SPIRE GLOBAL PRIVATE REAL ESTATE

SPIRE USA ROC III FUND (AUD)

MONTHLY FACTSHEET - AUGUST 2018

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.

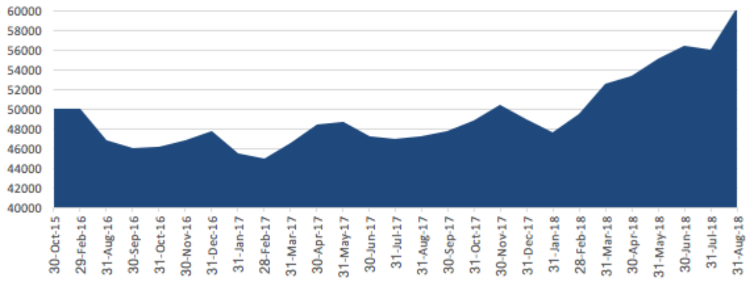
PERFORMANCE (NET OF FEES)

Ordinary Unit Class as at 31 August 2018
Based upon underlying fund data as at 31 March 2018

1 month	3 months	1 year	5 years	Inception (p.a)
7.75%	9.55%	27.68%	N/A	7.80%

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

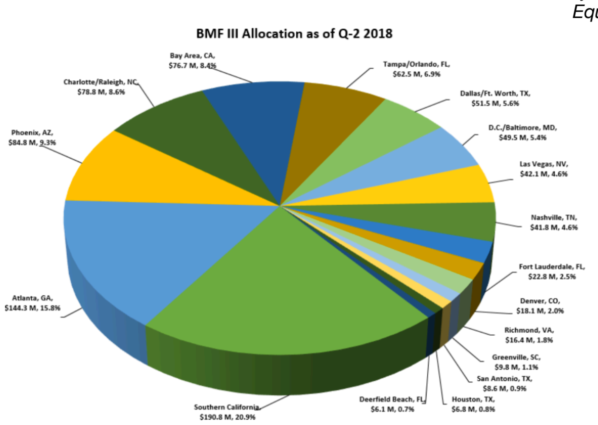
GROWTH OF AUD 50,000 INVESTMENT



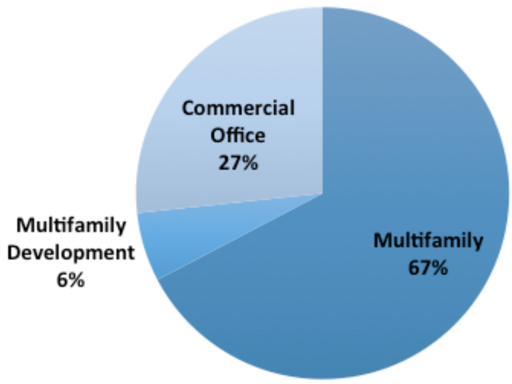
Performance and Growth table and chart are based on an investment made at the Fund's inception in March 2016 at $1:00 per unit and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising in August 2016. Unit Price and performance do not include the 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 30 June 2018*



ASSET CLASS BREAKDOWN*



FUND DETAILS

Fund Size (AUDm):	$83.44
APIR Code:	ETL0460AU
Commencement:	18 March 2016
Zenith Research Rating:	Highly Recommended (Original rating, now lapsed as closed)
Unit Price:	$1.0993
Distribution Frequency:	Annually as at 30 June
2018 Distribution (CPU):	7.43 + 0.00 FITOs
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 August was the 2.72% decrease in the value of the Australian dollar against the USD dollar from US$0.7434 to US$0.7232. The Fund does not hedge currency exposure.

The Unit Price reflects 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	$53M	$53M	$53M	$53M	$53M	$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*

SPIRE LAUNCHES TWO NEW FUNDS

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 second fund is Spire USA ROC Office Fund I (AUD) which is a Unit Class of the Spire USA ROC IV Fund (AUD) and will invest in commercial property. It is now open for direct investment via the PDS (click to download)

Both Funds have been rated "Recommended" by Zenith Investment Partners. Please click here to download the Spire USA ROC IV Fund (AUD) report or click here to download the Spire USA ROC Office Fund I (AUD) report.

It is expected that the Funds 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.

