

Term Sheet

Spire Capital Series - Spire Oaktree Opportunities Fund XI (USD) (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.

General Terms

Activation Date	This Term Sheet is active as at 27 August 2020
APIR Code	SPI5287AU
Investment Form	Spire Oaktree Opportunities Fund XI (USD) Series Class Units (Units)
Series	Spire Oaktree Opportunities Fund XI (USD) (the Series or Fund)
Master Fund	Spire Capital Master Fund <i>Australian unregistered unit trust</i>
Trustee	Spire Capital Pty Limited
Custodian	One Managed Investment Funds Limited
Auditor	KPMG
Currency	USD
Underlying Fund	Oaktree Opportunities Fund XI Feeder (Luxembourg), SCSp (Underlying Fund), a Luxembourg special limited partnership, which will invest substantially all of its assets in Oaktree Opportunities Fund XI (Parallel 2), SCSp in exchange for a limited partner interest therein.
Underlying Investment Manager	LFE European Asset Management S.a.r.l. is the alternative investment fund manager (AIFM) for the Underlying Fund; the AIFM will appoint Oaktree Capital Management L.P. as portfolio manager. (Underlying Investment Manager) or (Managers)
Investors	Wholesale Clients, as defined by the Corporations Act 2001, only; provided that each investor also meets the definition of a qualified purchaser, in accordance with Section 2(a)(51) of the US Investment Company Act. A qualified purchaser means:

	<ul style="list-style-type: none"> • A person with not less than US\$5 million in investments • A company that is owned by close family members, with not less than US\$5 million in investments • A trust, not formed for the purpose of making the investment, with not less than US\$5 million in investments • An investment manager with not less than US\$25 million under management • A company with not less than US\$5 million in investments
Applications	Daily during the Offer Period, which shall be determined by the Trustee, but is anticipated to close Thursday 31 st December 2020. The end of the Offer Period may be earlier or later than the anticipated close date.
Term of the Series	It is anticipated that the term of the Series will be 10 years. However in accordance with the terms of the Underlying Fund's Private Placement Memorandum including annexes thereto (as the same may be amended and restated and/or supplemented) (PPM), the term of the Series could extend beyond this anticipated timeframe.
Series Application Price	<p>Following acceptance of Applications, investors will be issued Units at an Application price of US\$1.00 per Unit, with the initial payment of 25% of the commitment amount payable on Application.</p> <p>The Units will be issued on a partly paid basis.</p>
Future Capital Calls	The Trustee may issue "Capital Calls" at any time with respect to an unpaid proportion on each Units to meet capital calls from the Underlying Fund and any fees and expenses associated with the Series and the Underlying Entity (e.g. Management Fees and expenses).
Unit Pricing	Quarterly
Distributions	Any distributable income, gains or returns of capital will be distributed annually as at 30 June commencing 30 June 2021, subject to the terms of the Underlying Fund.
Distribution Re-investment	Investors may elect to re-invest distributions into another Spire Series Class unit that is open-for investment.
Minimum Investment	US\$500,000
Minimum Additional Investment	US\$250,000
About the Master Fund	<p>The Master Fund is an unregistered unit trust that invests in a range of assets through segregated unit trusts.</p> <p>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 Series Sub-Trust.</p> <p>You obtain exposure to the investment by investing into the corresponding class of unit for series in the Master Fund.</p>

