Term Sheet

Spire Capital Series – **Spire US Data Centre Colocation Fund III (AUD)** (the "Series")

This document should be read in conjunction with the Spire Capital Master Fund Information Memorandum (**IM**) issued by Spire Capital Pty Limited (available at spirecapital.com.au) and considered carefully before making a decision to invest in this Series.

This term sheet (including its Annexures) (**Term Sheet**) and the application form accompanying the Term Sheet (**Application Form**), together with the trust deed for the Master Fund (**Trust Deed**) and the IM (together, the **Transaction Documents**) contain the complete terms applicable to the Series.

It is only after the point in time when you agree to the Transaction Documents, we receive cleared funds into our nominated account, and the Trustee, in its absolute discretion, accepts your offer to invest, that the Trustee will issue units in the Series to you.

By completing and signing the Application Form, you are investing in the Series and agree to be bound by the Transaction Documents and meet all obligations in those documents in a timely manner.

This term sheet provides a non-exhaustive summary of the terms of Valterra Data Holdings, LLC (Class E shares), (the **Underlying Investment Entity)**, to which the Series will gain indirect exposure. This term sheet should be read in conjunction with the Information Memorandum of the Underlying Investment Entity and considered carefully before making a decision to invest in this Series (the **Underlying Investment Entity Documents**) (Annexure B). **Investors should consider the Underlying Investment Entity Documents carefully and obtain appropriate financial, legal and taxation advice before making an investment in the Series.**

General Terms

Date	23rd October 2023
APIR Code	SPI0698AU
Investment Form and structure	This document relates to the issue of units in the Spire Capital Master Fund (Trust). The Trust comprises a number of series of Units. The Units are to be of a new series of units in the Trust called Spire US Data Centre Colocation Fund III (AUD) (**Series**, **Units** or **the Fund**).
Eligible Investors	Wholesale Clients, as defined by the Corporations Act 2001.
Currency	Australian Dollars (AUD)
Master Fund	Spire Capital Master Fund (Master Fund or Trust). The Master Fund is an Australian domiciled unregistered wholesale unit trust.
Trustee and Fund Manager	Spire Capital Limited (Trustee, Fund Manager or Spire) Level 30 Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000 AFSL No. 344365 Tel: +61 2 9047 8800 Fax: +61 2 8047 8811 Email: info@spirecapital.com.au Web: www.spirecapital.com.au

Underlying Investment Entity	Valterra Data Holdings, LLC (**Underlying Investment Entity**) – Class E shares *Limited Liability Company domiciled in Delaware, USA*
Underlying Investment Manager **(Managing Member)**	Valterra Partners, LLC (**Underlying Investment Manager**) *Limited Liability Company domiciled in Delaware, USA*
Distributor	Spire Asset Management Pty Ltd (**Distributor**) has been appointed Australian Distributor of the Underlying Investment Entity by the Underlying Investment Manager. The Distributor will receive compensation from the General Partner as described in Additional information
Auditor	KPMG (**Auditor**)
Custodian	One Managed Investment Funds Limited (**Custodian**)
Applications	Daily during the Offer Period, which shall be determined by the Trustee, but is anticipated to close on 30 November 2023. It is not anticipated that the Series will re-open for investment following the completion of the Offer Period.
Series Size	The Series size capital commitment target is up to AUD 75 million. The Trustee may accept a higher or lower amount in its absolute discretion.
Term of the Series	It is anticipated that the term of the Series will be 3-4 years, however the term may be shorter or longer than this anticipated term.
Series Application Price	$1.00 per Unit. Units will be issued on a fully paid basis.

Background	In 2020 Valterra Partners, LLC formed Valterra Data Holdings, LLC (Class A shares), to acquire a controlling interest in COLO Holdings LLC and subsidiaries (T/A ColoHouse), a leading North American provider of data centre colocation facilities. Spire Capital formed Spire US Data Centre Colocation Fund (AUD) ("Colo I") to participate in this investment opportunity. In 2021 ColoHouse acquired complementary and synergistic businesses and assets including the 3-asset Data 102 portfolio and "bare metal" product line, in addition to the LumeCloud enterprise cloud business. Valterra Partners, LLC issued Class D shares in Valterra Data Holdings, LLC, to provide additional equity to ColoHouse to fund these acquisitions. Spire Capital formed Spire US Data Centre Colocation Fund II (AUD) ("Colo II) to enable existing and new clients with this opportunity to invest into the enhanced ColoHouse business via Valterra Data Holdings, LLC. Via Colo I and Colo II, Spire clients committed US$67.71 million to Valterra Data Holdings, LLC. During 2022 Valterra and ColoHouse focused on the integration and optimisation of the add-ons to the ColoHouse platform, including the appointment of new CEO Jeremy Pease and other leadership roles. During 2022 ColoHouse grew revenues 21.4% from US$31.7m to US$38.5m. Spire's Colo I and Colo II investments are currently valued at US$84.64 million gross of fees to Valterra (1.25x).
Colo III Opportunity	ColoHouse and Valterra Partners have identified an opportunity to acquire a 96.8% interest in HiVelocity, Inc ("HiVelocity') – one of the fastest growing bare metal cloud providers in North America. The balance of the business is being retained by its founders, who will roll US$5m of equity into the merged business. ColoHouse management and Valterra Partners believe that this acquisition and merger with the existing ColoHouse operations will be highly complementary to the existing ColoHouse business, with multiple revenue and cost synergies capable of being unlocked. Valterra also believes that the increased scale of the merged business will facilitate an earlier exit at a higher multiple for the existing ColoHouse business (as part of the merged business). ColoHouse has negotiated an exclusive due diligence and acquisition period through to 31 December 2023, during which time it seeks to raise debt and equity to complete the acquisition. The sources and uses of capital (in US Dollars) are summarised below.

Illustrative Sources & Uses

Sources		Uses	
Term Loan	$74M	Acquire Hivelocity	$140M
Preferred Equity	$35M	Cash to BS	$15M
New Equity	$49M	Fees	$8M
Management Roll	$5M		
Total	**$163M**	**Total**	**$163M**

Colo III Opportunity cont…	ColoHouse via Valterra Partners has received a Term Sheet from AllianceBerstein for a debt package (Term Loan) of up to US$74m. ColoHouse via Valterra Partners has also received a Term Sheet from Turning Rock Partners for a preferred equity investment of up to US$35m. Valterra Partners is now seeking to raise US$49m in equity for Valterra Data Holdings, LLC (via new Class E shares) at US$1.25 per share to fund the equity component of the transaction. This will allow new investors to buy into the existing ColoHouse business at current valuation, and the HiVelocity business at cost, and to benefit from the revenue and exit multiple synergies created by the merger. An investment summary for the merger (in US Dollars) is shown below.

Investment Summary

Hivelocity Aug-23 LQA Revenue	$41.4M	Target Net IRR	31.8%
Hivelocity Aug-23 LQA Adj. EBITDA	$12.2M	Target Net MOIC	3.02x
Purchase Multiple	11.5x	First 6mos synergized purchase multiple	10.8x
Purchase Price	$140m	3yrs synergized purchase multiple	9.1x

ColoHouse and Valterra Partners reserve the right to upsize the equity component and downsize the preferred equity and / or debt component to optimise the capital structure. Additional equity if raised, would have a dilutionary impact on forecast Internal Rate of Return (IRR) and Multiple of Invested Capital (MOIC).

Further details on the acquisition and projected synergies and returns are provided in the Valterra Partners "HiVelocity Opportunity" and presentations located via link at Annexure B.

Spire has formed Spire US Data Centre Fund III (AUD) to enable existing and new investors to participate in this investment opportunity. This fund raise will occur concurrently with the completion of final due diligence by ColoHouse and Valterra Partners on the HiVelocity acquisition, and finalisation of the purchase and debt package documentation.

