



Investment Guide: “Surfing the wave, avoiding the reef”

Navigating the proliferation of private market opportunities for wealth management firms

Q1 2024



Introduction

Global private markets specialist Spire Capital has developed this investment guide to help financial advisors select the best and avoid the worst private market investment options for their clients from among a deluge of new product offerings.

Called *Surfing the wave, avoiding the reef*, it is designed to help advisors determine the risks and opportunities of allocating to private markets where inconsistent product approaches can make it difficult to compare apples with apples.

For those with access, private markets provide an important source of diversification and potential for improved risk-adjusted returns, but they can also introduce a new set of risks, challenges and unintended consequences.

In this guide we've identified **ten key areas** that we believe are really important to understand as the universe of semi-liquid funds continues to proliferate. These include fees, liquidity, portfolio assets, valuation approaches, deal allocations and fund structuring.

We hope this helps you access private markets in a considered way and have your eyes wide open to some of the risks while taking advantage of the opportunities.

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Institutional investors have led with large allocations to private markets

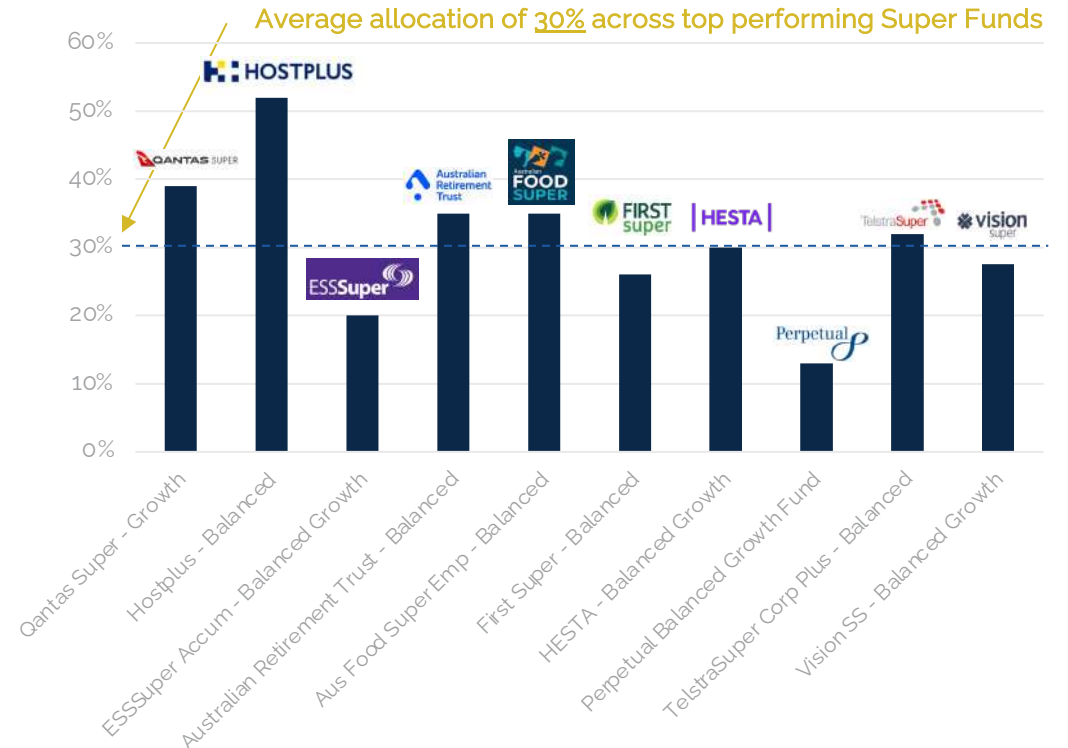
Top Performing Superannuation Funds (as at 31 Dec 2023)¹

Ranking	Fund Investment Option	Annualised Return	Period
1	Qantas Super - Growth	8.01%	3 year
2	Hostplus - Balanced	7.99%	3 year
3	ESSSuper Accum - Balanced Growth	7.90%	3 year
4	Australian Retirement Trust - Balanced	7.76%	3 year
5	Aus Food Super Emp - Balanced	7.54%	3 year
6	First Super - Balanced	7.38%	3 year
7	HESTA - Balanced Growth	6.80%	3 year
8	Perpetual Balanced Growth Fund	6.76%	3 year
9	TelstraSuper Corp Plus - Balanced	6.73%	3 year
10	Vision SS - Balanced Growth	6.67%	3 year
	Vanguard Growth Index Fund ⁴	5.00%	3 year
	Future Fund ³	7.50%	3 year



The Future Fund has a 31% allocation to global private markets (excluding private debt) as at 31 Dec, 2023³.

Asset Allocation – Exposure to Global Private Markets²



Industry Funds are winning the war on performance with meaningful allocations to private markets/unlisted assets



1. Source Super Ratings (<https://www.superratings.com.au/top-10-super-funds/>). 2. Source: Fund Websites and Annual Reports. 3. Source – Future Fund Portfolio Update as at 31 December 2023 (<https://www.futurefund.gov.au/en/investment/investment-performance/portfolio-updates>). 4. Source – www.vanguard.com.au

Evolution: Private markets opening to wealth management

Regulatory pull¹

US Department of Labor (2022)

“a plan fiduciary of an individual account plan may offer an asset allocation with a private equity component”

UK Department for Work & Pensions (2022)

“investments in private markets can offer potentially greater returns for pension savers building towards retirement and can have the added benefits of improving the UK economy and society”

Investment manager push

Leading private market firms around the world continue to pursue mid-market channels (including private wealth management) for next wave of growth and to diversify investor base ('Limited Partners')

- The total financial wealth of HNWIs currently stands at around USD 86 trillion²
- Total retail wealth currently stands at an estimated USD 42 trillion³
- KKR expects between 30% and 50% of new capital raised over the next few years to come from the private wealth channel⁴



“I can't recall a product wave quite like this in my career”
Head of Research, Australian Wealth Firm



Regulatory reform and product innovation has supercharged the 'democratization' of private markets

Investor Perspective

"The proliferation of open-end private markets vehicles, whilst a great development in enabling access to the asset class, is not without its nuances and risks. Those seeking to invest in such vehicles need to consider not just the underlying investment capability, but also (to highlight just one factor) whether a manager has truly understood (and appropriately resourced) the highly complex task of managing both inbound and structured outbound liquidity."