QUARTERLY LETTER FROM THE US INVESTMENT MANAGER

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

Dear Partner,

Thank you for your continued support of the Bridge Multifamily III Funds (the “Fund” or the “Partnerships”). We are pleased to share with you the Quarterly Report for the period ending June 30, 2018.

VIEWS ON THE MULTIFAMILY AND COMMERCIAL OFFICE MARKETS

Bridge’s multifamily and office strategies are positioned for success as the U.S. economy maintains high growth, a robust labor market, and moderately low interest rates. Real gross domestic product increased at a rate of 4.1% in the second quarter; the largest growth rate since 2014 (Bureau of Economic Analysis & U.S. Department of Commerce, as of Q-2 2018). Employment also sustained solid growth; an average of more than 200,000 jobs per month were created this past quarter (Bureau of Labor Statistics, as of Q-2 2018). While interest rates have increased, they continue to remain within Bridge’s expectations and have not been detrimental to our financing activities. In June, the economic expansion became the second longest running expansion in U.S. history. At 109 months, as of July, the current expansion may be poised to break the 120-month record set from 1991 to 2001 (National Bureau of Economic Research). That said, this recovery has been the slowest-growing recovery of the 11 since WWII, and we have yet to match the average trough-to- peak GDP gain of 25.13%, and are well below the 42.5% achieved the 1991-2001 recovery (Moody’s Analytics, as of July 2018).

The strength in the U.S. economy bodes well for apartment demand. While new supply overall remains in balance, 82% of the new supply is Class A, which creates some concerns in the A market in the short run. The proliferation of Class A multifamily development since 2013 has created a growing divide between Class A and B fundamentals. The Class B apartment occupancy rate is 4% higher than Class A, and the effective rent gap per unit between Class A and B apartments has grown by over 40% since 2010 (CoStar, as of Q-2 2018). This environment is well-suited for Bridge’s high-touch, value-add strategy focused on Class B multifamily. For 2018 and 2019, average annual occupancy and rent growth rates for the Bridge Apartment Target Markets are expected to be 93.1% and 3.9%, respectively (CoStar, as of Q-2 2018). The national forecast for occupancy is expected to be similar; national rent growth is anticipated to be lower at 3.4% (CoStar, as of Q-2 2018).

According to Real Capital Analytics (RCA), multifamily transaction volume fell by 7% on a year-over-year basis in the second quarter to $34.5 billion (RCA, as of Q-2 2018). This decline was driven by a fall-off in portfolio and entity deals; single-asset deal volume remained strong. Although apartment transaction volume declined, prices continued to climb. The RCA Commercial Property Price Index (CPPI) posted a near 12% year-over-year gain in the second quarter, with cap rates declining modestly to 5.5% (RCA, as of Q-2 2018). The cap rate spread between the six major metro (4.8%) and non-major metro (5.8%) markets was 100 basis points (RCA, as of Q-2 2018). Bridge’s competitive advantage in accessing deal flow has allowed us to continue to successfully source and execute transactions that meet fund objectives in this competitive environment.

Office demand has also benefited from the healthy U.S. economy, but supply has been less of an issue as compared to apartments. As a result, market fundamentals remain strong. Occupancy rates across all Bridge Office Target Markets are still well above the lows experienced in the last downturn (CoStar, as of Q-2 2018). Recent CoStar analytics highlighted the rental gain benefits of renovation strategies in the current expansion; a further validation of Bridge’s office investment thesis (CoStar, as of Q-2 2018). Over the 2018 to 2019 horizon, occupancy and asking rent growth rates for the Bridge Office Target Markets are expected to be 90.1% and 3.1%, respectively (CoStar, as of Q-2 2018).

RCA indicated that office transaction volume has been declining in 2018 (RCA, as of Q-2 2018). It was $28.8 billion in the second quarter; a year-over-year drop of 17% (RCA). Despite the decline, prices have increased. The RCA CPPI indicated that office prices increased by over 6% on a year-over-year basis in the second quarter, but CBD and Suburban properties have had very different experiences (RCA, as of Q-2 2018). CBD office prices declined by 1%, the first decline since 2010; Suburban office prices posted a gain of nearly 8% (RCA, as of Q-2 2018). Office cap rates ended the quarter at 6.7%; the average cap rate spread between CBD (5.4%) and Suburban (6.9%) properties was 150 basis points (RCA, as of Q-2 2018). Office pricing and fundamental trends continue to create an attractive environment for Class A value-add investment in prime business centers across the US.

