

OVERVIEW

The Fund was established in 2016 and acts as an unhedged Australian feeder fund into the assets of Bridge Multifamily & Commercial Office Fund III, LP (“BMF III”). BMF III is a US\$1.1 billion (committed equity) value-add “buy, fix, sell” private equity real estate fund, investing in value-add US multifamily apartment communities and office buildings. The Fund has made a US\$53 million capital commitment to BMF III, which represents approximately 4.8% of BMF III’s total committed capital. To date approximately 88% of committed capital has been deployed or allocated to 62 value-add multifamily and commercial office assets located throughout the USA, at gross aggregate purchase price of circa US\$3.28 billion (including Joint Venture partnerships). BMF III’s Investment Period expired in January 2018, and the fund is now in its Harvest Period, during which assets will be sold as they are 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)

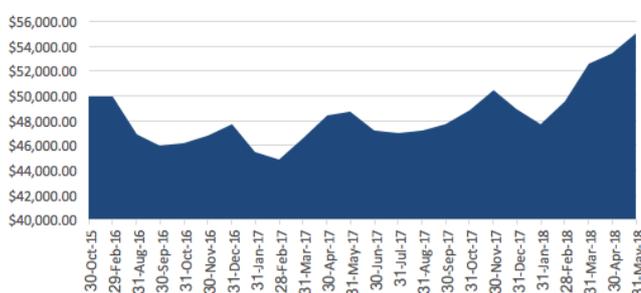
Ordinary Unit Class

Based upon underlying fund data as at 31 March 2018

1 month	3 months	1 year	5 years	Inception (p.a)
3.16%	11.24%	13.10%	N/A	4.39%

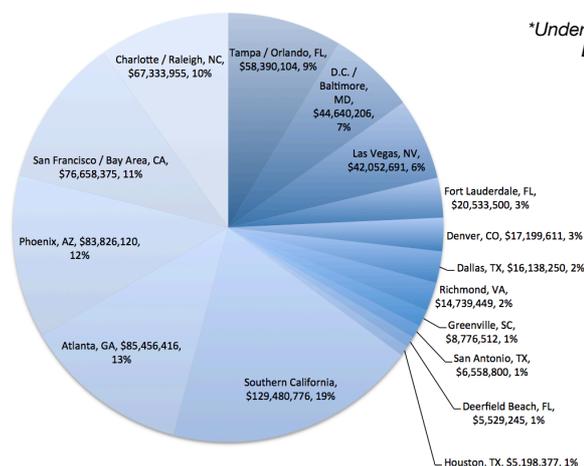
** Past performance is not an indicator of future performance **

GROWTH OF AUD 50,000 INVESTMENT



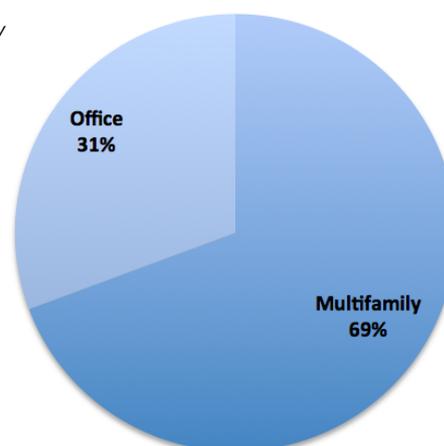
Performance and Growth table and chart are based on an investment made at the Fund’s inception in March 2016 at \$1:00 per unit and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising in August 2016. Unit Price and performance do not include the value of Foreign Income Tax Offsets (FITOs) which have been accrued. Individual investor performance will vary according to the Issue Price at which they were issued Units in the Fund, which in turn was based upon the AUD / USD exchange rate applicable in the month in which an investment was made.

REGIONAL BREAKDOWN*



*Underlying Fund investments by Equity invested as at 31 March 2018

ASSET CLASS BREAKDOWN*



FUND DETAILS

Fund Size (AUDm):	\$81.68
APIR Code:	ETL0460AU
Commencement:	18 March 2016
Zenith Research Rating:	Highly Recommended (Original rating, now lapsed as closed)
Unit Price:	\$1.0761
Distribution Frequency:	Annually as at 30 June
2017 Distribution (CPU):	2.18 + 0.00 FITOs
Liquidity:	Nil - Closed-ended fund