*"The ever-increasing accessibility of private markets should certainly improve long-term (private) client portfolio outcomes, but investors should be prudent in their assessment and use of such vehicles as not all are created equal. The importance of sufficient, high-quality deal flow combined with the ability of a mature portfolio to generate its own liquidity cannot be understated. **Cash, credit lines and subscriptions should not be the starting point for the provision of liquidity in an inherently illiquid asset class.**"*



Martin Randall
Partner | Head of Private Markets
LGT Crestone Wealth Management

Case Study: Private Equity



Semi-liquids: Mapping the universe of PE wealth products

“Such is the pace of growth in this segment that keeping track of each product and their various idiosyncrasies can be challenging”

28 September, 2023

PE's semi-liquid push requires careful marketing

“What was once a trickle of private markets-focused semi-liquid products has become a deluge this year. In the last week alone, Pantheon, JP Morgan AM, Muzinich & Co, Allianz Global Investors and Schroders Capital have launched such products, adding to those established by the likes of EQT and HarbourVest”

12 October, 2023

	AUM	Minimum Investment	Asset class composition	Geographic composition (%)	Sector (top three, %)	Jurisdictions materialized	Redemption notice	Management fee	Performance fee	Target return	Fund level leverage
AMG Pantheon Fund	\$2.14bn (30 June 2023)	\$50,000	PE co-investments, secondaries, primaries	North America (93); Europe (2); APAC (5)	Tech (33); Financials (14); Healthcare (14)	US	Quarterly	1.45%	None		
Apolla Aligned Alternatives	\$11.3bn (31 July 2023)	\$25,000	Private direct investments, real estate, VC, mezz hybrid	North America (88); Europe (7); Other (5)	Diversified (50); Real estate (31); Financial services (9)	Global	Quarterly	1.5% (dependent on share class)	12% (variable) pa net	12.5%	None
Arca Private Modern Fund	\$387.5m (31 July 2023)	\$25,000 (dependent on share class)	PE secondaries, primary, co-investments	North America (99); Europe (18); Rest of world (2)	IT (14); Healthcare (32); Consumer discretionary (12)	US	Quarterly	1.4%	12.5%		
BlackRock Private Investments Fund	\$147.3m (30 June 2023)	\$25,000	Direct, secondaries	North America (71); Europe (27); APAC (1); Rest of world (2)	Software and services (20); Pharma (16); Health equipment and services (16); Financials (both 16)	US	Quarterly	1%	None	Possible	
Bow River Evergreen Fund	\$400.1m (31 August 2023)	\$50,000	PE co-investments, secondaries	North America (81); Western Europe (15); Rest of world (2)	IT (27); Industrials (25); Healthcare (18)	US	Quarterly	1.75%	None	10-13% pa net, 2x after 5 years	None
EQT Nexus	\$396m (NAV as of 2022)	\$25,000				Europe, APAC	Quarterly	1.25 or 1.35% pa of the greater of (i) NAV and (ii) NAV less cash and cash equivalents plus unfunded commitments	15% on direct co-investments (subject to 5% hurdle)	12.5%	pa net
FlowStore Opportunity Fund	\$294.2m (1 Apr 2023)	\$1m	PE, secondaries, VC, credit	Primarily US		Global	Quarterly	1.25%	10% on fund gains quarterly		Possible
Hamilton Lane Club of Private Assets Fund	\$3.24bn (31 July 2023)	\$2m	Buyout, growth, VC, credit	North America (81); APAC (7); Rest of world (3)	Industrials (26); IT (21); Healthcare (19)	Global	Monthly	1.5%	12.5% at the deal level with a 6% hurdle on co-invest credit investments, 6% on other investments	10-12% pa net	
Hamilton Lane Private Assets Fund for US Investors	\$975.3m (31 July 2023)	\$50,000, \$1m (dependent on share class)	Buyout, growth, VC, credit	North America (74); Europe (18); APAC (6); Rest of world (2)	Industrials (22); IT (20); Healthcare (19)	US	Quarterly	1.5%	12.5% at the deal level with a 4% hurdle on co-invest credit investments, 6% on other investments		
HorizonWest Global Private Solutions SICAV S.A. (HGFS)	\$835m (1 Jan 2023)	\$25,000, \$2m (dependent on share class)	PE, secondaries, direct, opportunistic, primaries	North America (30-40); Europe (25-35); APAC (15-20)		Certain eligible jurisdictions outside US	Monthly				Up to 30% of NAV
KKR Private Markets Equity Fund SICAV S.A. (K-PRME)	\$430.3m (30 June 2023)	\$25,000, \$5m	PE, credit, infra, VC	Americas (57); EMEA (33); APAC (7)	IT (32); Healthcare (27); Financials (22)	Europe, Australia	Quarterly	1-1.25% of NAV pa (dependent on length and timing of commitment)	15% (subject to 5% hurdle)	12-15% pa net	Long term; Short-term up to 30% of NAV
NB Co-manada Private Markets Access Fund	\$475m (1 September 2023)	\$50,000	PE co-investments, secondaries	North America (75-85); Europe (10-20); Rest of World (5-10)	Business Services (25); Software (21); Industrials (21)	US	Quarterly	1.5% on NAV	10% (with high watermark)		None
NB Global Private Equity Access Fund	N/A	€10,000, \$10,000	PE co-investments, secondaries	North America (75-85); Europe (10-20); Rest of World (5-10)		Global (ex. US)	Monthly (dependent on share class)	1.5% on NAV	12.5% (with hurdle)		None
Pantheon Group Global Value SICAV	€7.33bn (31 July 2023)	10,000 €, 30, \$ €, 950m, \$€100,000	Buyout, debt, VC, cash & cash equivalents	North America (77); Europe (22); APAC (1); Rest of World (1)	Healthcare (22); IT (22); Industrials (20)	Europe, UK, South Korea, Japan, Switzerland, Singapore	Monthly (dependent on share class)	1.3-1.9%	10-15% (dependent on asset class, hurdle ranges from 4-6%)	10-14% pa net	
Pantheon Direct Private Equity (Master Fund)	\$14.1bn (30 June 2023)	\$50,000, \$1m (dependent on share class)	PE, infra, debt	North America (47); Europe (44); APAC (7); Rest of world (2)		US	Quarterly				
Pantheon Investment Fund	\$1.22bn (31 July 2023)	\$25,000, \$5m (dependent on share class)	Buyout, mezzanine, infrastructure, growth, VC, other	North America (60-80); Europe (20-25); Rest of world (15-20)	Services (25-40); Healthcare (17-21); Financials (15-11)	US, Europe, Asia, Latin America	Quarterly	1.65%	None		Possible
Schroders Private Markets	\$1.4bn (31 July 2023)	\$50,000	PE, real estate, private debt	North America (99); Europe (18); Rest of world (3)	Within PE: IT (18.5); Healthcare (14.8); Industrials (13.3)	US, Europe, others	Quarterly	1.4%	None		
The Pantheon Fund Trust	\$8.58bn (31 July 2023)	10,000 (\$, S€ 4)	PE, infrastructure, real estate, debt, listed, cash & cash equivalents	North America (17); Europe (39); Emerging markets (18); APAC (8)	Industrials (22); IT (22); Healthcare (18)	Belgium, Finland, Ireland, Japan, Netherlands, Singapore, South Korea, Switzerland, UK	Monthly				
The Pantheon Fund SICAV	\$1.24bn (31 July 2023)	10,000 (in convertible share class currency)	PE, infra, real estate, senior leveraged debt, listed, cash & cash equivalents	North America (88); Europe (10); APAC (1); Rest of world (2)	Industrials (21); IT (17); Real estate (14)	Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, UK	Monthly				
The Private Shares Fund	\$950.2m (30 June 2023)	\$2,500	VC, growth	Primarily US	Aerospace (13); Financial/ payments (11); Technology (10)	US (excepted parallel territory) (10)	Quarterly	1.9% annual rate of the average daily calculated NAV Paal monthly in arrears	None	Mid-to-high net gn	Possible
UBI Private Equity (Lux) European Secondary Fund	€30m (30 September 2023)	50,000 (\$, S€ 4)	PE secondaries, co-investments, primaries	North America (80); Europe (20); APAC (0)		Global (ex. US)	Quarterly	1.2%	10%	12.5% pa net	Possible