INVESTMENT ACTIVITY UPDATE

As of June 30, 2018, Bridge Multifamily III Funds 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, funded by $3.2 billion of total capital and $923 million of fund equity.

During the quarter ending June 30, 2018, Bridge Multifamily III Funds realized one asset:

- Matthews Crossing, a 460 unit apartment community in Charlotte, North Carolina, which was 72.32% owned by the Fund, closed on May 31, 2018 resulting in a gross IRR of 34.67% versus a pro forma IRR of 19.8%.

In Q-3 2018 we began the disposition of selected assets and anticipate closing on the sale of two multifamily assets and two office investments by the end of Q-3 2018. These sales should return approximately $42 million of Fund equity and $22 million of net gain on sale.

- SunTrust Center, a 417,069 sq. ft. commercial office asset in Richmond, Virginia, which is 90% owned by the fund, is targeting a 47.54% IRR and 1.64x multiple at disposition, compared to a 20.29% IRR and 1.70x multiple from Pro Forma.

- Partial sale of Imperial Center, Cambridge and Canterbury, an 89,797 sq. ft. commercial office portfolio in Durham, North Carolina, which is 90% owned by the fund. The Fund is targeting a 61.58% IRR and 1.87x multiple, compared to a 18.20% IRR and 1.63x Multiple from Pro Forma. The second two buildings in the Imperial Center portfolio are scheduled for disposition in Q-3/4 and are described below.

- Partial sale of Oasis Portfolio, Bay Pointe, Island Palms, Bridge Landing, and Desert Pearl, a 480 unit portfolio in Las Vegas, Nevada, which is 100% owned by the Fund, is targeting a 59.76% IRR and 1.79x multiple at disposition, compared to a 10.01% IRR and 1.72x multiple from Pro Forma.

- Heights on Perrin, a 384 unit apartment community in San Antonio, Texas, which is 100% owned by the Fund, is targeting a 5.16% IRR and 1.15x multiple, compared to 17.91% IRR and 1.86x multiple from Pro Forma. This asset was one with which we struggled and had marked at a loss for most of our ownership. The issues were a blend of market softness in the immediate submarket and Bridge taking longer than anticipated to get our team in place to maximize the property. We are now leased above market and getting rents above-market so we are satisfied with the recovery and projected outcome.

Marketing has also begun on another four assets, including one multifamily investment and three office deals that will close in late 2018 or early 2019.

- Landmark at Banyan Bay, a 646 unit apartment community in Atlanta, Georgia, which is 100% owned by the Fund, is targeting a 58.61% IRR and 3.35x multiple, compared to 23.09% IRR and 2.09x multiple from Pro Forma.

- airway in Deerfield Beach, a 176,890 sq. ft. commercial office asset in Deerfield Beach, Florida, which is 90% owned by the Fund, is targeting a 32.53% IRR and 2.17x multiple, compared to a 20.60% IRR and 2.08x multiple from Pro Forma.

- Fairview, a 182,626 sq. ft. commercial office asset in Charlotte, North Carolina, which is 80% owned by the Fund, is targeting a 30.06% IRR and 1.86x multiple, compared to 18.70% IRR and 2.11x multiple from Pro Forma.

- Remainder of Imperial Center, Carlisle and Stratford, a 197,264 sq. ft. commercial office portfolio in Durham, North Carolina, which is 90% owned by the Fund, is targeting a 21.82% IRR and 1.37x multiple, comparing to 18.20% IRR and 1.63x multiple from Pro Forma.

We completed five refinances and two supplementals and received $60.4 million in total refinance proceeds which was $14 million better than anticipated. Our swap of $500 million in debt is currently $2.3 million in the money from our original investment. We are now complete with our anticipated financing activity for the portfolio with the exception of the final loan for Rancho Belago Phase II and the retail portion at Denver Corporate Center.

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

CONTACT US
For further information please:

Call us on: +61 2 9377 0755

Email us at: info@spirecapital.com.au