<p>New Series</p>	<p>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.</p>
<p>Series Sub-Trust Units</p>	<p>The Series Sub-Trust is a segregated unit trust and the Master Fund will hold 100% of a discrete class of units (Class B) exposed specifically to units in the Underlying Fund issued at Close.</p> <p>Any new issues of units by the Series Sub-Trust will be units of a different class that are exposed to different underlying assets.</p> <p>Spire Investments Pty Ltd will be the trustee for the Series Sub-Trust.</p> <p>A “Transaction Structure” diagram is included as an Annexure A to this Term Sheet.</p>
<p>Series Strategy</p>	<p>The investments of the Underlying Fund are intended to provide the opportunity for substantial capital appreciation without subjecting principal to undue risk of loss. The Underlying Fund will seek to achieve these objectives through investment in situations where a company or its owners are undergoing, are considered likely to undergo or have undergone reorganisation under U.S. federal bankruptcy laws or similar laws in other countries (“bankruptcies”); or other extraordinary transactions, such as debt restructurings, reorganisations and liquidations outside of formal bankruptcy proceedings (“workouts”). The Underlying Fund will also make investments in situations where the Managers do not expect a company or its owners to undergo reorganisation, restructuring or other similar extraordinary transaction if the Managers believe the prices of such investments reflect a high market expectation of reorganisation, restructuring or other similar extraordinary transaction. The foregoing companies or owners, collectively or individually as the context may require, are sometimes referred to in the Private Placement Memorandum (PPM) of the Underlying Fund, as “reorganisation companies” or “extraordinary transaction companies,” as appropriate, and collectively as “distressed companies.” To a limited extent, the Underlying Fund may also invest in other instruments the Managers believe are undervalued, focusing primarily on debt and equity securities relating to special event-driven situations or control investments.</p> <p>A primary objective of the Underlying Fund is to realise substantial capital appreciation without subjecting principal to undue risk. The Underlying Fund will seek to achieve this objective primarily through investment, in connection with episodes of financial distress, in debt or equity securities or other obligations at substantial discounts to their original value and by realising gains through sales of restructured debt obligations or newly issued securities obtained through exchanges resulting from reorganisations and restructurings. There can be no assurance that the Underlying Fund’s investment objective will be achieved.</p> <p>Bankruptcies</p> <p>The Managers believe that investments in situations where a company or its owners are involved in or are emerging from reorganisation proceedings under U.S. federal bankruptcy laws or similar laws in other countries, as well as those considered likely to become involved in such proceedings, are often available at prices that are depressed in relation to underlying asset values or the prospects for recovery. These low prices result from the tendency of many investors and lenders to sell their interests when they or a company they own enters, or has just emerged from, bankruptcy proceedings or shows signs of serious financial distress. Such sales are often made without full analysis of the value of underlying assets or the potential for successful reorganisation, or are dictated by laws, policies or restrictions or other considerations. The Underlying Fund will acquire securities and obligations of</p>

reorganisation companies, including those that have recently undergone reorganisation, when the Managers' analysis indicates that the price has declined to a point where the Managers believe that the underlying asset values protect against loss of the Underlying Fund's principal and where the prospects for markedly higher post-reorganisation values provide the potential for significant appreciation.

The Underlying Fund will emphasise investments in reorganisation companies that are perceived to have substantial asset values or business franchises, are in generally sound industries, and have competent management. The Managers screen companies with public or private debt that show signs of financial weakness or have recently entered reorganisation proceedings. Companies that have defaulted on debt securities but have not yet filed for protection under applicable bankruptcy laws and companies that have recently emerged from bankruptcy proceedings are also prime candidates for the Underlying Fund. Furthermore, the Underlying Fund may make investments in situations where the Managers do not expect a company or its owners to undergo reorganisation or other similar extraordinary transaction if the Managers believe the price for such investment reflects a high market expectation of reorganisation or other similar extraordinary transaction.

Prospective reorganisation companies are subjected to analysis of their assets, liabilities, cash flow, management, business and industry characteristics and identifiable contingent liabilities. If applicable, projected financial statements upon consummation of the reorganisation process, nature and motivation of key creditors, estimated time to complete the reorganization and related legal and financial issues are also analysed.

The exact timing of investments will vary from case to case. In some cases, the optimum time for investment may be shortly after a bankruptcy filing, as this can often be the point in time when prices are lowest and the market tends to be the most inefficient. In other cases, the Underlying Fund may invest either shortly before or after a plan of reorganisation is proposed or shortly after bankruptcy proceedings are over. However, depending on factors such as price, asset values and, if applicable, the time estimated to consummate the reorganisation, investments can be made at any time before, during or after bankruptcy. Similarly, the timing of the sales of investments by the Underlying Fund may vary from case to case. Generally, investments purchased before or during the reorganisation process will be held for the duration of the process and will not be sold in advance of the consummation of a reorganisation. However, if Underlying Fundamentals deteriorate or the price has been bid up to a point where, in the opinion of the Managers, the expected return no longer justifies continued holding, the positions may be sold. The Underlying Fund may purchase or retain investments after a reorganisation is formally completed. This may occur where the reorganisation plan contemplates post-reorganization actions, such as dispositions of assets, or where other factors lead the Managers to believe that holding the investment is in the best interests of the Underlying Fund.