When Spire Capital as Trustee is satisfied that all due diligence and documentation negotiation has been competed, and that there has been no adverse material change to the transaction details (including the availability of the indicated debt package and preferred equity component), then Spire on behalf of the Fund will execute the Subscription Documents to acquire the relevant amount of Class E shares in Valterra Data Holdings, LLC.

If for whatever reason following due diligence and documentation negotiation the transaction does not proceed, or if Spire believes that the terms of the transaction have materially adversely changed, then Spire will not procced with completion of Subscription Documents in Valterra Data Holdings, LLC, then the Series will be dissolved, all units compulsorily redeemed and all investor application monies returned to investors.

Any interest earned on application monies may be used by the Trustee to offset the costs of establishing the Series. Any residual interest will be distributed to investors proportionate to units held.

Unit Pricing	Monthly

Distributions	Distributions are expected from the Underlying Investment Entity on an annual basis following the conclusion of the US financial year ending 31 December. Distributions received in the first instance will be used to meet any US tax liabilities of the Fund (any US taxes paid are expected to generate a Foreign Income Tax Offset, or FITO, for Fund investors), followed by Fund expenses and reserves. Any Distributions from the Fund to investors will be made annually as at 30 June.
Distribution Re-investment	Investors may elect to re-invest distributions into another Spire series class unit that is open for investment.
Minimum Investment	AUD 100,000, however the Trustee may accept lower amounts at its discretion.
About the Master Fund	The Master Fund is an unregistered unit trust that invests in a range of assets through segregated unit trusts. There will be multiple classes of units in the Master Fund (each a **Series**) and each series will provide investors exposure to the assets held by an interposed unit trust (each a **Series Sub-Trust**) where the Master Fund makes an investment in the relevant series Sub-Trust. You obtain exposure to the assets held by the relevant Sub-Trust by investing into the corresponding class of unit for the series in the Master Fund.
New series	The Trustee reserves the right to establish new classes of units (i.e. a new series) from time to time. Where established, each new series will be issued to investors in accordance with the terms of that series, as found in the term sheet for that series.
Series Sub-Trust Units	The Sub-Trust for this Series (**Series Sub-Trust**), is a unit trust and 100% of these Series Sub-Trust Units will be held by the Master Fund. Spire Investments Pty Limited (a wholly owned subsidiary of the Trustee) will be the trustee for the Series Sub-Trust. A “Transaction Structure” diagram is included as Annexure A to this Term Sheet.
Series Strategy	The Series Sub-Trust will make a follow-on investment in Valterra Data Holdings through the issuance of new Class-E shares, which will be created prior to the transaction closing, (see Annexure A for Transaction Structures). The terms of issue of the shares in the Underlying Investment Entity and ColoHouse are set out in the Limited Liability Company Agreements for the Underlying Investment Entity and ColoHouse. Copies of the Limited Liability Company Agreements are available on request. For further details regarding the investment opportunity please refer to the presentations prepared by the Underlying Investment Manager available by link at Annexure B.
Series Sub-Trust Assets	An interest in non-voting shares in the Underlying Investment Entity.
Liquidity, Access to Funds and cooling-off	The Series will not be “liquid” (as that term is defined in the *Corporations Act 2001* (Cth)), no cooling-off period applies to applications for units, and investors do not have any redemption or withdrawal rights. However, based on the ColoHouse business plan which is expected to be implemented in the 3-4 years following financial close, it is anticipated that, the Series will receive returns of capital via the sale of shares. A return of capital may also result from a refinancing of ColoHouse over the life of the Fund.

Secondary Market	There is no secondary market in the Units. The Trustee may identify secondary purchasers of units on a reasonable endeavours basis and resultant liquidity may be provided by these investors who may be interested in buying your Units.
Conditions	Investment is subject to: (a) the investor meeting eligibility criteria as determined by the Trustee; (b) receipt of cleared funds into application account bank account; (c) this Term Sheet and relevant documentation being accepted; and (d) the Trustee accepting your offer to invest in this Series, in its absolute discretion.

Series Sub-Trust Asset Terms

This is a summary of the terms of the Underlying Investment Entity held in the Series Sub-Trust. A copy of the Valterra presentations for the Underlying Investment Entity is included as Annexure B and you should read these in full before investing.

Sub-Trustee	Spire Investments Pty Ltd
Custodian	One Managed Investment Funds Limited
Series Sub-Trust Assets	• Class E shares in the Underlying Investment Entity, Valterra Data Holdings, LLC • Cash
Currency Hedging	The Series Sub-Trust will operate a dynamic hedging policy using currency forward contracts, where the Sub-Trust's NAV and any forecast income will be hedged in normal conditions within the following matrix: Minimum Hedging: 25% Neutral: 62.5% Maximum Hedging: 100% The Trustee will appoint a specialist in currency risk management, Rochford Capital Pty Ltd ACN 143 601 594, AFSL 361276, as currency overlay manager, to administer the hedging strategy. In periods of AUD appreciation, the currency risk manager will shift hedging towards maximum hedging levels and during periods of AUD depreciation the currency risk manager will shift hedging towards the minimum levels of hedging to manage funding requirements of the market-to-market (MTM) position of the hedging position. The Series Sub-Trust will aim to hold 5% cash liquidity to meet any margin calls that may fall due, and any hedging gains will also be retained within this liquidity provision. The currency overlay manager and Manager will monitor the Series Sub-Trust's liquidity position and may if required during periods of currency market volatility or liquidity stress, reduce the hedge ratio to zero, which would mean that the Series Sub-Trust is unhedged during that period.

Asset Structure	The Underlying Investment Entity is a Delaware domiciled Limited Liability Company.
Investment Manager	The Underlying Investment Manager, Valterra Partners, LLC.
Investment Objective	The Underlying Investment Manager is seeking to deliver a 30.8% Internal Rate of Return (IRR) and 3.02x Multiple of Invested Capital after all fees payable to the Underlying Investment Manager outlined in this Term Sheet and the Valterra presentation materials located via Annexure B. Any returns will be US dollar denominated and may be affected by foreign exchange movements, notwithstanding a dynamic currency hedging strategy is to be employed.

Investment Terms

Investment Amount	The Series Sub-Trust will issue Units to the Master Fund at a Price of AUD 1.00 per Unit.

Fees

Management Fee	0.50% p.a. x Net Asset Value (NAV) of the Series (paid monthly) excluding GST, payable to the Trustee at the Master Fund level.
Underlying Management Fee	2.0% p.a. x capital that the Series Sub-Trust has committed to the Underlying Investment Entity, payable to the Underlying Investment Manager. Further details regarding the Underlying Management Fee can be found in the Valterra Information Memorandum which is included as Annexure B.
Underlying Performance Fee (Carried Interest)	At the Underlying Investment Entity level, 20% of profits, (subject to the Fund receiving the Preferred Return of 8% IRR), payable to the Underlying Investment Manager. Further details regarding the Underlying Performance Fee are set out in the Valterra Information Memorandum included as Annexure B. No Performance Fee at the Series Sub-Trust level.
Underlying Structuring Fee	At the Underlying Investment Entity Level, a Structuring Fee of 1.5% of the total capital commitments made by the Master Fund into the Underlying Investment Entity. This fee is a one-off fee, and becomes payable when the capital commitment is made to the Underlying Investment Entity. The Structuring Fee is payable out of the assets of Underlying Investment Entity and is payable to the Underlying Investment Manager. Further details regarding the Underlying Sourcing and Structuring Fee are set out in the Valterra Information Memorandum included as Annexure B.