Fund Manager:	Spire Capital Pty Limited
Investment Manager:	Bridge Investment Group, LLC
Responsible Entity:	Equity Trustees Limited
Base Management Fee:	0.58% p.a. x NAV
Underlying Fees:	2% of committed equity
Underlying Performance Fee:	20% of realised profits after an 8% preferred return is paid to Limited Partners.
Application Status:	CLOSED

MONTHLY UPDATE

Positively affecting the unit price during the month of May was receipt of the underlying partnership statements for Q1 2018, which recorded net results from operations of US\$2,555,734 from the Fund's invested capital for the period from 1 January to 31 March 2018. Also positively affecting the unit price during the month of May was the 0.0793% decrease in the value of the Australian dollar against the USD dollar from US\$0.7570 to US\$0.7564. The Fund does not hedge currency exposure.

The Fund does not hedge currency exposure. Unit Prices are for the first time reflecting the Q1 2018 Underlying Fund Net Asset Values as at 31 March 2018. Underlying Fund performance since inception, which is US Dollar denominated and thus excludes the impact of currency movements, is in line with the Underlying Fund's target returns and is summarised below:

[Underlying Bridge MF III Investment / J-Curve Dashboard](#)

As at 31 March 2018

Metric	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Committed Capital (USD)	\$9M	\$53M						
Invested Capital %*	54.2%	39.1%	51.1%	62.7%	62.7%	80.7%	80.7%	94.57%
IRR on Called Capital	NM	NM	7.2%	10.9%	14.9%	14.8%	17.1%	17.9%
Equity Multiple on Called Capital	1.03x	0.99x	1.05x	1.07x	1.13x	1.13x	1.20x	1.22x

*Invested Capital as a percentage of Committed Capital

Q1 LETTER FROM THE UNDERLYING INVESTMENT MANAGER

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

Dear Partner,

We are pleased to share with you the Bridge Multifamily & Commercial Office Fund III LP ("Bridge Multifamily III Funds" or the "Partnerships") quarterly report for the period ending March 31, 2018. In this letter, we provide an update on the Partnerships' investment activity and operational performance, and a brief overview of the multifamily and commercial office markets.

VIEWS ON THE MULTIFAMILY AND COMMERCIAL OFFICE MARKETS

Economic, employment, and property market conditions continue to create a positive operating environment for Bridge's multifamily and office investment strategy year to date, and as of this date we see no change in the foreseeable future. The national jobs situation is expected to continue to improve, after adding almost 2.2 million jobs in 2017; through the first quarter we are on pace to meet Moody's projection of an additional 2.6 million jobs in 2018. Interest rates have increased as expected but remain inside of expectations set by Bridge and other market participants, and financing remains attractive and readily available for well underwritten deals. On the multifamily side we have begun to see loan-to-value constraints on initial proceeds fall below 70% due to debt service coverage ratios, which is having a dampening effect on our returns, as anticipated. US real estate transaction activity has moderated, but investor appetite remains very strong in multifamily which has benefited Fund III investments.

Supply continues to be delivered but remains heavily concentrated in Class A and in a handful of submarkets. While the total number of new multifamily properties has been rising, relative deliveries, (annual deliveries as a percentage of stock) have remained at levels comparable to those in the early 2000s. Class A apartments now account for 75% of new deliveries; they accounted for less than 40% of the Class A and B mix in the early 2000s (CoStar, as of Q-1 2018) resulting in continued widening of occupancy rate and rent gaps in favour of Class B multifamily performance.

In aggregate, the Bridge Apartment Target Markets are expected to outperform the rest of the US in 2018 and 2019, as they are forecasted to achieve 77% higher average annualized household growth, 64% higher average annualized effective rent growth, and 26% higher average annualized net operating income growth than their non-target market counterparts (CoStar, as of Q-1 2018).

For office investors, rising new supply has been less of a concern, particularly in Bridge's Fund III portfolio office markets. Escalating hard and soft construction costs, the high cost of land, and tighter lending standards continue to temper new supply.

Similar to the apartment story, current and expected office trends have created an attractive environment for value-add Class A office investment in prime business centers where limited supply is being delivered and new construction rents dramatically exceed rents for renovated older Class A supply. The Bridge Office Target Markets are poised to perform well over the 2018 to 2019 horizon. Bridge Office Target Markets are projected to enjoy average annualized office-using employment growth 43% above, asking rent growth 189% above, and net operating income growth rates 74% higher than the rest of the US. (Moody's Analytics & CoStar, as of Q-1 2018).