The form of the Underlying Fund's investments will vary depending on the capital structure of the distressed company, the relative prices of its debt and equity securities, and the nature and terms of those securities (including collateral, seniority, accrued interest and original issue discount). Ordinarily, senior or secured debt securities will be the preferred investment form. Senior or senior secured debt securities comprised 73% of aggregate Underlying Fund investments across Opps VII and all subsequent predecessor Underlying Funds.

With respect to its investments in reorganisation companies, the Underlying Fund may participate actively in the reorganisation process when the Managers determine it is feasible and desirable to do so. This participation will often involve working with creditors' committees and other creditors and could include actual membership on

	<p>such committees when the Managers believe that the advantages outweigh the trading, confidentiality and other restrictions that such membership often entails.</p> <p>Workouts</p> <p>The Underlying Fund may invest in situations where a company or its owners may be, or may have been, engaged in or emerging from transactions such as debt restructurings, reorganisations and liquidations outside of bankruptcy. The Managers use screening and analytical procedures similar to those described above for reorganisation companies when making and disposing of investments in extraordinary transaction companies. The exact timing of particular investments and sales will vary. Investments may be made either before or after plans for restructuring, reorganisation or liquidation are announced or commenced, depending on the circumstances. Investments may be sold at any time during or after the workout process. The Underlying Fund's investments in extraordinary transaction companies may make it feasible and desirable for the Underlying Fund to participate actively in these workouts.</p> <p>Control-Type Investments</p> <p>The Underlying Fund may invest in control investments. Generally, however, the Underlying Fund does not expect to participate in the day- to-day management of such companies or to exercise operational control. Large equity holdings, especially if the Underlying Fund has designated one or more directors of the issuer, could nevertheless result in diminished liquidity with respect to portfolio securities because of trading and confidentiality restrictions and could entail additional securities law compliance requirements and costs. Some large debt investments, through conversion to equity, also could result in the Underlying Fund owning a significant percentage of a company's voting securities and thus affect the Underlying Fund's liquidity with respect to such investment.</p> <p>Special Situations and Non-Distressed Investments</p> <p>The Underlying Fund may invest in non-distressed investments. These investments typically will involve special situations tied to specific events outside the distressed arena where the Underlying Fund can purchase securities or obligations for less than the Managers believe to be their worth. While the Underlying Fund's non-distressed investments usually will be debt or equity securities, they also may include other types of instruments.</p> <p>To preserve maximum flexibility to take advantage of investment opportunities, the Underlying Fund is not subject to any specific limits or proportions with respect to the mix of permitted investments, except as provided in "Investment Limitations" defined in the Private Placement Memorandum (PPM).</p>
<p>Series Sub-Trust Assets</p>	<ul style="list-style-type: none"> • A limited partnership interest in the Underlying Fund • Cash
<p>Liquidity, Access to Funds and cooling-off</p>	<p>The Series will not be "liquid" (as that term is defined in the <i>Corporations Act 2001</i> (Cth)), no cooling-off period applies to applications for units, and investors do not have any redemption or withdrawal rights. However, it is anticipated that following the completion of the Underlying Fund's Investment Period, the Series will receive returns of capital via the sale of assets. From this date the Trustee may, but is not obliged to, elect to use the returns of capital received to date to conduct a Withdrawal Offer to enable liquidity to investors who elect to participate in the Withdrawal Offer. Returns of capital which are surplus to redemption demand under any Withdrawal Offer will be</p>

	returned to investors proportionally as part of the next distribution following the Withdrawal Offer or re-invested in accordance with any Distribution Reinvestment Plan election which may be available at the time.
Secondary Market	There is no secondary market in the Series Units.
Currency Hedging	The Series will be denominated in US Dollars and will be unhedged to Australian dollars.
Conditions	Investment is subject to: <ul style="list-style-type: none"> (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 Fund held in the Series Sub-Trust. A copy of the Private Placement Memorandum for the Underlying Fund is included as Annexure B and you should read this documentation before investing.