Other Operating Expenses	The Trustee estimates direct operating costs and expenses to be 0.14% per annum plus GST based on the Units NAV*. These costs and expenses are payable from the Master Fund's assets to the relevant person when incurred or, where initially paid by the Trustee, will be reimbursed to the Trustee at the end of each month. In addition, the Units will bear expenses in managing the currency hedging programme, estimated to be 0.09% per annum plus GST based on the Units Assets Under Management*, together with indirect organisational expenses and operating expenses at the Series Sub-Trust, Underlying Investment Entity and Master Fund levels – please refer to the Underlying Investment Entity's Amended and Restated Limited Liability Company Agreement for additional information. These expenses will indirectly be borne by the investors in the Units as a result of their investment in the Units. *The direct operating costs and expenses and the cost of managing the currency hedging programme is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12-month period. These estimates are based on the assumption of the Fund having assets under management of $50 million. Should the Units NAV be less than $50 million the direct operating costs and expenses may be higher than indicated herein. Further details are available on request from the Distributor.
Payment of Fees	It is expected that all fees will be satisfied out of the assets of the Series, Series Sub-Trust and Underlying Investment Entity in accordance with the relevant trust deeds.

Taxation

WARNING: Investing in an unregistered managed investment scheme is likely to have tax consequences. Prospective investors are strongly advised to seek professional tax advice prior to making any investment decisions.

The following summary of Australian tax matters is a general guide in relation to the Australian tax implications applicable to the Master Fund and the Units. It is intended as an outline of some of the Australian tax issues which may affect an investment in the Units and should not be relied upon as a complete statement of all the potential tax considerations which may arise upon investing in the Units.

This summary is based on the Australian tax laws as at the date of this Term Sheet. The Australian tax laws are subject to continual change, and as the treatment applicable to unitholders may differ, it is recommended that all prospective unitholders seek their own professional advice on the taxation implications before investing in the Units.

How the Master Fund is taxed

The Master Fund and the Series Sub-Trust is an Australian resident trust for Australian income tax purposes and on the basis that the income of the Units will be attributed to investors on an annual basis, the Master Fund should not be subject to tax.

Tax losses incurred by the Master Fund remain within the Master Fund and cannot be distributed to investors. Provided the Master Fund satisfies the relevant loss testing requirements, it may be able to offset its carry forward tax losses against the assessable income it derives in a future income year.

Where the Master Fund satisfies the eligibility requirements of a managed investment trust (**MIT**), the Master Fund can make an irrevocable election (**MIT Capital Election**) to apply a deemed "capital" treatment for gains and losses on "covered assets". The Trustee has made the MIT Capital Election in respect of the Master Fund from inception.

AMIT election

The Master Fund has elected to apply the attribution managed investment trust (**AMIT**) regime from inception and each Series Sub-Trust also elects into the AMIT regime from inception. The regime is intended to reduce complexity, increase certainty and reduce compliance costs for MITs and their investors. Under the AMIT rules, the Master Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets will be allocated to investors each income year on a 'fair and reasonable' basis rather than being allocated proportionately based on each investor's present entitlement to the income of the trust.

This attribution basis of taxation replaces the existing present entitlement basis of taxation for MITs. Where taxable income attributed is either less than or greater than the cash distributed, this leads to decreases or increases (respectively) in the cost base of an investor's Units.

Other key features of the AMIT regime include deemed fixed trust status and the ability to make adjustments to attributable income where the Master Fund's determined trust components are later revised in the year in which the matter requiring revision is discovered (also known as the under/over provisions).

*Taxation of Financial Arrangements (**TOFA**)*

The TOFA rules may apply to certain "financial arrangements" held by the Master Fund relating to the dynamic currency hedging program. In broad terms, the TOFA regime seeks to recognise "sufficiently certain" returns on certain financial arrangements on an accruals basis for tax purposes rather than on a realisation basis. Where returns from derivative instruments are not "sufficiently certain" they will continue to be recognised on a realisation basis, unless specific tax timing elections are made.

Multiclass election

The Master Fund will elect for each separate Class to be treated as a separate AMIT for tax purposes. This means that the income to be attributed to investors will be calculated for each Class on a standalone basis.

How resident investors are taxed

As the Master Fund should be treated as a “flow through” entity, the taxable income of the Master Fund should be attributed to investors on a fair and reasonable basis. Australian resident investors are assessed for tax on their attributed trust components (including for example, any income and capital gains generated by the Master Fund relative to the Unit class in which an investor is invested).

As the Master Fund is a flow through entity, the taxable income attributed by the Master Fund should retain its character in the hands of the investors, and investors will be taxed on their attributed amounts even where the amounts are not distributed in cash.

Investors who are attributed trust components from the Master Fund will receive an AMIT member annual statement (**AMMA**) detailing the relevant taxation information for the income year.

Where the distribution made for the year is less than (or more than) the certain tax components attributed to investors, then the cost base of an investor’s Units may be increased (or decreased). Details of cost base adjustments will be included on an investor’s AMMA.

The Master Fund may derive income from sources outside of Australia. In the event the Master Fund pays foreign tax in respect of income derived for the year, the distribution from the Master Fund may include a foreign income tax offset (**FITO**), which investors need to take into account in determining their taxable income. Investors may be able to utilise the FITOs to reduce their tax liability. Any excess or unused FITOs, for a particular income year cannot be carried forward by investors and will be lost.

Where an investor has disposed of their Units in the Master Fund, the tax treatment will depend on whether the investor holds their Units on capital account or revenue account.

If the investor holds their Units on revenue account, the gain or loss on disposal or redemption will be a revenue gain or loss and included in the investor’s assessable income accordingly.

Where the investor holds their Units on capital account the investor will be subject to capital gains tax (**CGT**), and consequently, the investor may realise a capital gain or a capital loss. Where investors realise a capital gain on Units that have been held for at least 12 months, certain investors may be able to apply the relevant CGT discount (after reducing the gross capital gains by realised capital losses including carry forward capital losses) to such gains. The applicable CGT discount is 50% for resident individuals and qualifying trusts and 33.33% for complying superannuation funds and pooled superannuation trusts.

In calculating the capital gain or loss, any cost-based increase or decrease in the Units up to that point will need to be included in the calculation and consequently the investor may realise a higher capital gain or a lower capital loss on the disposal of their Units (respectively).

None of Spire, the General Partner, the Portfolio Manager or any other party in connection with the Units or the Underlying Fund, provides tax advice to investors, and does not take any responsibility for the taxation implications in respect of an investment in the Units. Investors should seek their own taxation advice from a professional adviser before making any decision to invest.

Risks

All Investments have risks. The Trustee has attempted to identify and summarise the key risks of below, however this list is not exhaustive. Investors should also read all documentation in the Data Room including the presentation materials for the Underlying Investment Entity available via Annexure B, which provide a more detailed overview of the risks involved in the Underlying Investment Entity's strategy. Prospective investors should also consider whether to consult professional advisers prior to investing

