

OVERVIEW

The Fund was established in 2014 and acts as an unhedged Australian feeder fund into the assets of of Bridge Seniors Housing & Medical Properties Fund LP (“Bridge Seniors I”). Bridge Seniors I is a US\$737 million (equity) “buy, fix, sell” private equity real estate fund, investing in value-add US seniors housing and medical properties. The Fund has a US\$51 million capital commitment to Bridge Seniors, of which 87.6% has now been called and invested, and owns a 6.91% share of a diversified current portfolio of 57 separate seniors housing assets across the US with over 6,500 units, which have been acquired for approximately US\$1.7 billion. Bridge Seniors I’s Investment Period expired in January 2018 and the fund is now in its Harvest Period, during which assets will be sold, as assets have been seasoned and 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)

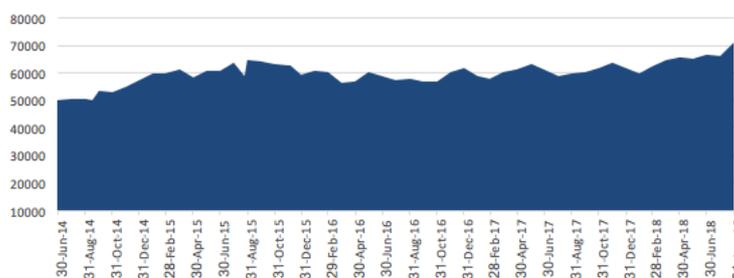
Ordinary Unit Class as at 31 August 2018

Based upon underlying fund data as at 31 March 2018

1 month	3 months	1 year	5 years	Inception (p.a)
6.95%	8.62%	18.16%	N/A	8.71%

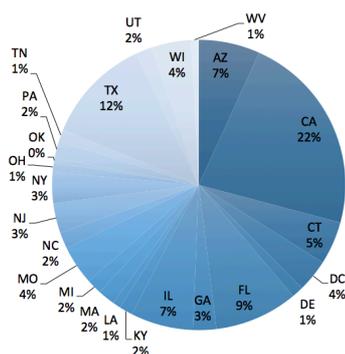
*** Past performance is not an indicator of future performance***

GROWTH OF AUD 50,000 INVESTMENT



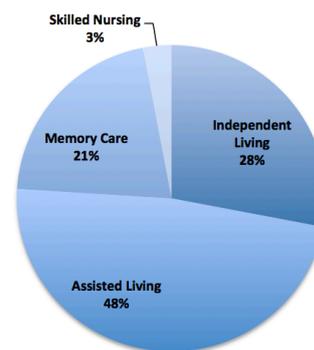
Performance and Growth table and chart are based on an investment made at the Fund’s first issuance of units in June 2014 at \$1.00 per unit and includes Unit Price growth plus cash Distributions. Performance figures and growth chart do not assume the re-investment of Distributions back into the Fund as the Fund was not open to re-investment. Unit Prices and Performance figures do not include the value of Foreign Income Tax Offsets (FITOs) which have been distributed in addition to cash. 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 TYPE*



FUND DETAILS

Fund Size (AUDm):	\$76.06	Liquidity:	Nil - Closed-ended fund
APIR Code:	ETL0412AU	Fund Manager:	Spire Capital Pty Limited
Commencement:	20 May 2014	Investment Manager:	Bridge Investment Group, LLC
Zenith Research Rating:	Highly Recommended (Original rating, now lapsed as closed)	Responsible Entity:	Equity Trustees Limited
Unit Price:	\$1.3057	Base Management Fee:	0.58% p.a. x NAV
Distribution Frequency:	Annually as at 30 June	Underlying Fees:	2% of Committed Equity
2018 Distribution (CPU):	8.31 + 0.37 FITOs	Underlying Performance Fee:	20% of realised profits after an 8% preferred return is paid to Limited Partners
2017 Distribution (CPU):	2.07 + 0.32 FITOs	Application Status:	CLOSED

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 Underlying Fund Net Asset Values as at 31 March 2018. 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 31 March 2018

Metric	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Committed Capital (USD)	15M	20M	25M	51M										
Invested Capital %*	11.2%	23.0%	24.2%	42.6%	42.6%	42.6%	64.8%	64.8%	75.9%	83.9%	87.6%	94.0%	96.5%	96.5%
IRR on Called Capital	NM	3.6%	6.6%	7.8%	7.6%	8.0%	8.5%	7.3%						
Equity Multiple on Called Capital	0.74x	0.9x	0.94x	0.96x	0.99x	0.99x	0.99x	1.04x	1.08x	1.1x	1.12x	1.13x	1.16x	1.16x

*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 support of the Bridge Seniors Housing & Medical Properties Fund LP (“Bridge Seniors Fund I” or the “Partnerships”). We are pleased to share with you the Quarterly Report for the period ending June 30, 2018.