Sub-Trustee	Spire Investments Pty Ltd
Custodian	One Managed Investment Funds Limited
Asset	A Limited Partnership interest in the Underlying Fund.
Investment Objective	A primary objective of the Underlying Fund is to realise substantial capital appreciation without subjecting principal to undue risk. The Underlying Fund will seek to achieve this objective primarily through investment, in connection with episodes of financial distress, in debt or equity securities or other obligations at substantial discounts to their original value and by realising gains through sales of restructured debt obligations or newly issued securities obtained through exchanges resulting from reorganisations and restructurings. There can be no assurance that the Underlying Fund's investment objective will be achieved.

Investment Terms

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

Management Fee	0.35% p.a. x NAV of the Series (paid monthly) plus GST, payable to Spire Capital Pty Ltd at the Master Fund level.
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Underlying Management Fee	<p>Quarterly payments (payable in advance) of a management fee equal to 1.60% of the Series' pro rata portion of the cost basis of the investments held by the Underlying Fund as of the close of the last business day of the immediately preceding calendar quarter (including the Series' pro rata portion of the cost basis of investments acquired with indebtedness incurred by the Underlying Fund in lieu of a drawdown). Please refer to the Underlying Fund's PPM for additional information regarding the calculation of the management fee.</p>
Performance Fee (Carried Interest)	<p>At the Underlying Fund level, the special limited partner will receive 20% of profits, subject to Limited Partners receiving an 8% annual return, compounded annually, on aggregate capital contributions. Please refer to the Underlying Fund's PPM for additional information regarding carried interest and the calculation thereof. No Performance Fee at the Series Sub-Trust level.</p>
Sourcing & Structuring Fee	<p>The Trustee is entitled to a Sourcing and Structuring Fee of 0.50% plus GST of the total capital commitments made by the Series Sub-Trust into the Underlying Fund. This fee is a one-off fee, and becomes payable when the capital commitment is made to the Underlying Fund. The Sourcing and Structuring Fee is payable out of the assets of the Series.</p>
Other Operating Expenses	<p>The Trustee estimates direct operating costs and expenses to be 0.10% per annum plus GST based on the NAV of the Master Fund. 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 Series will bear expenses (including, but not limited to, organizational expenses and operating expenses) associated with its investment in the Underlying Fund – please refer to the Underlying Fund's PPM for additional information. These expenses will indirectly be born by the investors in the Series as a result of their investment in the Series.</p>
Payment of Fees	<p>It is expected that all fees will be satisfied by "Capital Calls" and otherwise out of the assets of the Series, Series Sub-Trust and Underlying Fund in accordance with the relevant trust deeds.</p>

Risks

All Investments have risks. The Trustee has attempted to identify the key risks below. Investors should also read all documentation in the Data Room including all documents relating to the Reference Asset prior to investing and consider whether to consult professional advisers.