Summary	An investment in the Master Fund and each respective class or series of units involves a degree of investment risk and is suitable only for 'wholesale clients' (as that term is defined in the Corporations Act) (**Wholesale Clients**) who fully understand and have the financial ability and willingness to accept the substantial risks of any potential investment, including (but not limited to) the risk of a partial or complete loss of any investment in the Master Fund. Prospective investors should carefully consider the risks of investing and should carefully consider all Transaction Documents and offering materials in respect of the Master Fund and consider whether an investment in the Master Fund is appropriate in light of their investment objectives, financial situation or particular needs before making a decision to invest. The key risks that apply to an investment in the Underlying Investment Entity are set out in the. In addition to the risks set out in the Valterra presentation materials, prospective investors should also consider that risks will also apply with respect to an investment in the Units and seek professional advice before making any decision to invest in the Units. These risks include (but are not limited to) the following:
Foreign Exchange Risk	The investments that are held by the Underlying Investment Entity will be located in the United States. This means that the Series will have indirect exposure to changes in the exchange rate between the US Dollar and the Australian Dollar. Whilst the Series intends to enter into any hedging transactions in relation to the foreign exchange risk of the Series, these transactions are not expected to at all times to utilize a 100% hedge ratio. As such, market movements between the Australian Dollar and US Dollar may affect the value of any returns generated by the Series.
Legal and Regulatory Change Risk	The Master Fund is domiciled in Australia, and subject to Australian law. The Underlying Investment Entity is domiciled in Delaware, USA, and the investments are domiciled in the USA. A change in law or the regulatory environment in any of these jurisdictions may impact upon an investor's investment in the Master Fund, the operations of the Master Fund and the returns generated by the Series. No assurance can be given as to the impact of any possible changes such laws and regulations which could have a negative impact on an Investor's return.
Counterparty Risk	The value of an investment in the Series is dependent upon the ability of the Investment Manager to perform its obligations in connection with the Series, including to facilitate the investment into the Underlying Investment Entity. There is a risk that the Master Fund or Series could terminate, that fees and expenses could change or that Spire could be replaced as Trustee of the Master Fund and/or Series Sub-Trust. Operational risks also apply to the activities of Spire and the Investment Manager.
Taxation Risk	None of Spire, the Sub-Advisor or any other party in connection with the Series provides tax advice to investors and does not take any responsibility for the taxation implications in respect of an investment in the Series. Investors should seek their own taxation advice from a professional adviser before making any decision to invest.

Class Risk	As the Fund is a class of units in a trust, rather than a separate trust, it is possible that there may be circumstances where the Trustee is required to make a claim under its indemnity in the Trust Deed and the assets referrable to the Fund are available to meet an indemnity claim relating to another class of units in the trust (i.e. in the event that the assets referrable to that class were insufficient to meet that liability). However, Spire considers the practical risk of this occurring to be very low.
Other Risks	Various risks exist in illiquid investments, please consult with professional advisers as appropriate to consider other factors which may impact your Units.

Risks and Mitigants (Underlying Investment Entity)

Risk	Description	Analysis / Strategies to Address
Geographic Focus	• Datacenters are inherently large, fixed assets that cannot be moved and whose competitiveness is determined partially by the power pricing and connectivity in the local area • Therefore, selection of good local markets is crucial as a poorly placed datacenter will be at an inherent disadvantage • NYC, Miami, Philadelphia, Colorado Springs, Albany, Chicago (x2), Tampa, numerous smaller points of presence, and future ColoHouse locations, will be susceptible to regional economic downturns in, or other factors specific to those markets	• One of the key differentiators of the ColoHouse business model is that, by leasing space rather than renting, ColoHouse is able to access the best buildings in the best markets, without the prohibitively high building costs that creates geographic concentration risk • All existing and pending locations (and all future locations) are intended to be located in "edge" markets, i.e., locations very close to large population centers • The proximity to large metro markets is ideally suited for larger clients with low-latency requirements (e.g., a customer may have a large wholesale deployment in Northern Virginia but would require a retail point-of-presence in close proximity to end users to reduce latency) • Additionally, the proximity to large metro markets well for retail deployments from enterprises in as it is easily accessible to the metro area • For the Miami, Philadelphia, Colorado Springs and Chicago(x2) locations, they are located in carrier hotels with very high connectivity and CBD location, making the geographic focus a plus for this asset • As enterprises continue to transition from in-house servers to colocation deployments, the ColoHouse portfolio locations are ideally suited to absorb these new retail deployments emanating from their respective markets

Risk	Description	Analysis / Strategies to Address
		• In addition, the acquisition of HiVelocity brings with it one of the leading networks in the industry, allowing speeds comparable to much larger players and significantly reducing the risk of geography
Technological Change	• Disruptive technology could impact the datacenter colocation industry in a number of ways: ○ Chip or other technologies could make data storage more efficient and thus reduce the need for, or the floorspace and power required for, certain customers to process the same data needs ○ Hyperscale cloud providers making the public cloud far more accessible to smaller clients ○ A step-change in chip technology could eliminate the need for conventional datacenters • With the advent of AI, the industry is witnessing rapid change in technology and associated infrastructure requirements in real time. With the large increase in power density required to run AI GPU chipsets, many legacy datacenters may not be able to fulfill the requirements of AI clients without significant capital investment	• Further efficiencies will be found in data storage; however, we believe that the portfolio is well positioned even with such technologies, as described below: ○ First, at present, <41% of enterprises use co-location datacenter services, providing an extensive market of addressable clients. Technology improvements and the resultant efficiencies actually make this market segment more accessible ○ Second, the portfolio is located in an "edge" markets, providing zero latency access to data users. Therefore, the clients in such facilities have requirements beyond cost that necessitate locating in "edge" datacenters, making such locations a requirement regardless of the prevailing storage technology • Growing proliferation of cloud "on-ramp" technologies by all of the major public cloud providers allows customers to operate a hybrid cloud –keeping mission critical files in a private cloud at a colocation facility, while still accessing public clouds such as AWS • With the respect to a step-change in chip technology, all non-silicon-based alternatives are in the early stages of lab testing; 451 Research does not envisage a viable alternative to silicon-based chips coming commercially available any-time in the near future • With respect to AI, there are two key mitigants to the impact of AI on ColoHouse / HiVelocity: ○ First, as ColoHouse is located in Edge markets in highly connected buildings, clients are looking to ColoHouse for a range of use cases associated with low latency to high populations, not just masses of raw compute power to run AI LLMs; ○ Second, as a provider of enterprise bare metal, HiVelocity already engineers its racks to have power density similar to that required to run AI GPU chipsets. As such, ColoHouse-HiVelocity, may be in a

Risk	Description	Analysis / Strategies to Address
		position to benefit from AI as the physical infrastructure is capable, and bare metal provides a good use case for the use of bare metal in the training of AI LLMs
Security Breaches and Service Disruption	• Security breaches and service interruptions causing customer disruption, loss / misappropriation of customer data, damage to equipment • Reputation harm to ColoHouse / HiVelocity with current and future customers as a result of a breach resulting in losses of existing leases and customers, and an inability to attract new customers • Potential for regulatory issues regarding data privacy / custody and for lawsuits to the extent the breach results in damage	• Both ColoHouse and HiVelocity have implemented stringent protocols around data security, and both have strong track records in this area • DD conducted on HiVelocity's history with respect to data or other security breaches which has indicated a clean track record from a security perspective, with minimal service disruption credits throughout the customer base
Power Pricing	• Power pricing is a key input for customer decisions regarding where to locate their datacenter requirements. A large change in the local power pricing may result in the loss of customers or an inability to secure new customers at a given datacenter	• ColoHouse has demonstrated the ability to be able to raise prices in response to rising power costs, and its MSA with customers provides the ability to do so in the future • In the longer term, material increase in power pricing can make a certain areas less competitive relative to others • Valterra believes that the location of ColoHouse's data centers at the "edge" results in a lower sensitivity to power pricing than otherwise given the necessity of locating close to the end user • ColoHouse seeks to locate datacenters in markets with competitive power pricing within the submarket. In Orangeburg, the power pricing is well below New York City and in line with northern New Jersey, making it highly competitive from a cost and latency perspective in the NY metro area market • HiVelocity operates the core of its bare metal platform in Tampa, a relatively low-cost market
Customer Contract Expiry and Renewal	• ColoHouse is primarily a lease-based business, the risk exists that customers may not renew their lease upon expiry, or may not renew the lease on terms commensurate with existing lease terms	• For ColoHouse, customer contracts are typically 2-7 years in length with creditworthy counterparties. Customer churn has typically ranged below 1% of MRR. Once installed, customers have very high switching costs, making non-renewal relatively rare, with customer consolidation post a M&A event the most common reason for churn