INVESTMENT ACTIVITY UPDATE

As of March 31, 2018, Bridge Multifamily III Fund had called 93.8% of the Partnerships' available capital and had made 62 investments in high-growth cities in Arizona, Texas, Florida, Georgia, Maryland, Colorado, North Carolina, and California. During the quarter ending March 31, 2018, Bridge Multifamily III Fund had also closed one additional multifamily asset, Legacy Key, a 350-unit apartment located in Sandy Springs, Georgia; plus a follow-on investment to acquire the remaining 75% of Promenade Terrace from our JV partner in the asset, which bring us to 62 investments with \$3.2 billion of total capital allocated and \$923 million of fund investment. On these investments, we projected an average three-year cash-on-cash return of 9.9%, an asset-level 18.5% IRR, and a 1.85x multiple on invested equity.

In Q-1 2018 we began the disposition of selected assets, and anticipate closing on the sale of one multifamily asset and three office investments by the end of Q-2 2018. These sales should return approximately \$48 million of original capital and \$25 million of net gain on sale. The partial sale of the Cambridge and Canterbury buildings will be rolled into the total return for the Imperial pro forma but will achieve approximately \$800 thousand above our projected sale price.

- Alviso Tech Park, a 187,755 sq. ft. commercial office asset in San Jose, California, which is 100% owned by the fund, is targeting a 34.53% IRR and 1.50x multiple at disposition, compared to a 18.50% IRR and 1.83x multiple from Pro Forma.
- SunTrust Center, a 417,069 sq. ft. commercial office asset in Richmond, Virginia, which is 90% owned by the fund, is targeting a 46.06% IRR and 1.61x multiple at disposition, compared to a 20.29% IRR and 1.70x multiple from Pro Forma.
- Matthews Crossing, a 460 unit apartment community in Charlotte, North Carolina, which is 72.3% owned by the fund, is targeting a 35.23% IRR and 1.89x multiple at disposition, compared to a 19.79% IRR and 1.89x multiple from Pro Forma.

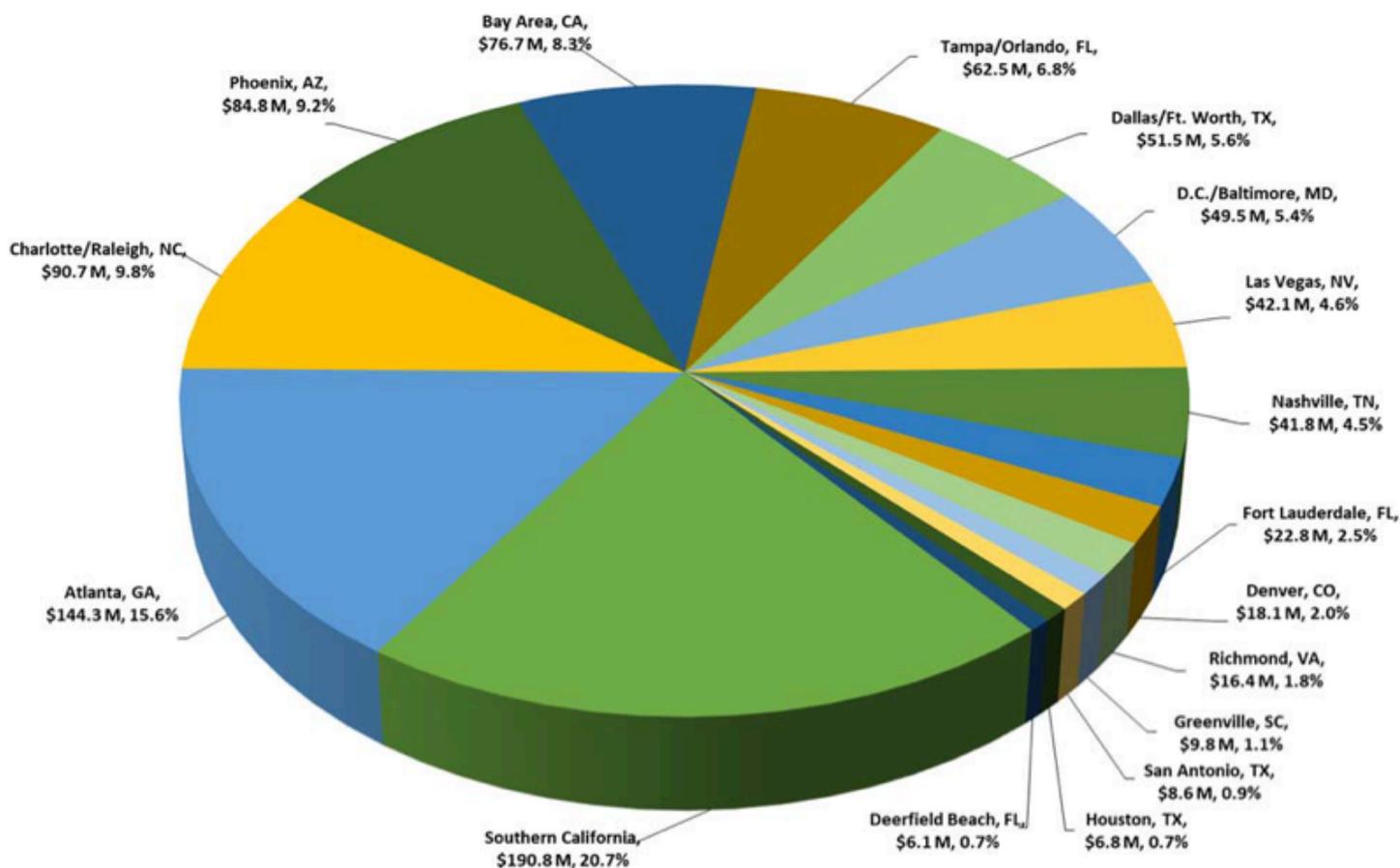
Marketing has also begun on another four assets, including one multifamily investment and three office deals that will close in Q-3 2018. As of now, we believe there may be another two or three commercial assets and six multifamily assets that may be sold by year-end.