Summary	<p>An investment in the Master Fund and each respective Series involves a degree of investment risk. Investors should carefully consider the risks of investing before making a decision to invest. The key risks that apply to an investment in the Underlying Fund via the Series are set out in the Private Placement Memorandum for the Underlying Fund.</p> <p>In addition to the risks set out in the respective Private Placement Memorandum, investors should also consider that risks will also apply with respect to an investment in the Series and seek professional advice before making any decision to invest in the Series. These risks include (but are not limited to) the following:</p>
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Foreign Exchange Risk	The Fees are levied by the Investment Manager where certain fees are payable in Australian Dollars. This means that fluctuations in foreign exchange markets, namely movements between the Australian Dollar and US Dollar, may affect the amount of Fees that are payable by an Investor.
Legal and Regulatory Change Risk	The Master Fund is domiciled in Australia, and subject to Australian law. The Underlying Fund is domiciled in Luxembourg. 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 Underlying Investment Manager to perform its obligations in connection with the Series, including to facilitate the investment into the Underlying Funds. 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 Underlying Investment Manager 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 referable 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 referable to that class were insufficient to meet that liability). However, Spire considers the practical risk of this occurring to be very low.
Capital Call Default Risk	The Fund invests as a single Limited Partner in the Underlying Fund and may receive capital calls from the Underlying Fund from time to time. Under the terms of the Limited Partnership Agreement of the Underlying Fund, the Fund is exposed to punitive measures if it is in default of its obligation to respond to capital calls. If any investor in the Fund defaults on the payment of a capital call notice issued by the Fund, there is a risk that the Fund as a whole would not have sufficient capital to respond to the capital call by the Underlying Fund, and would be deemed a defaulting Limited Partner.
Other Risks	Various risks exist in illiquid investments, please consult with professional advisers as appropriate to consider other factors which may impact your Units.

