\$0.7228. The Fund does not hedge currency exposure.

The Unit Price reflects the Underlying Fund Net Asset Values as at 30 June 2021.

Performances (Net of Fees)*

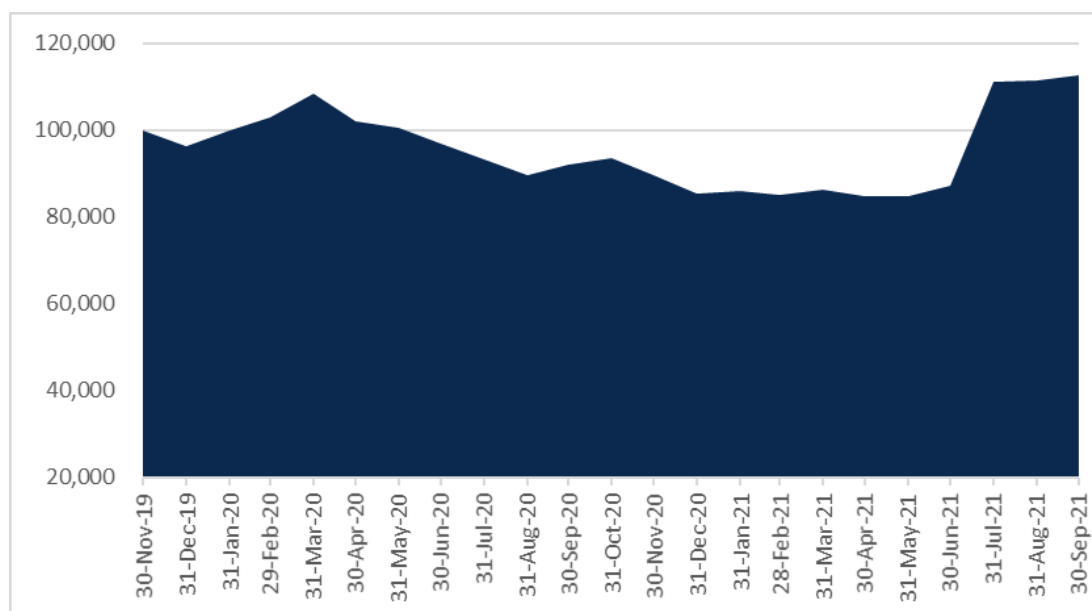
As at 30 September 2021

Based upon underlying fund data as at 30 June 2021

1 month	3 months	6 months	1 year	3 years (p.a)	Inception	Inception Foreign Exchange Impact
1.15%	29.26%	30.66%	22.44%	N/A	12.69%	-8.87%

Asset Allocation as at 30 September 2021	
Cash AUD	0.46%
Cash USD	0.00%
Investments USD	99.54%

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):	\$12.47m	Fund Manager:	Spire Capital Pty Limited
Called Capital:	90%	Investment Manager:	Valterra Partners LLC
Unit Price:	\$1.0142	Trustee:	Spire Capital Pty Limited
APIR Code:	SPI8236AU	Base Management Fee:	0.50% p.a. x NAV
Commencement:	15 November 2019	Underlying Fees:	2% of committed equity
Liquidity:	Nil - closed-ended Fund	Underlying Performance Fee:	20% of realised profits after an 8% preferred return is paid to Limited Partners.
Distribution Frequency:	Annually as at 30 June	Application Status:	CLOSED

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.

During August 2021, Valterra released a valuation of the Underlying Investment Entity as at 30 June 2021 of US\$9,005,000 resulting in a 25% uplift. The updated valuation is reflected in the 31 July 2021 unit price.

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IMPORTANT INFORMATION

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