Risk	Description	Analysis / Strategies to Address
	• HiVelocity is primarily an IaaS (bare metal) business. Approximately 72% of revenue is month-to-month, with 28% under medium-term contracts. The risk exists of higher customer churn than forecast that will impact revenue and earnings relative to plan	• For HiVelocity, the key metric analyzed is "net dollar retention" of the customer base. HiVelocity consistently averages above 100%, meaning that it is consistently growing spend amongst its existing customer base • To minimize risk associated with being primarily a month-to-month business model, HiVelocity operates a highly automated platform with a fleet of largely homogenous servers. This means that, in the instance of churn, the server can be added back to inventory and redeployed with minimal downtime and friction • Where HiVelocity does customize a server for a customer, the customer is then placed under a contract. The contract is designed to achieve payback and a reasonable return on the server based on the level of customization. Even customized servers are still saleable to other customers should churn occur, mitigating the capital expenditure risk to HiVelocity
Location Lease Expiry and Renewal	ColoHouse and HiVelocity lease their data suites. The risk exists that landlords may not renew their lease upon expiry, or may not renew the lease on terms commensurate with existing lease terms	• The ColoHouse team are highly experienced in the management of a leasehold datacenter portfolio and intend to ensure that the duration of each lease is maximized at all times • The ColoHouse portfolio has lease expiries outside of the forecast hold period, and has 1547CSR (a related party) as the largest landlord • HiVelocity's lease in Tampa expires in 2027 with two 5-year extension option, so extend beyond the forecast hold period. The Tampa facility is a purpose-built datacenter with HiVelocity as the sole tenant, so even at eventual lease expiry the risk of non-renewal is low
Customer Bankruptcy	The bankruptcy of a major customer may not result in ColoHouse or HiVelocity's ability to evict the customer immediately, and the court may allow the customer to terminate the lease, resulting in lost rent and an opportunity cost related to the space	• Unlike wholesale business, the retail business will have a diversified portfolio of clients, limiting the financial impact from one client deciding not to renew their lease • ColoHouse has strict underwriting standards for retail customers, as well as the ability to ask for security • Note that ColoHouse has first lien over the equipment in the datacenter which provides significant visibility in the event of a customer bankruptcy • In the hold period to date, ColoHouse has been able to quickly recover any capacity

Risk	Description	Analysis / Strategies to Address
		resulting from customer financial difficulties, the most prominent example in Colorado Springs where ColoHouse has taken back an entire floor from a customer who had ceased payments and is now leasing it at materially higher rates to new customers (as well as preparing to accommodate a significant HiVelocity presence) • HiVelocity operates under strict policies around non-payment, where, after fair warning, customer data is automatically archived for return, the server is wiped and placed back into inventory. HiVelocity is a negative working capital business with a large customer base which further mitigates this risk • HiVelocity's top 5 customers comprise ~22.5% of revenue. The top two customers are involved in Web3 services, a strong use case for bare metal but an industry that has seen some volatility. ColoHouse will apply its "customer success" unit within its sales team to remain in regular contact with top customers to ensure that any weakness is identified early and acted upon. Note that the contract structure for custom servers described above further mitigates this risk
Sales Cycle	• The sale of colocation datacenter space, which is often the result of a major long-term corporate IT decision, typically required extensive due diligence, analysis and negotiation. As such, the sales cycle is often long. • The long sales cycle may be negatively impacted by macroeconomic or other factors that delay decision making processes and thus the execution of leases • The HiVelocity business operates at the other end of the spectrum, with an automated platform and a relatively short sales cycle – customers have tended to grow large organically, initially starting much smaller	• ColoHouse employs a very experienced sales team with an extensive track record in the industry. While there is still a sales cycle, it is Valterra's belief that the high-quality sales team does mitigate this risk where possible • The retail co-location business has shorter sales cycles relative to wholesale deployments and has a developed a robust pipeline of opportunities that can be made available upon request
Competition	• Risk of local area oversupply impacting occupancy and rates at a particular facility • Competition from larger, well resourced bare metal providers	• ColoHouse has very deliberately chosen to operate in key buildings with strong connectivity in edge datacenter markets with large populations. This strategy seeks to maximize the number of potential enterprise customers in any given market, as well as

Risk	Description	Analysis / Strategies to Address
	impacting rates or terms HiVelocity is able to achieve	the number of use cases applicable for the building. Locating in key locations across the US ensures that customers are attracted to ColoHouse facilities for more than just pricing, mitigating the impact of irrational competition • Locating in such edge markets also naturally reduces the ability of new supply to come online due to hurdles relating to permitting, power provisioning, land availability and cost to build in comparable locations, to the extent such locations even feasibly exist • HiVelocity operates in a segment of the market that may be considered more commodity-like and thus subject to pricing pressures and new entrants. HiVelocity has distinguished itself from lower-end providers by providing a fully automated end-to-end public cloud-like experience, backed by an industry-leading network. As such, HiVelocity is confident of its ability to effectively compete at acceptable prices, and that the competitive advantage that its automated platform provides places it in a strong competitive position
Macroeconomic Conditions	• The level of growth, both on a national and local level, are an important driver, amongst others, of datacenter demand growth • The level of economic growth is a proxy for expansion in data requirements, as well as a company's propensity to expand from in-house to co-located data solutions	• The strategy of metro market locations with high population density maximizes the addressable market and customer use cases, providing what is believed to be a more defensible demand profile than average in the datacenter industry • Miami, Chicago (x2), Colorado Springs and Philadelphia are considered carrier hotels and have a good underlying demand profile for customers where it is essential to locate in those buildings • The addition of HiVelocity provides a fully integrated IaaS platform that creates an integrated full services data infrastructure company, making the combined value proposition to customers stronger and thus more resilient to prevailing market conditions
Conflict of Interest with 1547 CSR	• ColoHouse locates two of its deployments within 1547 CSR facilities • 1547 CSR and ColoHouse are affiliates but have a different set of equity holders; in the future it is possible that the respective interests could diverge and negatively impact the ColoHouse business	• The managers of 1547 CSR are also significant equity holders in ColoHouse, creating alignment of interests between the two entities • Valterra has sought to lower the reliance on 1547CSR over time and thus the potential for conflicts of interest. At the initial investment, 1547CSR provided all back office, sales and operations support services to ColoHouse via a number of service agreements. Valterra

Risk	Description	Analysis / Strategies to Address
		has transitioned ColoHouse to an entirely independent entity, with 1547CSR now just a landlord and equity investor
Top-line Growth	• Should the business plan not be executed as planned, it would materially impact the investment returns • The retail co-location business has a significant fixed cost component including certain elements of its overhead and lease expense resulting in significant operating leverage The HiVelocity business is capital intensive, meaning that earnings and cash flow targets may not be realized if there is a shortfall in sales	• ColoHouse employs a highly experienced sales organization with a deep understanding of digital infrastructure services. ColoHouse has grown at 20%+ on the top line in the past two years, a testament to the professionalism of the sales organization and their ability to sell available capacity • HiVelocity requires ongoing and detailed financial monitoring to ensure that equipment purchases are not outpacing sales expectations. With such close monitoring, the management team expects to be able to avoid negative cash flow impacts of a shortfall in sales • HiVelocity has achieved its current revenue and EBITDA levels with virtually no dedicated sales team or customer success function. Both will be implemented post-acquisition, which management expects to mitigate this risk materially
Key Personnel / Management	• Jeremy Pease, CEO of ColoHouse, is considered a key individual to the combined group and his departure would represent a negative development • On the HiVelocity side, ColoHouse aims to retain the majority of the senior leadership team and integrate them into the ColoHouse organizational structure. Both from an integration and an ongoing perspective, the departure of a key HiVelocity executive could negatively impact the combined group	• Valterra has implemented a management incentive plan and structured employment agreements to align incentives with management and maximize retention of key staff • Background checks are conducted on all key personnel • All key personnel from HiVelocity will be provided employment agreements and included in the management incentive plan of the combined entity
Lease-up	• As with any data center business, there is a risk that the lease up period for each of the facilities takes longer than anticipated which could have an adverse impact on the liquidity and/or performance of the business	• The ColoHouse sales team has decades of experience driving retail colocation and bare metal deployments. The sales team at ColoHouse has strong track record of top-line growth over Valterra's hold period • HiVelocity has a similarly strong track record of discipline around new deployments and of leasing up new inventory • The business plan does not assume any new greenfield locations where lease-up risk is most acute • On a macro level, there are several key themes that support the lease up profiles of each location including movement to the

