

**SPIRE USA ROC SENIORS HOUSING AND MEDICAL PROPERTIES FUND II**

**OVERVIEW**

The Fund was established in 2017 and acts as an unhedged Australian feeder fund into the assets of of Bridge Seniors Housing & Medical Properties Fund II LP (“Bridge Seniors II”). Bridge Seniors II is a US\$1.05 billion (equity) “buy, fix, sell” private equity real estate fund, investing in value-add US seniors housing and medical properties. The Fund has a US\$49.5 million capital commitment to Bridge Seniors II, of which 12.0% has now been called and invested. The Fund owns a 4.95% share of a diversified current portfolio of 11 separate seniors housing assets located across five US states, with a further 5 assets under contract, providing a total of 1,868 seniors housing units. Bridge Seniors II’s Investment Period will run until January 2020, during which the investment portfolio will continue to be aggregated. After this date Bridge Seniors II’s Harvest Period will commence, during which portfolio assets will be sold, most likely via a portfolio sale, when the portfolio has been stabilised and value has been maximised. Bridge Investment Group (“Bridge”) is the US based Investment Manager of the Fund. Bridge is a specialist US real estate and real estate funds manager with over US\$10 billion in assets under management. Bridge is headquartered in Salt Lake City, Utah, with offices in New York, San Francisco and Orlando. Over the last 23 years Bridge has invested, managed and sold several billion dollars of property assets across all segments of the market. Bridge has a strong operating and property management platform, comprising over 1,000 management, leasing and facilities employees across the 30 states in which assets are owned.

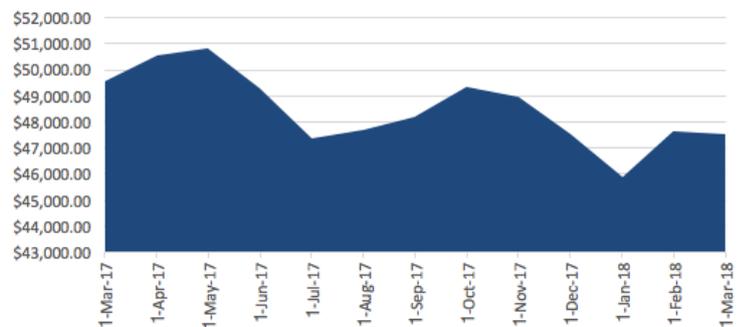
**PERFORMANCE (NET OF FEES)**

Ordinary Unit Class as at 31 March 2018

Based upon underlying fund data as at 31 December 2017

Unit Price	1 month	3 months	1 year	5 years	Inception (p.a)
\$1.26	-0.19%	0.05%	-4.14	N/A	-4.60%

**GROWTH OF AUD 50,000 INVESTMENT<sup>1</sup>**

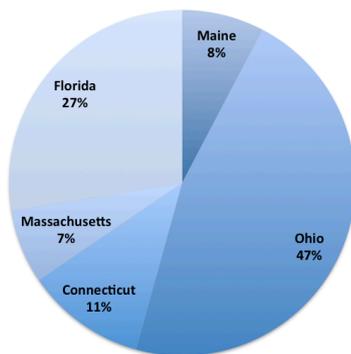


\*\* Past performance is not an indicator of future performance\*\*

Performance is measured from the date of the Fund's first issuance of units on 3rd March 2017 at \$1.3220 per unit. Individual investor performance will differ based upon the unit price at which there were issued units.

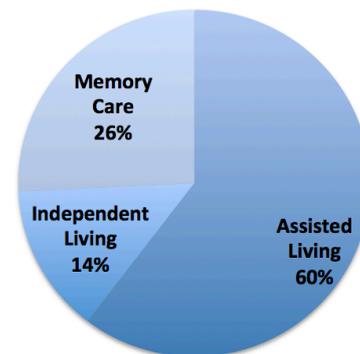
1. Assumes investment on the date of the first issuance of units i.e. 3rd March 2017

**REGIONAL BREAKDOWN\***



\*Underlying Fund investments by equity invested as at 31 December 2017

**ASSET TYPE\***



**FUND DETAILS**

<b>Fund Size (AUDm):</b>	\$63.54
<b>APIR Code:</b>	ETL1507AU
<b>Commencement:</b>	17 February 2017
<b>Zenith Research Rating:</b>	Recommended (Original rating, now lapsed as closed)
<b>Unit Price:</b>	\$1.2567
<b>Distribution Frequency:</b>	Annually as at 30 June
<b>Liquidity:</b>	Nil - Closed-ended fund

