

SPIRE GLOBAL PRIVATE EQUITY
SPIRE BRANFORD CASTLE US PRIVATE EQUITY FUND II
(AUD) FIRST CLOSE

A UNIT CLASS OF SPIRE CAPITAL MASTER FUND
 MONTHLY REPORT – NOVEMBER 2021



Monthly Update

Positively affecting the unit price during the month of November was the 5.25% decrease in the value of the Australian dollar against the US dollar from US\$0.7523 to US\$0.7128. The Fund does not hedge currency exposure.

The Spire Branford Castle Private Equity Fund II commenced pricing at the end of November, 2021.

The unit price will begin to value the assets of the underlying fund once capital is called by the underlying fund. We anticipate that to be in the first half of 2022.

Please find the end of the Q3 report from Branford Castle Partners (BCP) [here](#).

We are excited by the momentum of Fibrix (acquired in August 2020) which is experiencing significant demand for their filtration products on the back of concerns around air quality in commercial sites associated with the pandemic. The supply side challenges persist however, as you will read, the management team at Fibrix are well progressed on their new high quality MERV manufacturing line expected to come on line in Q3, 2022. It is anticipated this new line will provide an additional 2.5m in EBITDA in 2022/2023.

Consistent with the BCP strategy, Fibrix has recently entered into exclusive negotiation with a "bolt on" related business valued at ~ USD 56m which they will need to undertake 45 days of final due diligence. The business and bid price is consistent with the BCP thesis i.e. specialist manufacturing, niche industry, dominant player, 5-7x EBITDA / EV.

Similarly, La Fayette has made offers on two acquisitions within their sectors of focus i.e. polygraphics and neuroscience. Once again, BCP is in final due diligence.

In addition BCP are continuing to review a pipeline of 6-8 platform businesses which are at varying stages of diligence. We will provide any updates as they come to hand.

We would like to take this opportunity to wish you a Happy Christmas and the very best for 2022.

Performance (Net of Fees)*

As at 30 November 2021

Based upon underlying fund data as at 30 November 2021

1 month	3 months	6 months	1 year	Inception	Inception Foreign Exchange Impact	TVPI ¹
N/A	N/A	N/A	N/A	2.41%	3.86%	1.0241

¹TVPI – is the "Total Value Paid In" ratio and is, according to the Institutional Limited Partners Association (ILPA) perhaps the best available measure of performance before the end of a (closed-ended) fund's life. TVPI is the total estimated value of the Spire Feeder Fund's investments, both distributions received plus the value of the remaining investments in the Spire Feeder Fund, divided by the amount of capital paid into the Spire Feeder Fund to date. For the purposes of calculating TVPI Spire Capital includes the value of any Foreign Income Tax Offsets in the value of distributions received. This ratio has other names, including Multiple of Investment Capital (MOIC) and the Return on Invested Capital (ROIC).

Fund Details

Total Commitments to the Branford Castle US II Program (All Share Classes) (in USD)	US\$50m
Fund Size (AUD):	AU\$15.76m
Unit Price (AUD):	\$1.3737
APIR Code:	SPI0659AU
Commencement:	15 May 2020
Distributions:	Annually
Application Status	CLOSED
Liquidity	Nil – Closed ended Fund
Fund Manager:	Spire Capital Pty Limited
Investment Manager:	Branford Castle Partners, L.P.
Trustee:	Spire Capital Pty Limited
Base Management Fee:	0.50% p.a. x NAV
Underlying Management Fees ("Priority Profit Share"):	2.00%p.a of Committed Capital
Underlying Performance Fee:	20% of realised profits after an 8% preferred return is paid to Limited Partners.

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Fund Overview

The Fund seeks to deliver steady returns and strong asset growth from US Private Equity. The Fund was established in May 2020 and serves as an AUD denominated Australian unlisted unit trust that feeds into the Branford Castle Partners Fund II, L.P. (“the Underlying Fund” or “Fund II”). The Investment Manager for the Underlying Fund is Branford Castle Partners, L.P., (“Branford”). Branford is launching the Underlying Fund to build upon the Firm’s track record of making control investments in strong, privately held “Small-Cap” businesses primarily based in North America. For over three decades, Branford’s professionals have been buying solid Small-Cap businesses, at reasonable prices, then adding value, in the pursuit of generating superior risk-adjusted returns.

Ordinary Units will acquire an interest in the Underlying Fund, which has exposure to US Small-Cap companies. The Underlying Fund will benefit from Branford’s operational capability in delivering for investors through equity and preferred equity positions. Branford’s Small-Cap investment strategy is focused on finding companies with under USD 100m in enterprise value and whose product or service lines typically have less than USD 200m in total industry sales. Many private equity firms overlook the types of Small-Cap companies that Branford invests in, leaving significant actionable opportunities for Branford which often can be purchased for around 6.0x EBITDA or lower.

Contact our team

Operations – operations@spirecapital.com.au or call us on +61 02 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
Senior Operations Officer

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

Investor relations – investorrelations@spirecapital.com.au



Dale Holmes
Director

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



Stuart Haigh
Director

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



Chris Niall
Senior Manager – Investor Relations

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



Sebastian Madden
Associate - Investor Relations

Email sebastian.madden@spirecapital.com.au
Phone (+61) 2 9047 8808
Mobile (+61) 421 107 907

Important Information

Spire Capital Pty Limited (“Spire”) ABN 21 141 096 120 and (wholesale) Australian Financial Services License Number 344365 is the Trustee and Fund Manager of the Fund. This Fact Sheet has been prepared by Spire for general information purposes only. It does not contain investment recommendations nor provide investment advice. Neither Spire nor their related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund or the accuracy of information in this document and accepts no liability to any person who relies on it. Past performance is not necessarily indicative of future performance. Professional investment advice can help you determine your tolerance to risk as well as your need to attain a particular return on your investment. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should not act in reliance of the information of this Fact Sheet. We strongly encourage you to obtain detailed professional advice and read the relevant product disclosure statement in full before making an investment decision. Applications for an investment can only be made on an application form accompanying a current Information Memorandum (“IM”) and Term Sheet.

*Past performance is not an indicator of future performance. Performance and Growth table and chart are based on the aggregated total application amount and units issued during the capital raising period and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising on the 26th of November 2021. Unit Price and performance do not include the value of Foreign Income Tax Offsets (FITOs) which have been distributed in addition to cash. Individual investor performance will vary according to the Application Price at which they were issued Units in the Fund, which in turn was based upon the AUD / USD exchange rate applicable on the day that an investment is accepted.