Risk	Description	Analysis / Strategies to Address
		‘edge’, the increasing prevalence of the “hybrid cloud” model driving both colocation and bare metal growth, and increasing need to connectivity, redundancy and security • Each location has a key ‘differentiator’ that sets itself apart from other offerings in market: o Miami, Philadelphia, Colorado Springs, Chicago (x2): carrier hotels providing essential connectivity o Orangeburg: low cost / zero latency NYC market deployments o Tampa: scaled 2.25mw deployment containing 15,200 server capacity and industry leading network capability o Albany: central to dedicated retail bare metal offering with dedicated client base
Third-party Input Providers	• Third parties are utilized to provide key inputs to the datacenters, most notably power (through local public utilities) and network connectivity (from multiple telecommunications carriers) • An inability on the part of these third parties to provide such inputs will impact the operations of the datacenters • The loss of network connectivity with one or more providers could place a particular datacenter at a competitive disadvantage relative to competitors	• Power and data providers are all regulated utilities and large telecommunications providers and the risk of a widespread failure absent a major event is considered low • Also, with respect to power, significant redundancy is built into the supply via multiple feeds from separate substations to limit exposure, back-up generators are also maintained with ample fuel supply and emergency arrangements with providers • On the fiber side, again significant redundancy is built into the operating plan, with multiple providers and diverse routing options (i.e., Orangeburg has 8 carriers with access)
COVID-19	• COVID-19 may cause significant disruption to daily life and economically. This exacerbates the macroeconomic risks described above • Specifically, to the retail colocation datacenter industry, COVID-19 creates uncertainty in the key enterprise customer segment, which may delay the decision-making process by potential clients to enter a lease at a ColoHouse location • Also, the inability to tour potential clients in person can delay new customers and extend the sales cycle beyond normal timeframes,	• During 2020, the inability to tour potential customers did impact the ability to secure new MRR and customers, albeit this period was relatively brief, such disruptions have not been seen since and COVID levels remain at management levels • ColoHouse has developed numerous strategies to ensure that the sales team can remain active regardless of the prevailing COVID-19 environment • The widespread adoption of vaccinations in the US has allowed the resumption of sales and operations in a more “normal” setting, with enhanced safety procedures remaining • ColoHouse and HiVelocity does not have a concentration in customers in the industries

Risk	Description	Analysis / Strategies to Address
	resulting in lower incremental MRR while the facility is impacted • Certain datacenter clients in specific industries may be very negatively impacted by COVID-19, increasing the risk of bankruptcy of the customers	most negatively impacted by COVID-19: retail, hospitality, travel, live entertainment • The fully automated HiVelocity platform provides the ability to remain in operation and growing with zero minimal disruption, regardless of COVID
M&A	• While HiVelocity is under LOI, unless ColoHouse has entered into definitive documentation for the acquisition of these entities, there is no guarantee that such transaction will close. • It is possible that ColoHouse will not discover certain material facts about HiVelocity because information presented by the seller may be prepared in an incomplete or misleading fashion and material facts related to the business assets may not be discovered until after the acquisition has occurred.	• ColoHouse and its advisors are conducting a customary due diligence analysis of the proposed acquisition. Valterra is also evaluating the due diligence review of the proposed acquisitions by ColoHouse and its advisors.
Integration	• To achieve the proposed value of combining ColoHouse and HiVelocity, a detailed and complicated integration must be achieved in a timely manner. Failure to do so may negatively impact the value of the combined entity and result in failure to achieve the proposed synergies of combination	• ColoHouse has successfully acquired and integrated six companies onto the ColoHouse platform. The ColoHouse team is highly experienced in executing on integrating businesses onto the ColoHouse platform • Jeremy Pease, ColoHouse CEO, has extensive industry experience, particularly on the bare metal and acquisition integration side at Databank. Jeremy will be leading the integration effort • HiVelocity itself is a far more institutionalized business than prior acquisitions, making many elements of the integration less risky than for smaller entities, despite the overall task being larger and more complicated than any one smaller transaction • ColoHouse intends to retain the HiVelocity senior leadership team, either on a transitory or permanent basis, to aid a smooth integration
Synergy Attainment	• To achieve the full strategic and financial benefit of the transaction for ColoHouse investors, the proposed synergies will need to be realized. A failure to achieve synergies will negatively impact the combined entity	• The synergies underwritten in the financial model are believed to be conservative, relying on cost reductions that are either already locked in, or are readily achievable contractually and operationally. The synergy plan is also spread over the realistic time period over which synergies can be achieved, and not all on day one

Risk	Description	Analysis / Strategies to Address
		• Importantly, the synergy plan does not include any revenue synergies for the combined customer bases, sales teams and product platform. While the business will be managed towards achieving such synergies, they are not underwritten
Bare Metal Capital Intensity	• Bare metal is a capital-intensive segment of digital infrastructure where additional growth requires ongoing capital investment in new server capacity. Also, servers have a useful life, requiring additional refresh and replacement capital expenditure. Should capital expenses materially increase relative to plan, or should server useful life deviate materially from expectations, HiVelocity, and thus ColoHouse, may be negatively impacted	• HiVelocity has a young and modern server fleet, with 42% of servers less than three years old with a smooth age profile out to 10 years. There is not anticipated to be any "capex wall" where a material portion of the fleet requires replacement in the near term • All go-forward new server, replacement and refresh capex is fully included in the financial forecasts based on conservative assumptions

Additional Information

How to apply	To apply, please complete the Application Form accompanying this Term Sheet. Please note that any application will be accepted only on a cleared-funds basis and that cash cannot be accepted. If you are investing indirectly through an IDPS, you may invest in the Master Fund by directing your IDPS operator to lodge an application with us. You should complete any relevant forms provided by your IDPS operator.
Privacy and personal information	*Indirect investors* If you are investing indirectly through an IDPS, we do not collect or hold your personal information in connection with your investment in the Master Fund. Please contact your IDPS operator for more information about their privacy policy. *Direct investors* We collect personal information from you in the Application Form and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal the information, we will not be able to do so. Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters: • the kinds of personal information we collect and hold; • how we collect and hold personal information; • the purposes for which we collect, hold, use and disclose personal information; • how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);