'Surfing the wave, avoiding the reef'

10 items to consider in assessing semi-liquid private markets offerings

Management Fees

Performance Fees

Liquidity & Locks

Portfolio Assets

Valuation



Australian Wealth Management Firm

Strategy

Performance

Team

Allocation

Access/
structuring

Management Fees

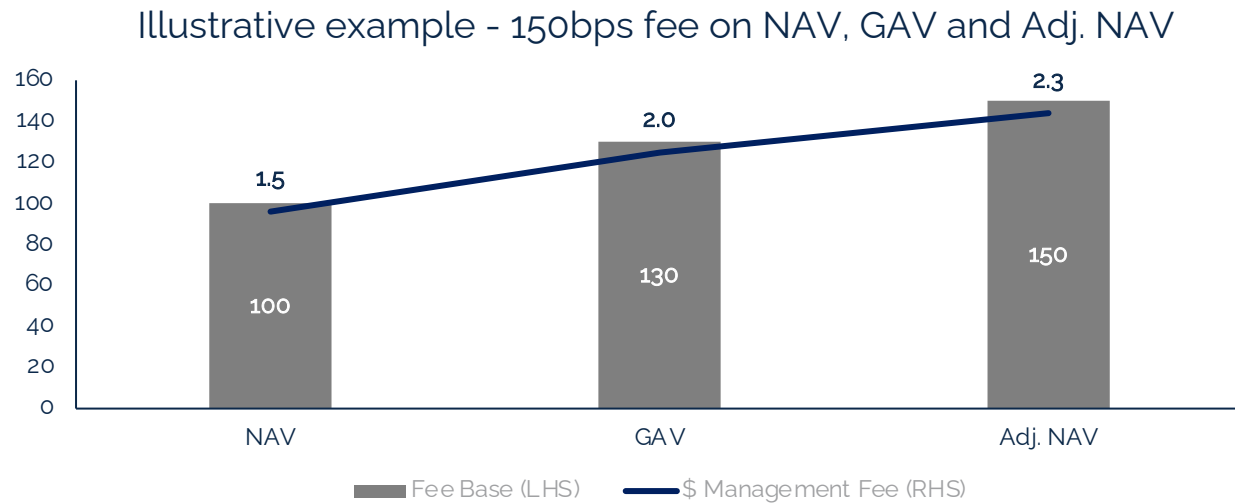
Fee base can have a big impact on total fee levy

Most Management Fees are based on Net Asset Value (assets less liabilities) but there are a number of funds using Gross Asset Value or Adjusted NAV (NAV adjusted for committed but undrawn capital).

Pro tip - Understand the fee *basis*. Fees levied on NAV is preferred approach.

Example

Flat Management Fee of 150bps applied on NAV, GAV and adjusted NAV can have dramatic impact on total management fee expense



Offsets

Some managers may offer lower Management Fees where other fees payable to the manager are used to offset. These include the Original Issuer Discount (OID) for direct lending funds and Monitoring Fees for private equity funds. While these offsets help with the optics of the Management Fee, conflicts may arise. For example, a private lender may be incentivised to extract a higher OID at return for a lower interest rate/coupon for investors.

Alternate approaches can mask the true cost (e.g. 50-100% higher)

Performance Fees

Actual mechanics often shrouded in jargon (inconsistent across asset classes & managers)

Key factors to understand:

- Hurdles vs high watermark
- % take to GP vs LP
- Cashflow waterfall – who gets paid when (paid on exit, paid monthly on valuation)
- Clawbacks

Pro tip -Ask for the performance fee model (or build one) - test several scenarios. Challenge hurdle and catch-up

Consider appropriateness for asset class and in perspective of “risk free” return rate Performance fees can drive perverse incentives. Does a hurdle of 5% make sense in a world where the 3 Month US Treasury Bill rate is 5.3%. Should a performance fee be paid if the manager is not seeking capital gains (e.g. direct lending)?