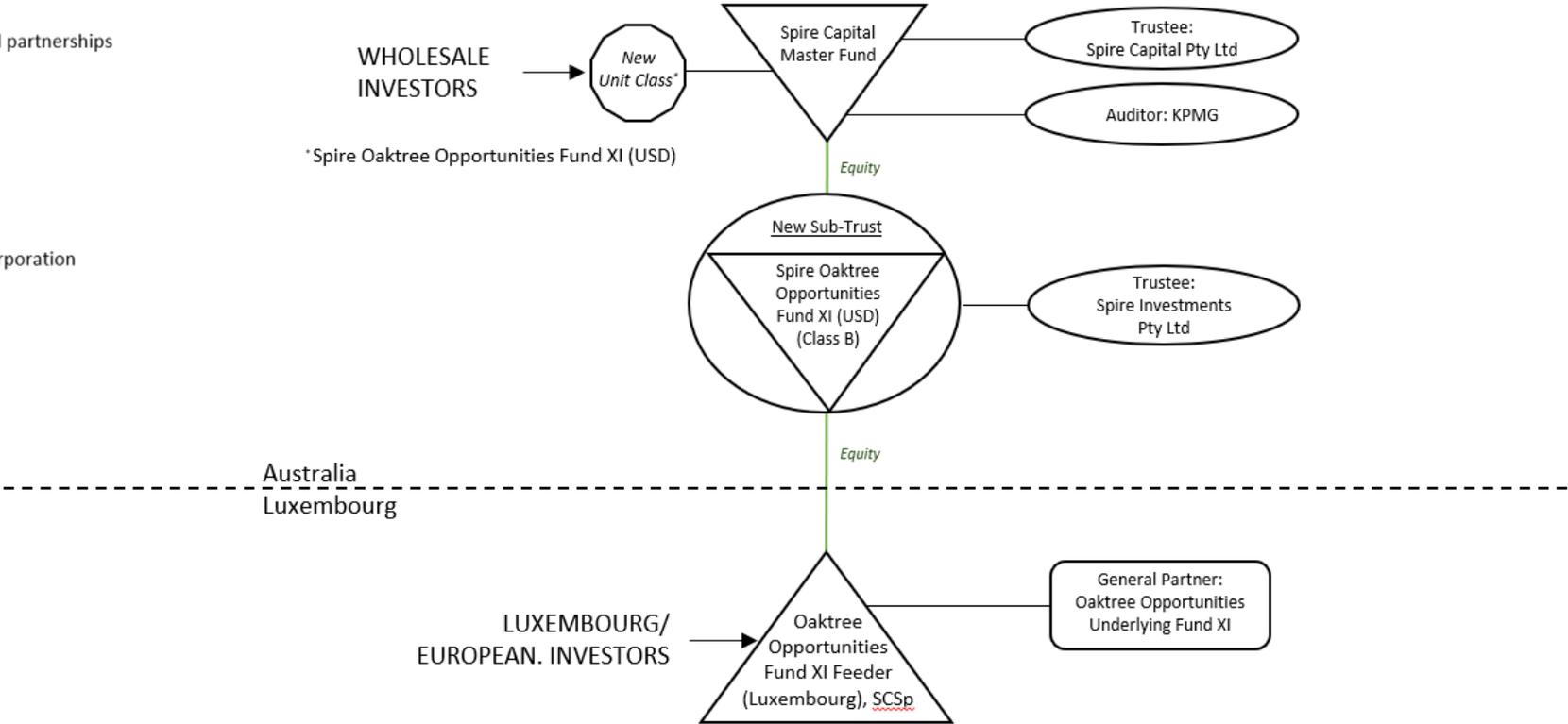
Disclosure

Spire Asset Management Pty Ltd, an affiliate of Spire Capital Pty Ltd, will receive a fee for the provision of private fund placement services from an affiliate of the Managers, equivalent to 1% of the aggregate capital commitments made by the Fund to the Underlying Fund.

Annexure A – Transaction Structure

Spire Oaktree Opportunities Fund XI (USD) – Transaction Structure

- = Limited Partnerships/Special limited partnerships
- = Corporations
- = Limited Liability Companies
- = Trusts
- = Trust taxed as a Luxembourg/US Corporation
- = Unit Class



Annexure B – Private Placement Memorandum

Please find the Private Placement Memorandum for Oaktree Opportunities Fund XI Feeder, L.P. available [here](#).

Disclaimer

Spire Capital Pty Limited is the issuer of 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 Series.

This Term Sheet has been prepared for Wholesale Clients (as that term is defined in the Corporations Act) (**Wholesale Clients**) only, is not, and is not required to be 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**). Investment in the Master Fund is available to Wholesale Clients only.

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 Series. It is not intended to be reproduced or distributed to any person (other than the Recipient's professional advisers) without the Trustee's prior written consent.

The Trustee is an Australian Financial Services Licensee (AFSL No. 344365) and is authorised to provide advisory, dealing and custodial services in connection with the Master Fund to Wholesale Clients only.

This document is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this document outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions.

This material (other than the private placement memorandum and governing documents of any Portfolio Fund) (the "**Information**") has been prepared solely by Spire Capital Pty Ltd (ACN: 141 096 120, AFSL No: 344365) ("**Spire**"). None of Oaktree Opportunities Fund XI GP, L.P., Oaktree Opportunities Fund XI GP S.à r.l., Oaktree Opportunities Fund XI, L.P. (the "**Cayman Main Fund**"), Oaktree Opportunities Fund XI Feeder (Cayman), L.P. (the "**Cayman Feeder Fund**"), Oaktree Opportunities Fund XI (Parallel 2), SCSp (the "**Lux Main Fund**"), Oaktree Opportunities Fund XI Feeder (Luxembourg), SCSp (the "**Lux Feeder Fund**"), and collectively with the Cayman Main Fund, the Cayman Feeder Fund and the Lux Main Fund, the "**Portfolio Funds**" and each, a "**Portfolio Fund**") or any affiliate of the foregoing (together, the "**Oaktree Persons**") has independently verified the Information and no Oaktree Person accepts any liability or responsibility or makes any representation or warranty as to the accuracy, completeness, or reliability of the Information, or has any responsibility to update the Information. This material does not constitute an offer or invitation to purchase direct interests in any Portfolio Fund. Investors should be aware that while Spire is providing investors the opportunity to participate in the Spire Oaktree Opportunities XI Fund, (a unit class of the Spire Capital Master Fund), which in turn intends to invest in the Lux Feeder Fund, no direct or indirect investor in the Spire Oaktree Opportunities XI Fund will be a direct interest holder or partner in the Portfolio Funds. In particular, investors in the Spire Oaktree Opportunities XI 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 Information, you should obtain independent professional advice.

Investment Decision

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

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.

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The information contained in this Term Sheet (including for the avoidance of doubt the PPM) 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.

No person guarantees any specific rate of return; that you will make a positive return on your investment; or the return of any amount invested.

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.

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