<b>Fund Manager:</b>	Spire Capital Pty Limited
<b>Investment Manager:</b>	Bridge Investment Group, LLC
<b>Responsible Entity:</b>	Equity Trustees Limited
<b>Base Management Fee:</b>	0.60% p.a. x NAV
<b>Underlying Fees:</b>	2% of committed equity
<b>Underlying Performance Fee:</b>	20% of realised profits after an 8% preferred return is paid to Limited Partners.
<b>Application Status:</b>	CLOSED

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**MONTHLY UPDATE**

Positively affecting the unit price during the month of March was the 1.5643% decrease in the value of the Australian dollar against the USD dollar from US\$0.7793 to US\$0.7671. The Fund does not hedge currency exposure.

Negatively affecting fund performance during the month of March was the impact of the US GAAP accounting, flowing from the 31 December 2017 Partners Statement. The calendar year end also coincides with US tax annual audit, which delays the funds quarter end valuation statement. This statement recorded a 12% diminution in the value of the Fund's capital invested in the underlying fund to date, due to US GAAP Accounting rules. Prior to receipt of this statement the Fund had included its called capital "at cost" in its Net Asset value calculation. Whilst this negative margin, or "J-Curve", may appear at first glance to be an excessive amount it is important to understand that it is in reality being distorted by accounting rules governing the treatment of fund formation expenses and property acquisition expenses, and is no cause for alarm. Specifically:

1. To date, only 12% of the underlying fund's Committed Capital to date has been called for investment into the underlying fund's assets. However 100% of the underlying fund's formation expenses (legal, accounting etc) are accounted for as liabilities. Thus, all of the underlying fund's formation expenses and management fees, (which are based on committed capital), are currently being expensed against only the 12% of the underlying fund's committed capital which has been called to date. This thereby artificially increases the formation expenses as a percentage of invested capital (compared with what the percentage will be when the underlying fund is fully invested and all committed capital is called). As further investments are made and further capital called, this "denominator effect" will diminish because, whilst the underlying fund's formation expenses will not change, the amount of called capital against which they offset will dramatically increase, and the formation expenses as a percentage of invested capital will normalise.
2. Under US GAAP accounting rules, for the first 6 months of ownership, newly acquired assets must be valued at cost, less the expenses incurred in the acquisition of new assets, such as due diligence costs, legal and accounting expenses and transfer costs (i.e. stamp duties) etc. After 6 months, assets must be valued at fair market value. Currently, the Seniors II portfolio comprises 11 properties, 5 of which have been owned for more than 6 months and are currently valued at fair market, using Discounted Cash Flow analysis. As at 31 December 2017 these assets are showing an 8.7% Internal Rate of Return and 1.06x equity multiple. By comparison, the 6 assets which have been owned for less than 6 months and are valued under US GAAP using the aforementioned method, as at the same date are showing an average 0.93x equity multiple. Note that these IRRs and multiples are gross, i.e prior to the fund level expenses outlined in point 1.

Unit Prices are reflecting the Q4 Underlying Fund Net Asset Values as at 31 December 2017. Underlying Fund performance since inception is summarised below which is US Dollar denominated and thus excludes the impact of currency movements.

**Underlying Bridge Seniors Housing I Investment / J-Curve Dashboard**

*As at Q4, 31 December 2017 - US Dollar denominated*

<b>Metric</b>	<b>Q3 2017</b>	<b>Q4 2017</b>
Committed Capital (USD)	\$49.5M	\$49.5M
Invested Capital %*	12.0%	12.0%
IRR on Called Capital	N/A	N/A
Equity Multiple on Called Capital	N/A	0.88x

*\*Invested Capital as a percentage of Committed Capital*

The following page contains the Bridge Seniors team's Chief Investment Officer's Q4 Letter to Investors.

**SPIRE USA ROC SENIORS HOUSING AND MEDICAL PROPERTIES FUND II**

**Quarterly Letter from the US Investment Manager**

*\*Note: All dollar figures and returns are US Dollar denominated*

Dear Partner,

Thank you for your support of Bridge Seniors Housing & Medical Properties Fund II LP ("Bridge Seniors II" or the "Partnerships"). We are pleased to share with you the Quarterly Report of the Partnerships for the quarter ending December 31, 2017. In this letter, we provide our views on the seniors housing market and an update on the Partnerships' investment activities to date.