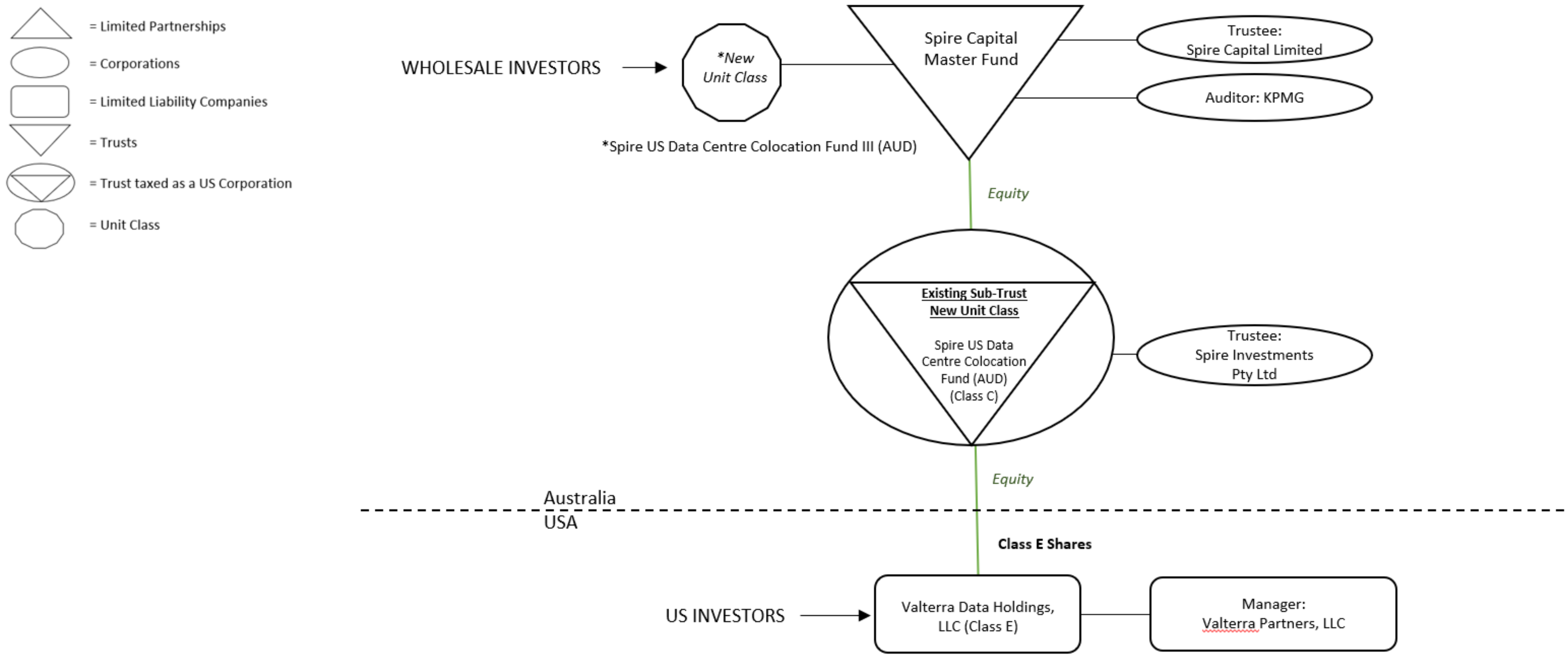
	• how you may complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds us, and how we will deal with such a complaint; and • whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries. We may also give your personal information to service providers of the Master Fund, including the Manager, the Custodian, the Master Fund administrator, the Master Fund accountant and their related bodies corporate (**Service Providers**) which may require transferring your personal information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. We and the Service Providers may use personal information collected about you to notify you of other products. Our privacy policy is available free of charge by contacting us. Personal information will also be handled by the Manager in accordance to the Manager's privacy policy *Anti-Money Laundering/Counter-Terrorism Financing Laws* Under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML Act**), we are required to verify your identity before providing services to you, and where you supply documentation relating to your identity, keep a record of this documentation for seven years after you end your relationship with us. Transactions may be delayed or refused where we require further information regarding your identity or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country. Where transactions are delayed or refused, we are not liable for any loss you suffer, including consequential loss, as a result of our compliance with the AML Act or similar law of any other country. Where required by law, we may disclose your information to regulatory or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), which is responsible for regulating the AML Act. Customer identification requirements for individual investors are collected in the Application Form. *Further information* We authorise the use of this Term Sheet as disclosure to people who wish to access the Master Fund indirectly through a Service Provider. In this circumstance, the Service Provider becomes an investor in the Master Fund and acquires the rights of an investor and may exercise, or decline to exercise, these rights on your behalf.
Enquiries and complaints	If you have an enquiry or complaint, please contact the Trustee in the first instance. The Trustee's details are set out in page 1 of this Term Sheet. Spire is a member of the Australian Financial Complaints Authority (https://www.afca.org.au/)
Marketing Disclosure *(in accordance with Rule 206(4)-(1) of the U.S. Investment Advisers Act of 1940)*	Spire Asset Management Pty Ltd receives a share of the Underlying Investment Manager's fees and carried interest as compensation for soliciting persons and entities, including the Master Fund, to be an investor in private funds advised by the Underlying Investment Manager. Due to the compensation arrangements, Spire Asset Management Pty Ltd has an incentive to recommend an investment in the Master Fund resulting in a material conflict of interest.

Directory

Trustee (Master Fund)	Spire Capital Limited Level 30, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000
Trustee (Sub-Trust)	Spire Investments Pty Ltd Level 30, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000
Distributor	Spire Asset Management Pty Ltd Level 30, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000
Custodian	One Managed Investment Funds Limited Level 16, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000
Auditor	KPMG Level 38 Tower Three 300 Barangaroo Avenue Sydney NSW 2000
Tax Adviser	KPMG Level 38 Tower Three 300 Barangaroo Avenue Sydney NSW 2000
Fund Administration & Fund Accounting	Unity Fund Services Level 16, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000
Registrar	One Registry Services Level 16, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000
Currency Overlay Manager	Rochford Capital Pty Ltd Level 23, 25 Martin Place SYDNEY NSW 2000