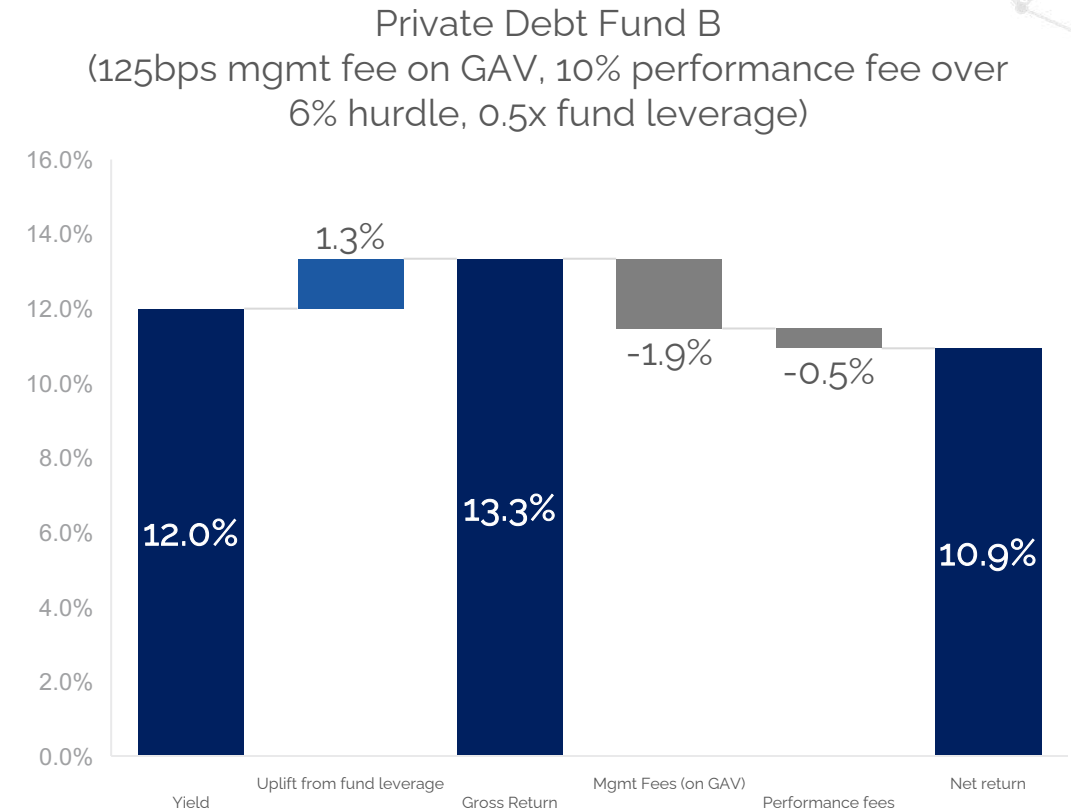
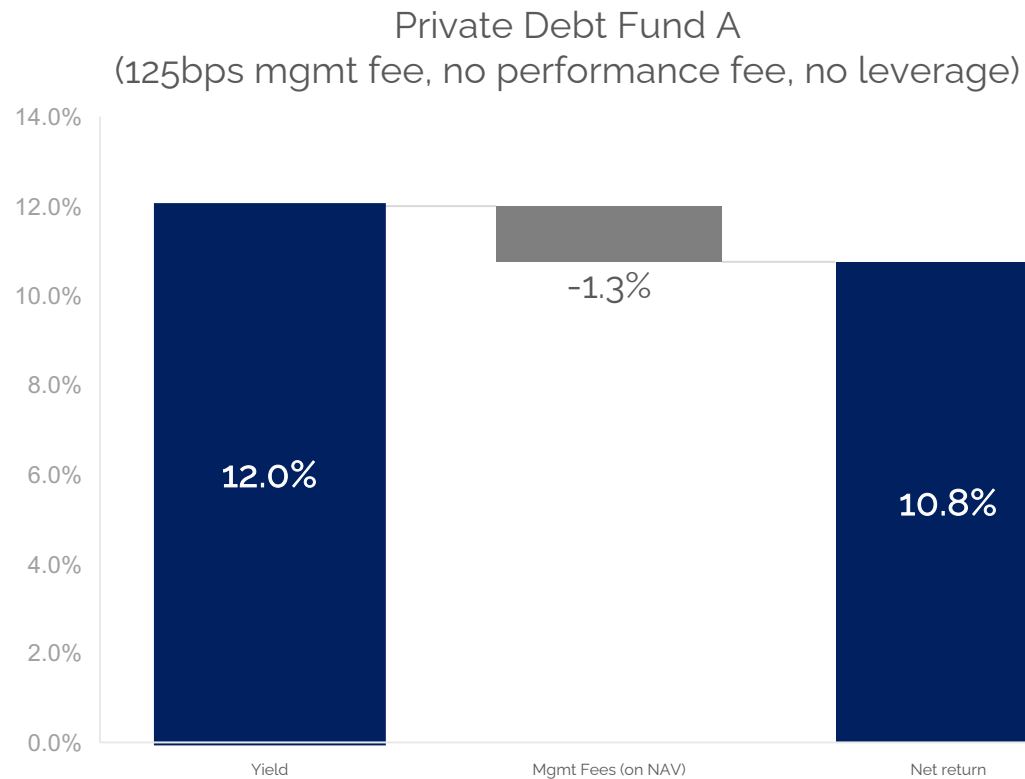
Example

Private debt / direct lending upside returns are typically capped (principal plus interest plus fees) if a fund suffers losses and fall below performance fee hurdle the managers may look to bridge gap by taking more risk through

- (a) increased leverage at the fund level
- (b) targeting riskier securities (subordinated debt and preferred equity)

Performance Fees/Carried Interest incentivise performance but can also encourage excessive risk taking

Case Study – Engineering Fees



Fund B has engineered fees (leverage, fees on GAV, performance fee) while increasing the risks to investors

Liquidity and Locks

Locks

Need to consider existence of:

- Soft locks - exit for a fee, typically 2% to 4%
- Hard locks - cannot exit at all

Locks are typically 1 to 4 years from time of investment.

Liquidity Mechanism

Important to understand the 'path to liquidity'. This includes notice period required for redemptions, payment timings, gates (typically 5% of NAV per quarter), provisions (rules based vs best endeavours vs normal course of business vs run-off portfolio) and existence of liquidity portfolio

Pro tip - Analysis of historical applications and redemptions may provide insight into make-up of investor base and how they act during periods of stress (i.e. March 2020). Liquidity Policy should be reviewed with interest

Private Equity International

PE's semi-liquid push requires careful marketing

"Naming these products as 'evergreen' as opposed to giving them 'semi-liquid' moniker also helps investors understand the main focus is open-ended nature"

12 October, 2023

Queues

Application and redemption queues are very relevant considerations. Some managers may not proactively inform investors of redemption queues.

Sell spreads

Traditionally sell spreads have been used to recover costs involved with realising assets. Some managers have used sell spreads to manage investor behaviour i.e. levy a sell spread to stop the bleeding of redemptions during periods of stress

Funds differ greatly across profile of investor base, liquidity mechanism and pathway to liquidity

Portfolio

Open / Evergreen structures

Investors are effectively buying into a portfolio of hard to value, illiquid, non-traded assets at a valuation determined by the manager (with third-party valuation and audit). Important to understand what you are buying into.