VIEWS ON THE SENIORS HOUSING MARKET

Stabilized occupancy in the U.S. seniors housing market remained unchanged at 90.3% during the fourth quarter of 2017. We continue to see some near-term slow-down in absorption in certain markets, however the fourth quarter saw strong absorption of new supply. The unprecedented long-term demographic trends continue to lend confidence to long-term occupancy growth as the population ages. The first "baby boomers" will turn 75 in 2021, with the 75+ population continuing to grow significantly for the next 20 to 30 years. Rent growth for the industry fell from 2.6% to 2.3% annualized during the quarter, but still compares favorably with the U.S. inflation rate of 2%. We continue to see highly attractive investments which are largely "off market" and believe the current environment remains favorable for investing capital in the seniors housing and medical properties sectors (Source: NICMap, AARP, US Census data).

INVESTMENT ACTIVITY UPDATE

As of December 31, 2017, Bridge Seniors Fund II had called 12% of the Partnerships' available capital, and had made 11 investments in six states across the US. The 11 investments owned by Bridge Seniors Fund II as of the end of the fourth quarter have a total capital allocation of \$365 million, and are projected to yield an average three year cash-on-cash return of 8%, and an asset-level 18-19% IRR on invested equity.

Since the end of the fourth quarter, we acquired five assets with a total purchase price of \$145 million, utilizing \$45 million of Partnership equity. Each of these seniors housing communities is situated in a market that benefits from compelling supply-demand demographics, high barriers to entry, and projected growth in its ageing population. Given the outstanding investments described above, coupled with our deep pipeline of new acquisitions, we anticipate a steady draw-down of your capital commitment of approximately 90% to 95% over the next two years.

We believe this portfolio reflects the strong financial metrics we anticipated in our offering documents, and the exceptional "value-add" capabilities of our asset management team, along with the attractive risk-adjusted returns that Bridge Seniors Fund II expects to deliver.

We appreciate your support as our Partner and are extremely gratified by the progress we have been able to achieve to date in the Bridge Seniors II Funds. We look forward to continued success.

If you have any questions regarding Bridge Seniors II or your investment, please do not hesitate to contact us or our Australian partner Spire Capital.

A handwritten signature in blue ink, appearing to read "Phil Anderson", with a horizontal line underneath.

Phil Anderson  
Chief Investment Officer Bridge Seniors II Funds

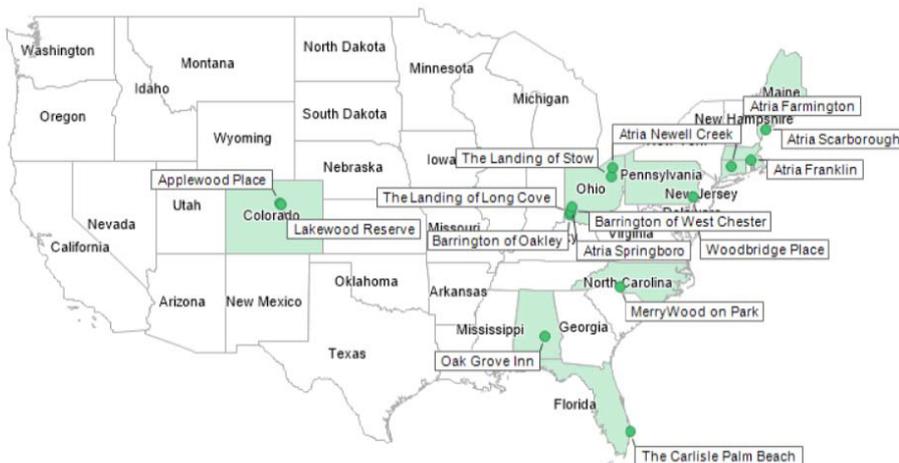
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Bridge Seniors II Portfolio as at 31 December 2017 (inc assets under contract)

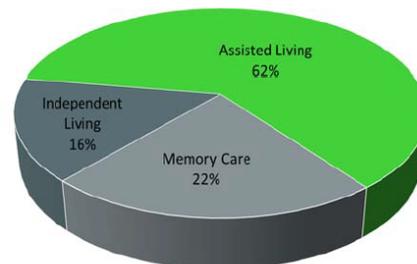
**BRIDGE  
INVESTMENT  
GROUP**

Seniors II  
Funds

BRIDGE SENIORS II FUNDS – 16 PROPERTIES, 9 STATES



Unit Types	# of Units	Fund %
Assisted Living	1,159	62%
Independent Living	295	16%
Memory Care	414	22%
Skilled Nursing	-	0%
<b>Total</b>	<b>1,868</b>	<b>100%</b>



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**Important Information**  
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