

Quarterly Update

Given the Fund's completion of its capital raising period in September 2020, this quarter's unit price is the first quarter for which the Fund's unit price is based upon the Fund's Net Asset Value. The Fund successfully raised US\$56.76m in total applications, where US\$53m was committed into the Underlying Fund on the 18 August 2020.

Negatively affecting the unit price is the recognition of the Fund's formation expenses for the first time in striking this quarter's unit price.

As at 30 September 2020, the Underlying Fund is valued at cost. The updated valuation from the Underlying Fund will be reflected in the next quarterly unit price.

Trading Update

Market Environment and Recent Performance

Year-to-date, through September 25, 79 companies with traded debt have defaulted on USD 119bn of bonds and loans. The trailing 12-month U.S. High Yield default rate stands at 5.9%. As of September 24, Oaktree Opportunities Fund Xb's net IRR since inception is up ~5% based on public marks (private marks held flat from 30/06 valuation). Predecessor programs (Fund VIIIb through Fund X) remain on track for a positive quarter, and Oaktree is constructive on many of the funds' illiquid positions (marked at the end of the quarter).

Pipeline

Oaktree has remained focused on privately negotiated deals across the globe as credit spreads in secondary markets stayed tight in 3Q2020. Strong private pipeline of USD 16bn remains despite market optimism (continued stress in the economy). The deal team is considering opportunities in energy, retail, aviation, lodging/hospitality, healthcare, and REITs, among other areas. Oaktree has committed to several deals for Oaktree Opportunities Fund XI following the Fund's 5% capital call in August, including opportunities in: (i) the natural gas space, (ii) entertainment royalties and (iii) Chinese real estate development loans, among others. LATAM Airlines received judicial approval on USD 1.3bn DIP loan, and Oaktree expect to fund USD 300-400mm in Oaktree Opportunities Fund XI through October. An additional 10-15% capital call before year end is possible. Specific timing is highly dependent on market conditions and more deals in the pipeline coming to fruition.

Performance (Net of Fees)

As at 30 September 2020
 Underlying fund valued at cost

3 months	6 months	9 months	1 year	3 years (p.a)	Inception
N/A	N/A	N/A	N/A	N/A	-0.55%

Asset Allocation as at 30 September 2020	
Cash USD	80.80%
Investments USD	19.20%

Unit Price Movement Breakdown	
Underlying investments (incl. cash and distributions)	0.00%
Management fees	-0.03%
Sourcing and structuring fees	-0.49%
Legal and tax formation expenses	-0.02%
Other expenses	-0.01%
Total Movement	-0.55%

Fund Details

Fund Size (USDm):	\$56.11m	Fund Manager:	Spire Capital Pty Limited
Unit Price (US\$):	\$0.9945	Investment Manager:	Oaktree Capital Management, L.P.
APIR Code:	SPI5101AU	Trustee:	Spire Capital Pty Limited
Commencement:	12 June 2020	Base Management Fee:	0.35% p.a. x NAV
Currency:	US Dollars	Underlying Management Fees:	1.44% of committed equity
Application Status:	CLOSED	Underlying Performance Fee:	20% of realised profits after an 8% annual return is paid to Limited Partners.
Liquidity:	Nil - closed-ended Fund	Distribution Frequency:	Annually

Growth of US\$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 have been distributed in addition to cash.

Q3 2020 Investor Letter from Oaktree Capital Management, LP

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

We'd like to welcome you again to Oaktree Opportunities Fund XI ("Opps XI"). We are currently in the midst of the Fund's second close, and as of the publication of this letter, closed or committed capital currently exceeds \$13.5 billion.

Credit and equity markets maintained their strength during much of the third quarter, but volatility reappeared late in the quarter. In the United States, this volatility stemmed from increasing doubts about the likelihood of additional government stimulus and uncertainty around the outcome of the U.S. presidential election in November. A resurgence in COVID-19 case counts around the globe and renewed efforts to impose restrictions or lockdowns were also contributing factors. Despite the volatility, we have yet to see a meaningful expansion of the public opportunity set. That could change as current stimulus measures end and unemployment ticks higher, but in the meantime, there has been no shortage of opportunity to put capital to work in the private markets and our pipeline remains flush.

As you know, we drew 5% from limited partners in August, and we've started to put that capital to work. We have several exciting opportunities on the near-term horizon, but we are excited share the most noteworthy investment in the Fund so far, which was made shortly after the end of the third quarter.

In our discussions with you during the marketing process, we may have described our progress regarding a potential investment in South America's largest air carrier, **LATAM Airlines**. As a result of the significant travel disruptions caused by COVID-19, LATAM initiated Chapter 11 proceedings in May. In connection with the filing, it sought interim financing to maintain its operations while it continues work on a comprehensive plan of reorganization. By early July, we had agreed to (and the company filed with the bankruptcy court) a structure that gave Oaktree the \$1.3 billion senior Tranche A of an up to \$2.45 billion debtor-in-possession financing, with the company's largest shareholders, including Qatar Airways and the Cueto family, funding the subordinated \$1.15 billion Tranche C. After some back and forth with the court and various stakeholders, primarily concerning amendments to the subordinated tranche documents and the inclusion of several new parties, we (finally!) received formal approval from the court in late September and funded the initial 50% draw on October 8. The company can use the rest of the facility in up to five additional draws, and we expect the next draw in 1Q or 2Q2021.