Asset level analysis

Seek to understand what the funds hold at an asset level (industry, location, size, vintage year, strategy, % ownership, co-investors), what the asset cost (entry metrics), what its valued at (current valuation metrics), how has the asset performed (revenues and earnings development) and how it is financed (leverage levels, cost of debt, maturity of debt, covenants)

Obtaining information not always easy

Some managers are reluctant (or unable) to share asset level data with potential (or even existing) investors

Pro tip - Understand what asset level data is available to help assess investments and whether it is sufficiently detailed to obtain comfort over the portfolio

Fund Deck#	Enterprise Value(\$)	Local Currency \$Millions		Euro Millions		Acquisition Multiples		
		LTM Sales(\$)	LTM EBITDA(\$)	LTM Sales(€)	LTM EBITDA(€)	EV/LTM Sales	EV/LTM EBITDA	Net Debt/LTM EBITDA
40	54	417	118	49	14	1.1x	7.3x	2.9x
82	130	2,325	341	333	19	8.4x	7.3x	4.3x
30	60	664	75	77	9	9.8x	6.8x	3.8x
130	192	358	15	105	25	1.8x	7.8x	4.8x
482	557	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
82	111	686	136	81	16	1.8x	7.7x	5.2x
77	110	472	92	64	12	1.7x	8.8x	6.2x
26	43	789	45	90	5	9.3x	8.2x	4.9x
42	46	249	77	29	9	2.3x	7.5x	4.8x
43	43	694	77	81	9	9.8x	7.0x	4.8x
36	55	832	87	99	10	9.5x	5.2x	3.6x
126	158	221	24	23	24	9.8x	7.7x	5.3x
309	443	10,457	495	1,220	55	6.4x	8.0x	1.6x
186	255	2,188	221	162	25	1.0x	10.1x	7.4x
46	141	137	18	137	18	1.0x	7.8x	5.3x
81	136	389	180	46	21	2.7x	6.0x	3.9x
356	506	5,005	504	594	59	8.9x	8.0x	6.0x
15	40	336	23	40	3	1.5x	22.0x	5.3x
73	300	2,536	296	299	23	1.1x	13.8x	3.2x
17	70	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
41	59	175	15	25	5	2.4x	12.0x	8.3x
83	113	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
16	42	651	65	77	8	9.8x	8.1x	4.8x
16	16	71	12	71	12	9.8x	4.6x	2.8x
15	48	521	63	57	7	9.8x	7.7x	3.6x
68	79	5,446	62	160	103	1.2x	7.1x	4.8x

A Manager's reluctance to share portfolio metrics may be an early warning sign

Valuation

Private Market Valuations

Underlying private assets are less impacted by sentiment than public markets so more idiosyncratic relative to public markets. Valuations are unable to be based on quoted security prices of identical securities traded on active markets. Instead, valuations are based on an assessment of "fair value". Fair value is the price that would be received upon the sale of an investment in an orderly transaction between market participants at the measurement date. Determining "fair value" requires an assessment of the assumptions that market participants would use to value an investment based on the best available information. Fair value is subjective, and approach varies across funds.

Pro tip – Valuation lags, Valuation Policy and Fund Size matter. Smaller Funds typically hold fewer assets so more sensitive to single-asset valuations. Understanding the valuation approach (and associated lags) and vintage of assets is key to determining optimum entry point

Common "Fair Value" methodologies

- Cost (plus accrued interest) subject to impairment testing (private debt)
- Income approach that discounts cashflow to a present fair value (private debt, private equity, private real estate, private infrastructure)
- Market approach based on comparable public companies or private transactions to establish an enterprise value based on a market multiple (private debt, private equity, private real estate, private infrastructure)

Secondary Transactions

Fund interests that trade on the secondary markets typically trade at a discount to NAV. It is important to understand how the manager approaches secondary market transactions. Considerations include:

- Reference NAV – the NAV used as basis for transaction (validated by Capital Account Statement and LP Quarterly Report)
- Transaction Value – the consideration for the trade
- Valuation – how the holding is valued post-closure of transaction (e.g. marked up to reference NAV, held at Transaction Value, other)

The valuation approach should be clear on timing of any mark-up, including immediately or at time of next NAV/LP Quarterly Report

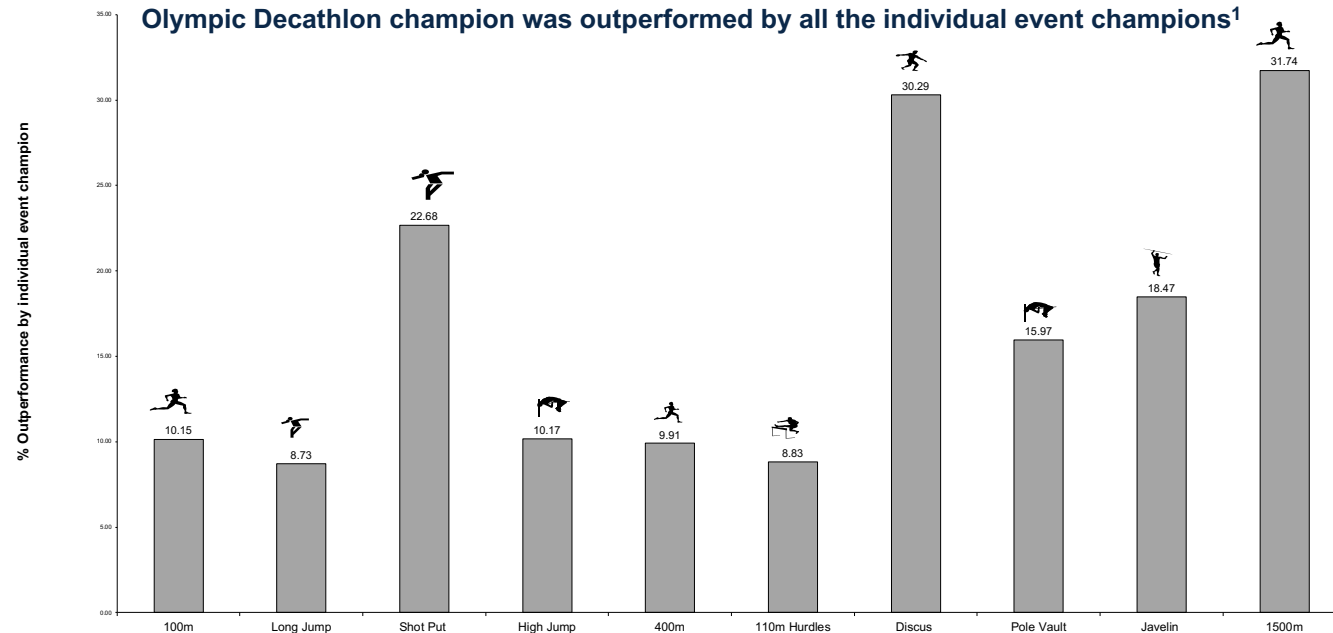
Private markets are akin to the real economy so lag public market valuations. Valuations are opaque and warrant scrutiny