OPERATIONAL UPDATE

As of March 31, 2018, the Fund multifamily portfolio is within 1% of our life-to-date NOI forecast, and is just over 0.5% ahead for the quarter. Our ongoing 2018 budgeted projections for the portfolio should continue to achieve substantial performance. The multifamily portfolio was 92.0% occupied as of March 31, 2018, reflecting the fact that we are in the repositioning mode at a number of assets, with extensive renovations still underway.

The commercial office portfolio is 85.2% leased as of March 2018, with a number of leases currently being negotiated. Recurring cash flow from the combined portfolio continues to be stronger than expected.

BMF III Allocation



Overall, we feel positive about our commercial office and multifamily investment operations as a whole, along with the activity in the specific markets we are operating in. 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 Multifamily III Fund. We look forward to continued success.

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

With Best Regards,




Rich Stayner & Jonathan Slager Co-Chief Investment Officers Bridge Multifamily III Funds

NEW FUND LAUNCH

Spire Capital is pleased to advise that the follow on fund to Spire USA ROC II and USA ROC III Funds, called Spire USA ROC IV Fund (AUD), is now open for direct investment via the [PDS \(click to download\)](#).

Like its predecessor funds, Spire USA ROC IV Fund (AUD) will invest in value-add multifamily and commercial office properties, via programs managed by Bridge Investment Group and its affiliates.

The Fund has been rated “Recommended” by Zenith Investment Partners. Please [click here](#) to download the report. It is expected that the Fund will shortly be available on major platforms.

For further information please contact either Dale Holmes on 0401 146 106 or Chris Niall on 0419 011 628.

CONTACT US

For further information please:

Call us on: +61 2 9377 0755

Email us at: info@spirecapital.com.au

Visit our website: www.spirecapital.com.au

Important Information

“Equity Trustees Limited (“Equity Trustees”), ABN 46 004 031 298 and Australian Financial Services Licence Number 240975, is the Responsible Entity of the Spire USA ROC III Fund (AUD) (Fund). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22607 797615), a publicly listed company on the Australian Securities Exchange (ASX:EQT). Spire Capital Pty Ltd (“Spire”) ABN 21 141 096 120 and (wholesale) Australian Financial Services Licence Number 344365 is the Fund Manager of the Fund. This Monthly Update has been prepared by Spire for general information purposes only. It does not contain investment recommendations nor provide investment advice. Neither Equity Trustees nor Spire nor their related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund or the accuracy of information in this document and accepts no liability to any person who relies on it. Past performance is not necessarily indicative of future performance. Professional investment advice can help you determine your tolerance to risk as well as your need to attain a particular return on your investment. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should not act in reliance of the information of this Monthly Update. We strongly encourage you to obtain detailed professional advice and read the relevant product disclosure statement in full before making an investment decision. Applications for an investment can only be made on an application form accompanying a current Product Disclosure Statement (“PDS”).”