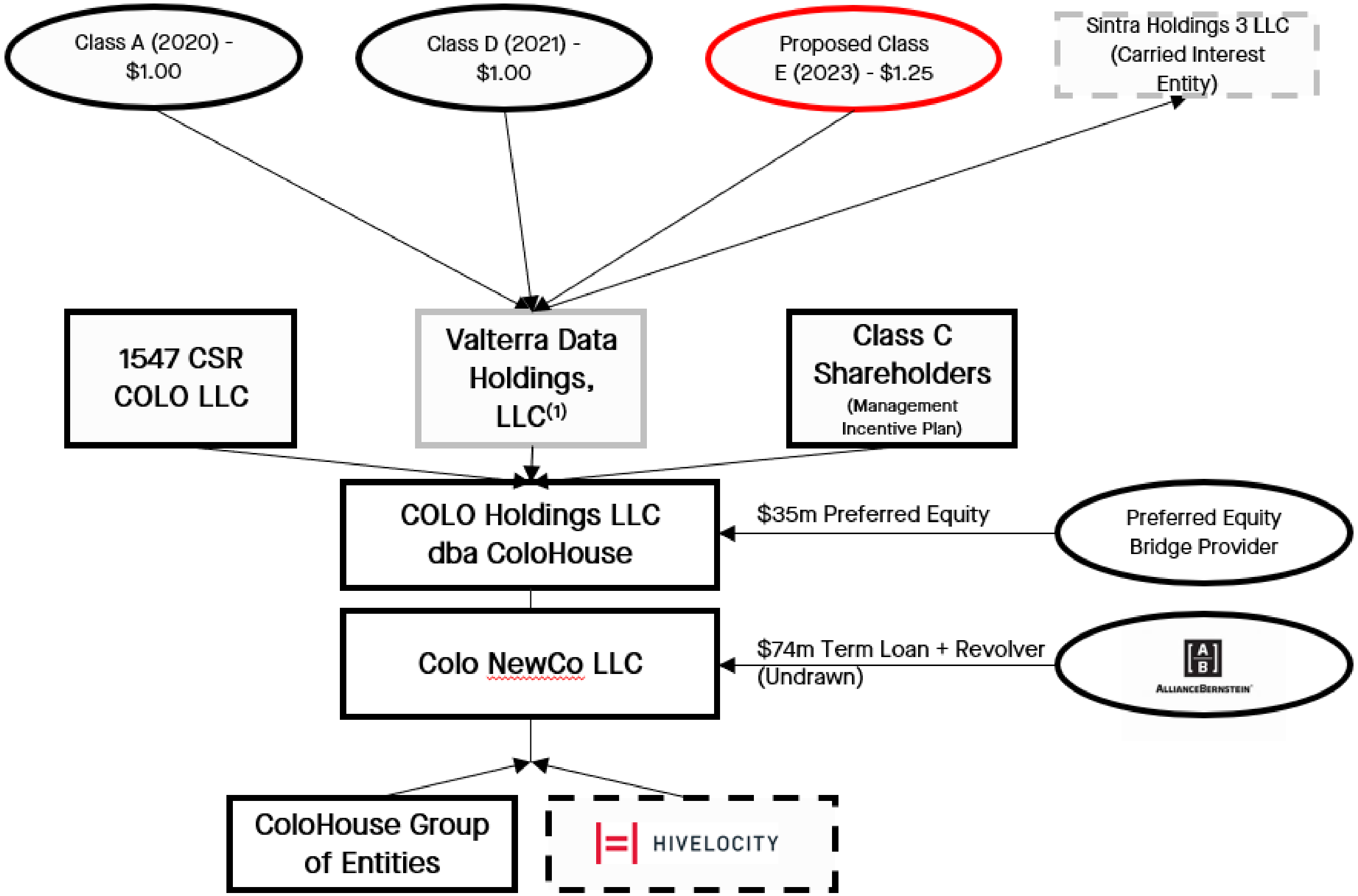
Annexure A - Transaction Structure

Spire US Data Centre Colocation Fund III (AUD) – Transaction Structure



Annexure A - Underlying Investment Entity – Transaction Structure

The Series Sub-Trust is investing in Class E shares of Valterra Data Holdings, LLC.



Source – Source: Valterra Partners, LLC

Annexure B – Underlying Investment Entity Documents

- Valterra "HiVelocity Opportunity" presentation – click here.
- Underlying Investment Fourth Amended and Restated Limited Liability Company Agreement – click here.
- Underlying Investment Subscription Agreement – click here.

Disclaimer

Spire Capital Limited ACN 141 096 120 (AFSL No. 344365) is the issuer of this Term Sheet and the Units in the Spire Capital Master Fund (**Master Fund**). This Term Sheet, in conjunction with the other Transaction Documents, together form the terms of your investment in the Units.

This Term Sheet has been prepared for Wholesale Clients only, is not, is not required to be, and under no circumstances is it to be construed as, a disclosure document or product disclosure statement within the meaning of the Corporations Act. This Term Sheet may not contain the same level of disclosure as those documents and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission (**ASIC**). The offer of interests in the Master Fund is only available in Australia and to Australian residents who are Wholesale Clients and where the offer of the interests in the Master Fund would not require disclosure under Part 6D.2 or Part 7.9 of the Corporations Act). This Term Sheet has not been lodged with the ASIC and the Master Fund is not a registered scheme (as defined in the Corporations Act). This Term Sheet is not, and under no circumstances is it to be construed as creating any binding legal obligations, or as an offer to sell or a solicitation of an offer to buy any interests in the Master Fund. The offer of interests in the Master Fund will only be made in, or accompanied by, a copy of all Transaction Documents.

This Term Sheet is not intended to constitute financial product advice, nor does it contain any recommendation in respect of the interests in the Master Fund or any other financial product. To the extent this Term Sheet contains any financial product advice, this is general advice only and does not constitute personal advice or investment advice. The Trustee and the Manager have not taken into account the investment objectives, financial situation or particular needs of any person. Prior to making an investment decision in respect of the Master Fund, individuals should obtain and carefully consider all Transaction Documents and offering materials in respect of the Master Fund and consider whether an investment in the Master Fund is appropriate in light of their investment objectives, financial situation or particular needs. The Trustee and the Manager strongly recommend that individuals seek independent professional advice as to the financial, taxation, and other implications of any potential investments in the Master Fund and the material contained in this Term Sheet.

This Term Sheet is intended solely for the use of the person to whom it has been delivered (**Recipient**) for the purposes of a possible investment in the Units. This Term Sheet, and the information contained herein, is confidential and commercially sensitive. The information in this Term Sheet must not be reproduced, disclosed, made available or distributed to any person (other than the Recipient's professional advisers) without the Trustee's prior written consent. Each Recipient agrees to promptly return or destroy this Term Sheet upon the Trustee's request.

The Trustee is the holder of an Australian Financial Services Licence (AFSL No. 344365) and is authorised to provide advisory, dealing and custodial services in in respect of certain financial assets (including interests in the Master Fund) to Wholesale Clients only.

Spire Asset Management Pty Ltd ACN 625 698 651 and Spire Investments Pty Ltd ACN 141 096 120 are Authorised Representatives (number 001297053 and 001297054, respectively) of AVC Enterprises International Pty Ltd ACN 628 068 388 (AFSL No. 516646).

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This material (other than the private placement memorandum and governing documents of any Portfolio Fund) (the “Information”) has been prepared solely by Spire Capital Limited (ACN: 141 096 120, AFSL No: 344365) (“Spire”).

Investment Decision

A person must consider each of the Transaction Documents prior to deciding whether to invest in the Units.

Terms which are capitalised but not defined in this Term Sheet, have the meaning given in the Trust Deed for the Master Fund and the IM.

This material may not be reproduced, distributed or transmitted to any other person or incorporated in any way without the Trustee's prior written consent.

The information contained in this Term Sheet is general information only. This Term Sheet does not (and is not intended to) contain any recommendations, statements of opinion or advice. In any event, the information in this Term Sheet does not consider any individual person’s objectives, financial situation or particular needs. This Term Sheet has been prepared without taking into account the financial objectives, needs and circumstances of persons. The transfer of Units in Australia or to Australian residents may be restricted.

An investment in the Master Fund is speculative, involves a high degree of risk and is suitable only for Wholesale Clients who fully understand and have the financial ability and willingness to accept the substantial risks of any potential investment, including (but not limited to) the risk of a partial or complete loss of any investment in the Master Fund. An investment in the Master Fund is not suitable for persons who require predictable levels of return or liquidity. Accordingly, by accepting this Term Sheet, each person represents that they understand the risks involved in any potential investment in the Master Fund and possess sufficient background, financial ability and willingness to accept the high risks and lack of liquidity inherent in any potential investment in the Master Fund. No person (including, without limitation, the Trustee and the Manager) guarantees the performance of, or any specific rate of return from any investment in the Master Fund. There are inherent risks in investing in the Master Fund, including (without limitation) the risk that any investment in the Master Fund is speculative, that any investment may result in a reduction in or loss of the capital value of any investment, loss of income and returns that are less than expected or delays in repayment of capital.

Forward Looking Statements

This Term Sheet contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward-looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward-looking statements, including (without limitation) future changes or developments in the business of the Master Fund, their competitive environments, information technology and political, economic, legal and social conditions in government regulations, including changes in laws. Further, such forward-looking statements speak only on the date at which such statements are made. The Trustee and the Manager make no guarantee or undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statement.

While the Trustee believes that the expectations reflected in the forward-looking statements in this Term Sheet are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in “Risks” section, as well as other matters as yet not known to the Trustee or not currently considered material by the Trustee, may cause actual results or events to be materially different from those expressed, implied or projected in any forward-looking statements. Any forward-looking statement contained in this Term Sheet is qualified by this cautionary

Opinions

This Term Sheet contains statements of opinion and belief. Any views expressed herein are those of the issuer of this Term Sheet as of the date indicated, are based on information available to the issuer of this Term Sheet as of such date, and are subject to change, without notice, based on market and other conditions. No representation is made or assurance given that such views are correct. The issuer has no duty or obligation to update the information contained herein.

Recipient Representations

By accepting this Term Sheet you: (1) represent that you are a Wholesale Client; (2) represent that you have read and agreed to the information contained in this Term Sheet, including this Disclaimer section; and (3) agree to keep the Term Sheet and its contents confidential and not to provide it to other persons other than your advisers provided they also maintain such confidentiality.