Our loan benefits from significant underlying value, as evidenced by the company's \$19.5 billion enterprise value as recently as December 2019, as well as a first-priority claim on LATAM's unencumbered assets that include the company's cargo business and frequent-flyer program – the fourth largest in the world. In addition, the 18-month loan carries an attractive cash coupon of L+975 bps (or PIK of L+1,100 bps), a two-point upfront fee, an undrawn commitment fee of 50 basis points and a 75-basis point exit fee. LATAM's position as a best-in-class operator was a key factor behind our investment thesis, and the company has continued to demonstrate this through the great strides it has taken in managing its costs (which will see further reductions through the Chapter 11 process). Lastly, the cargo segment – which directly supports our loan – has been performing very strongly while passenger traffic is subdued and should continue to do so.

Looking forward, the Fund is poised to capitalize on our robust (and growing) global pipeline, which encompasses a broad swath of opportunities across a number of industries and geographies. These are highlighted by (i) opportunities in areas that have been most impacted by COVID-19, including a variety of real estate-related situations, aviation, energy, entertainment (e.g., music and sports) and hospitality, and (ii) borrowers looking for tailored solutions that require creative structuring and significant capital. More recently, the opportunity set outside of the U.S. has become increasingly interesting, with several active situations in Europe and Asia.

We look forward to providing future updates on our progress investing Opps XI.

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Firm Updates

We're glad to announce three exciting additions to the Distressed Debt team.

- At the end of October, Ross Rosenfelt joined our U.S. team as a managing director. Ross will lead our restructuring efforts in North America. We know him well from his eight years doing restructuring work at Sculptor Capital Management – he led restructuring processes in several situations you may be familiar with, including Pacific Gas & Electric and Caesars Entertainment. Ross comes to us with almost 20 years of restructuring experience, having started his legal career in Paul, Weiss, Rifkind, Wharton & Garrison's bankruptcy and corporate restructuring practice.
- Additionally, in July we hired Allan Wardrop-Szilagyi, a restructuring lawyer who joined our team in Hong Kong. Most recently, Allan was a partner with Sidley Austin, where he focused on special situations financings and debt restructurings in Asia.
- We're also pleased to announce the formal transition of Jordan Mikes into the Distressed Debt team from our internal legal team, where he worked with several Oaktree strategies. For the better part of the last year, Jordan has been exclusively focused on Oaktree's Opportunities Funds and has led our efforts across a wide range of deal-specific and fund- related matters. Prior to joining Oaktree more than seven years ago, Jordan was an associate at Sullivan & Cromwell, where he focused on corporate finance, mergers and acquisitions, private equity, general securities law and corporate governance.

With the addition of Ross, Allan and Jordan, with their considerable legal experience, we are extremely well positioned to capitalize on what we believe will be a prolonged period of heightened distress.

Finally, we are continuing our efforts to prepare for a safe and effective return to our offices (RTO). Our London office had entered the second phase of RTO, but given the worsening local conditions, we've more recently encouraged all staff to work from home. Our New York office has moved to phase two, and we hope to open our Los Angeles office over the next couple of months. Our EU and APAC offices have returned on a voluntary basis with fewer capacity limitations. We are pleased with our successful remote operations, and our approach to RTO remains focused on the health and safety of our employees as our utmost priority. We continue to closely monitor the situation globally and will keep you apprised of any changes.

Very truly yours,



Bruce A. Karsh
Co-Chairman and CIO



Robert O'Leary
Co-Portfolio Manager



Pedro Urquidí
Co-Portfolio Manager

Fund Overview

Spire Capital Pty Ltd ("Spire") continues to have high conviction in select pockets of the global private markets (i.e. 'sweet spots'). For the last 12 months, Spire has been monitoring credit conditions in anticipation of stress given ballooning issuance of sub-investment grade debt, inflated leverage levels and associated vulnerability of corporate balance sheets. This included face-to-face due diligence meetings with a number of distressed debt investors in New York and ongoing dialogue with preferred manager Oaktree Capital Management, L.P. (including its affiliates, individually or collectively, as the context requires, "Oaktree"). After a prolonged period of benign market conditions for distressed debt investing, the cycle turned with the onset of the coronavirus. In mid-March 2020, Spire accelerated final stage due diligence on Oaktree's distressed debt capabilities and Opportunities XI program before resolving to create and capitalise Spire Oaktree Opportunities Fund XI (USD) First Close ("the Fund") with principal capital.

The Fund seeks to deliver steady returns and strong asset growth from global distressed debt. The Fund was established in May 2020 and serves as a USD denominated Australian unlisted unit trust that feeds into the Oaktree Opportunities Fund XI Feeder (Luxembourg), SCSp ("the Underlying Fund"), a Luxembourg special limited partnership, which will invest substantially all of its assets in Oaktree Opportunities Fund XI (Parallel 2), SCSp in exchange for a limited partner interest therein. The Fund will progressively call capital in line with the requirements of the Underlying Fund and operating expenses of the Fund. LFE European Asset Management S.a.r.l is the alternative investment fund manager ("AIFM") for the Underlying Fund and the AIFM will appoint Oaktree as portfolio manager.

The Fund has been created to provide qualified wholesale investors with the opportunity to invest in the first close of the Underlying Fund (the "First Close"), and thereby participate in the management fee discount offered to First Close investors (10% reduction in the management fee of the Underlying Fund).

Contact our team

Operations - operations@spirecapital.com.au or call us on 02 9047 8800



Leakena Taing
Head of Operations

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

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

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