Strategy – specialists, not generalists

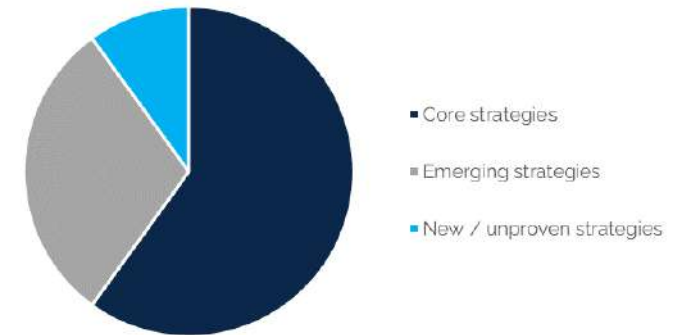
Private market firms diversify from core strategies

Private market firms are becoming increasingly diversified across asset classes and geographies. Expansion into new strategies may be seeded internally or capability acquired through acquisition and hiring. Across diversified firms not all strategies are equal. Teams, resources, experience, track record and inherent capability can vary.

Pro tip - Favour best-in-class specialist managers performing their flagship strategy



Illustrative exposure in single manager, multi strategy fund



The specialist outperformed the decathlete in every event at the Athens Olympics by a solid margin. Expertise matters

Performance

New products, not time tested

Given the recent proliferation of open-ended private market products few have time tested, through-the-cycle track records to assess. Further, the mechanics of operating an open-ended fund (e.g. NAV steering, management of redemptions, valuations) are different to closed-end funds so require additional portfolio/funds management expertise.

Bridging the gap

In the absence of product track records analysis typically focuses on longer established closed end products or bespoke mandates of the managers. Several important points need to be considered including:

- (a) Whether investment strategies of closed-ended funds / mandates are comparable to the open-ended fund in diligence
- (b) Whether the team is consistent across strategies
- (c) Whether fund financing / leverage has impacted returns across the closed-ended funds or mandates,
- (d) Whether returns from open-ended strategies will be diluted due to cash drag in ramp up stage or by liquidity sleeves
- (e) How to bridge the IRR returns in closed-ended funds / mandates to the time weighted returns in open ended funds

Pro tip - IRR can be misleading when assessing closed end fund track-records due to fund leverage and other metrics
Favour TVPI, DPI when assessing returns.

IRR's generated in closed-end funds should not be extrapolated for new open-ended funds

Allocation

Complex, multi-product firms

Private market firms can manage a myriad of closed end institutional products, bespoke mandates and increasingly open-ended products suitable for individual investors. Often investments are “shared” across these products with an allocation policy driving how much of each investment ends up in each product.

Competing tensions can exist across products with different fee structures (fees on commitment vs fees on NAV), investor bases (large institutions vs diversified small individuals) and mandate requirements (investment levels).

Varying approaches

Some firms take a rules based, objective approach to allocating investments across their product suite. For example, some operate a Pro-rata approach or a Rotation approach. Others have a more subjective approach with product specific investment committees or portfolio managers deciding to approve investment for individual funds.

Pro tip - Allocation policies need to be understood. Where subjectivity exists need to understand competing demands across product suite and who is making decisions

At worst, some funds can be 'dumping grounds' for less desirable deals that serve an ulterior motive for the Manager

Team

People drive outcomes

Private market firms are the sum of their people. Large, diversified firms are often 'committee based', making it hard to understand who is making key decisions on strategy investments, allocations and portfolio management.

Team construct

Firms have taken a varied approach to staffing open ended product development. Some have been led by senior members of the executive team with a focus on investment capability and portfolio management whilst others have been led by business development / marketing executives. The seniority of resources allocated to the launch of products may provide some insight into the relative strategic importance of the launch for the firm.

Alignment

Alignment between investors and the team varies. It can range across key team members investing directly into the same product on the same terms, investing into another similar product (maybe closed ended structure but share deals) or investing into the fund manager itself.

Pro tip - Need to understand key decision makers for the Fund. What strengths they contribute and how they are aligned with investors.

Running money and raising money require different skill-sets

Access and structuring

Fund structures

No uniform approach to fund structures with Australian Unit Trusts, Cayman LPs, Luxembourg SICAVs and a multitude of other structures being used. Structures can have significant implications for investors tax and administration burden. Choosing the right structure or avoiding the wrong structure is vital. Access vehicles help manage some of the issues presented by offshore structures (i.e. need to lodge US tax returns).

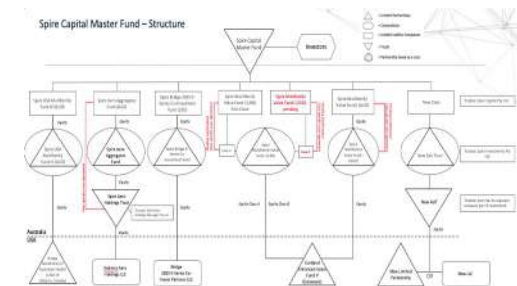
Pro tip - Gross to net returns post tax can vary significantly based on structure. Caution must be taken when assessing access points

Restrictions

Not all open-ended products are available for all investors. A significant number of products are restricted to wholesale investors or Qualified Purchaser (US).

Currency hedging

Large portion of underlying private market universe is USD and Euro denominated. Given current weakness in AUD vs these currencies hedging may help reduce the erosion of returns due to currency should the AUD strengthen. Hedging may also help dampen the volatility of AUD returns for investors.



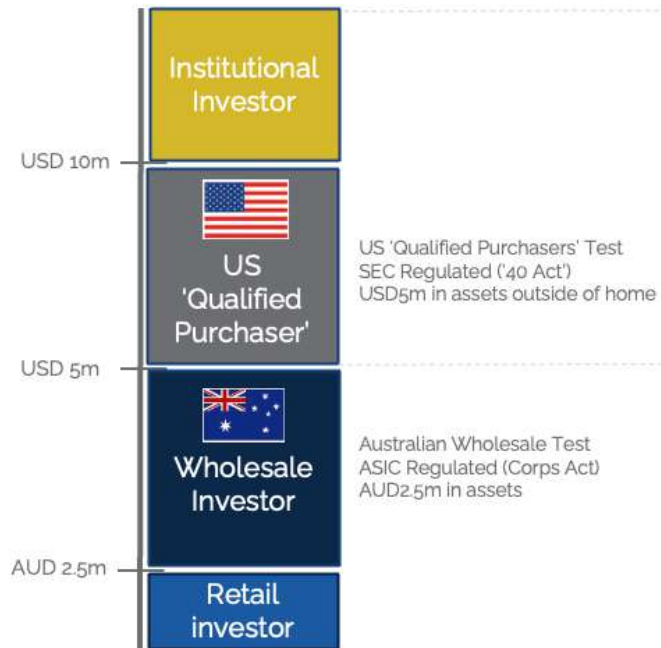
Local solutions for Australian investors improve returns and simplify access for investors and their advisors

What about the Advisor?

Challenges and considerations for Advice Firms

Client Eligibility & Segmentation

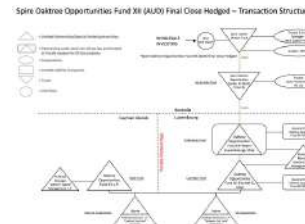
Private market investment opportunities can have varied eligibility requirements ('tests') making it cumbersome for advisors.



Implementation

The Australian investment market is highly nuanced. For global private market investment opportunities to be relevant to Australian investors, many factors need to be considered. These include:

- Tax structuring
- Currency management
- Compatibility with administration platforms (e.g. Netwealth, BT et al)
- Reporting - Investment + tax
- Legal documents – e.g. PDS vs PPM



Compliance

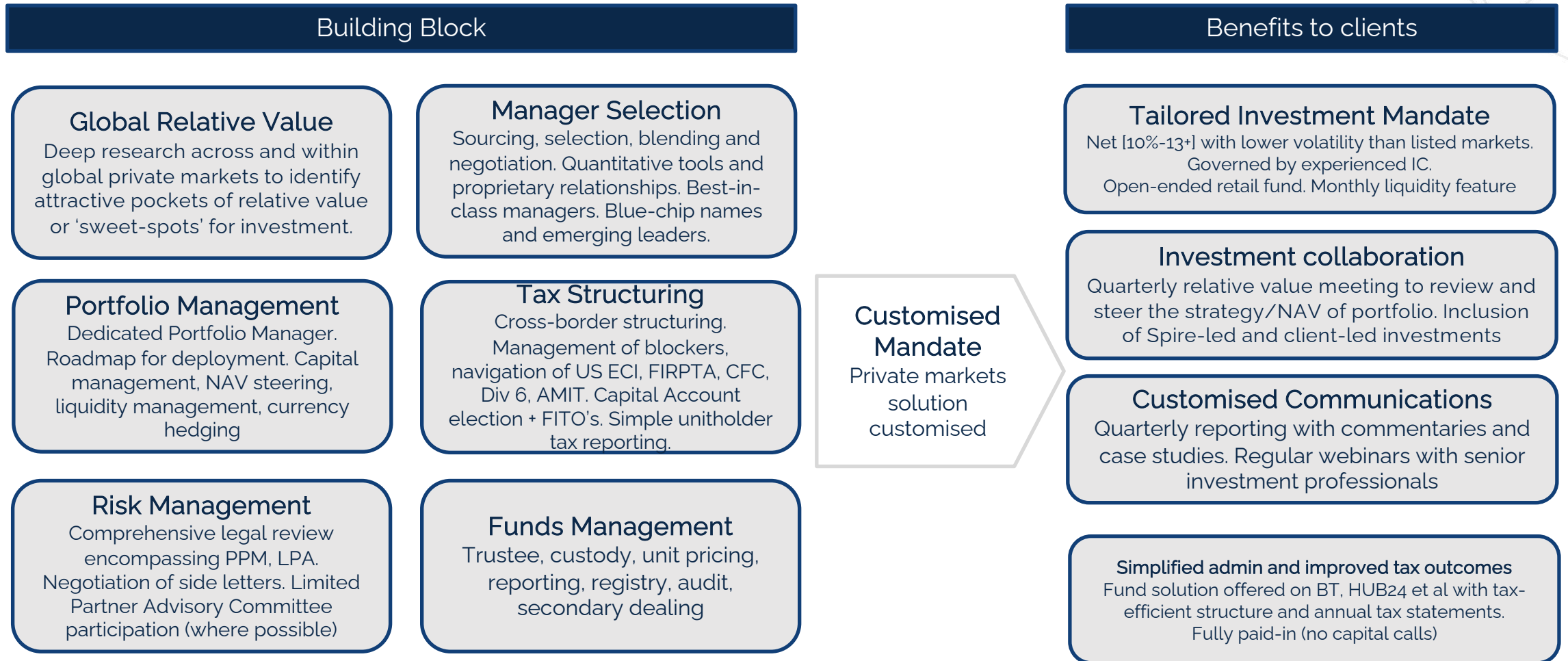
Private market investment opportunities are often offered on an episodic or 'wholesale-only' basis. They may be closed-ended (only open for a limited time) so unable to be offered to new clients as they are onboarded. This creates complexity in implementing consistent solutions across the clientele.

Many of the of products issued do not come with independent research (e.g. SQM Research, Zenith) so are suboptimal for advisors trying to manage AFSL compliance costs and risks



Global Private Markets offer outsized risk-adjusted returns but can be highly inefficient (information, admin, access) for advisors

Illustration - building blocks for customised solution



Spire is here to help your firm ride the wave and avoid the reef

Investment Team



Peeyush Gupta AM
Independent Chair,
Investment Committee

- Peeyush has more than 30 years of experience in financial services, with a particular focus on wealth management. Peeyush was a co-founder and the inaugural CEO of IPAC Securities.
- Peeyush has significant governance experience as a director on a range of listed, government, private and public sector boards throughout his executive and non-executive career.
- Peeyush is a Director of NAB, Link and Charter Hall WALE



Dr Richard Gregson
Independent Member,
Investment Committee

- Richard is a Director of R P Gregson & Co. Pty. Limited, an Australian family office.
- He was formerly a Partner of Equity Partners, a firm he co-founded in 1995, and in which he transferred his ownership stake to junior partners in 2009.
- Richard has over 30 years' experience in venture capital, private equity, and private company management, having helped to create the Australian Private Equity and Venture Capital Association (now known as the Australian Investment Commission) in 1992, serving as its first Chairman, and remaining on its Board until 2002.



Matthew Cook, F Fin
Spire Capital
Director, Head of Funds Management

- Founder and equity partner in Spire Capital with responsibility for funds management with a particular focus on structuring, portfolio management and business management.
- 29 years in the industry, and previous directorships with Knight Frank and Denison Capital.
- Bachelor of Business (Land Economy) and Graduate Diploma in Applied Finance. Fellow of FINSIA (Financial Services Institute of Australasia).



Stuart Haigh
Spire Capital
Director, Head of Investments

- Director and equity partner in Spire Capital with responsibility for investments. This includes overseeing capital markets research, manager due diligence, product design, assessing co-investments and supporting capital raising
- 20 years+ in industry. Formerly with Partners Group working in deal teams in Switzerland/ London (private equity, real estate, credit and infrastructure) and capital raising across Australia/NZ). Deal Captain for the Partners Group Global Real Estate FCP
- Prior time at MLC Private Equity & nabInvest.
- Honours in Agricultural Economics (University of Sydney), Advanced Diploma of Financial Services from Deakin University. International Business, Harvard University



Scott Dingle
Spire Capital
Investment Manager

- Investment manager at Spire Capital with responsibility for mandate solutions including lead role in determining global relative value views, manager line-up, NAV-level steering and portfolio management
- 15 years private markets experience. Formerly with Partners Group culminating as Head of Private Equity for Australia/NZ.. Led direct buy-out of AUD 440m childcare business
- Former member of the Partners Group Investment Committee for Integrated Investments.
- Previously with QIC with responsibility for developing a global private markets program spanning funds and co-investments. Program grew from inception to AU\$ 2bn during tenure
- Bachelor of Commerce (University of Queensland), Chartered Accountant



Rodney Bolton
Senior Investment Analyst

- Senior Investment Analyst with responsibility for private market investment research
- Extensive private market investment research experience including over 15 years of Multi-Family Family Office investment advisory
- Bachelor of Business (Accounting & Finance), Master of Business Administration, Grad Dip Applied Finance and Investment, Adv Dip Financial Services (Financial Planning), Fellow of FINSIA

About Spire Capital



- Independent, privately owned **private markets investment firm** founded in 2009
- **Global private markets specialist** (funds and co-investments) offering bespoke deal-flow and implemented solutions
- In excess of **AUD 2.25 bn committed** on behalf of Australian mid-market investors¹
- Focused on highly differentiated **private market strategies** to optimise risk-adjusted returns for clients through the cycle
- Broad **private markets platform** to enable Australian investors tax/cost efficient and simplified access to investments otherwise only accessible to large institutional investors

Investor Value Proposition

Sourcing and Diligence	• Searching and sourcing – capacity constrained, institutional grade investment strategies
	• Due diligence – investment, legal, tax and operational. LPAC representation
	• Terms - attractive terms (fees, governance) drawing on scale of platform
Customised Access Funds	• Structuring – optimised legal and tax outcomes
	• Administration – local offer documents, research reports, platform access
	• Portfolio management – portfolio reporting, unit pricing and currency management
Relationship	• Trust – firm has 14 year history, Directors have collectively 70+ years of industry experience
	• Transparency – access to institutional data-room and investment professionals
	• Alignment – Principal investment alongside clients

Investment Partners



Oaktree branding pertains to Spire Oaktree Opportunities Fund XI/XII. Investors should be aware that while Spire is providing investors the opportunity to participate in the Spire Oaktree Opportunities XI/XII Fund, which in turn intends to invest in the Feeder Fund, no direct or indirect investor in the Spire Oaktree Opportunities XI/XII Fund will be a direct interest holder or partner in the Feeder Fund. In particular, investors in the Spire Oaktree Opportunities XI/XII Fund will have no contractual relationship with and no direct recourse against any Oaktree Person or any direct or indirect third party investor in any Portfolio Fund. If you are in any doubt about any of the contents of this material, you should obtain independent professional advice. Private and confidential – not for publication or distribution. 1 As at 28 Feb 2023

About Spire Capital

Global private market solutions for local private investors



Investment Solutions (\$100k plus)

Rolling menu of 'differentiated deal-flow' across, private equity, private credit, private real estate private infrastructure'. Investing in front of **mega-themes** and **carefully targeted 'sweet-spots'** for investment - across global private markets.

Efficient access to Managers/strategies only available to institutional investors

Funds (closed/open-ended) and co-investments

Partner	Fund	Net Target (€M)	July	August	Sept	October	November	December	January	February
COXTLAND	Spire MultiFamily Growth & Income Fund	8-12%								
COXTLAND	Spire CEUS II Fund	15%								
TRAXIS	Spire Oaktree Opportunities Fund XII (Qualified Purchasers Only)	15%								
TRAXIS	Spire Oaktree Special Opportunities Fund	35%								
COXTLAND	Spire MultiFamily Value Fund II	13%								
Knightbridge	Spire Knightbridge VC Secondaries II	15%								

Access Fund Solutions (\$20m plus)

Tax structuring/optimisation

Portfolio Management

Currency management

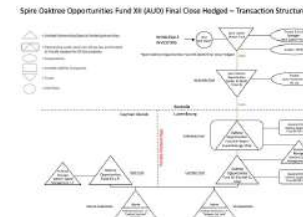
Management of best-in-class services

- Local/personal onboarding
- Trustee services
- Custody
- Registry services
- Fund accounting and tax reporting
- Integration with administration platforms

Secondary Dealing

Investment reporting

Local Team



Mandate Solutions (\$50m plus)

Customised investment mandate for large clients

- All private market asset classes
- Return/Risk
- Liquidity
- Fees

Structure (open/closed-end)

Investment level steering

Implemented solution (tax, reporting)

Dedicated CIO and Portfolio Manager



Spire 'Platform' – Cross-border tax structuring, Funds Management and Investor Relations

To learn more, speak with our Investor Relations Team

Spire has led the democratization of private markets in Australia for 13 years and has the team, capability and experience to help guide advisors as they ride the waves of private markets



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Important Information

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