VIEWS ON THE SENIORS HOUSING MARKETS

Bridge’s seniors housing strategy is positioned for long-term 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 fastest since 2014 (Bureau of Economic Analysis & US Department of Commerce, as of Q-2 2018). Employment also sustained solid growth; an average of more than 200 thousand 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 US 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 since WWII, and we have yet to match the average trough-to-peak GDP gain of 25.13%, and we are well below the 42.5% achieved the 1991-2001 recovery (Moody’s Analytics, as of July 2018).

While the U.S. economy remains strong, the Seniors Housing market has experienced a national decline in occupancy, primarily stemming from significant inventory growth over the last 10 quarters. Much of this oversupply is seen in the assisted living category, with occupancy falling to just over 85%, its lowest rate since 2005. Although Seniors Housing occupancy declined in Q-2, absorption of supply remained strong at 2.4%, and construction starts slowed by .7% to 6.3% of supply during the quarter. Rent growth for the industry rose to 2.7% annualized during the quarter, in line with the U.S. inflation rate of 2.7%. For our third-party managers who staff and manage our properties, the strong employment market and seniors housing supply growth has put pressure on the labor market, with talent sourcing and development becoming a key focus. As a result, labor costs grew 5.1% year-over-year in assisted-living hourly wages, putting additional pressure on operating cash flows. We have found that these pressures are driving significant distinctions between our third-party managers in their ability to execute our plans.

Bridge Seniors Fund I has limited exposure to the markets with highest concentrations of supply growth, and experienced positive occupancy growth over the last year, particularly as the execution of the value-add investment strategy continued. While the Fund’s Assisted Living occupancy is 86.1%, above the industry average of 85.2%, 50 of the 57 owned properties are in local markets with stabilized market occupancies of more than 88%, providing ample opportunity to enhance income. The unprecedented long-term demographic trends continue to lend confidence to long-term occupancy growth as the population ages. We would note that the first baby boomers will begin to turn 75 in 2021, with the 75+ population continuing to grow significantly for the next 20 to 30 years. This population continues to strengthen, with the number of seniors growing from 19.84 million in 2014 to 26.56 million in 2023.

INVESTMENT ACTIVITY & OPERATIONAL UPDATE

As of June 30th, 2018, Bridge Seniors Fund I has called 95% of the Partnerships' available capital, and has made 57 investments in 24 states across the U.S., with a total capital allocation of \$1.7 billion. Bridge Seniors Fund I is fully allocated at 95% of commitments, and we do not anticipate making any more new investments; however, planned capital investment, uninsured repair costs and performance enhancements into currently owned assets may require additional capital calls, or may be funded from total cash flow.

As we season the portfolio and continue to make progress toward attractive asset-level returns, we are optimizing the return of capital and realized gains through strategic re-financings and property sales. Refinanced debt on Orchard Park of Kyle, Orchard Park of Victory Lakes, Maristone Franklin, Maristone Providence and Watercrest of Lake Nona recently yielded proceeds of \$24 million. During the second quarter we also amortized \$3 million of the portfolio's debt, and \$4.6 million year-to-date.

We have begun harvesting investments, with two properties under contract to sell late in the third quarter, and two properties under an LOI to sell in the fourth quarter. Four to six additional properties are being marketed, some of which could sell before the end of 2018. It is our expectation that we will harvest between 3%-6% of your committed capital amounts in the coming months from these dispositions.

Assuming all four of these properties sell as planned, we would achieve the following:

- The Windham, a 200-unit IL/AL/MC community in Fresno, CA is under contract to close in September. The community is 100% owned by the fund and would deliver an asset level IRR return of approximately 29%; providing capital for fund reserves, capex and future distributions.
- Three non-strategic properties in the Meridian portfolio are under contract or Letter of Intent, including Riverside, a 110-unit AL community in Riverside CA (under contract) and two additional communities (under LOI and subject to confidentiality). If closed at the contract/LOI values, the Fund would eliminate T12 negative cash flow of \$1.3 million, preserve an expected 15% total return IRR for the Meridian Portfolio, and provide meaningful capital for reserves, capex and future distributions.

We continue to actively manage the portfolio and have made a number of necessary changes to underperforming third-party managers to improve performance. We expect to make further changes in the near future. Since Q-4 2017 we have made management changes at 12 properties, which are being rebranded and repositioned. While we are confident these are the correct and necessary changes, it takes time to see the positive results we believe can be made with these manager transitions. In addition to making changes in our third-party managers, Bridge is evaluating and implementing many new programs designed to help our third-party managers not only identify early issues that impact the performance of our assets, but will add value to our properties by helping our managers achieve our mutual performance goals. Specific programs related to sales staff, sales training and lead generation are all underway. Given our observations of our assets and the occupancies in their submarkets, we remain confident that we will see occupancy growth and more attractive cash flow from the portfolio as these changes in third party management and other efforts take hold, even though we will incur certain one-time expenses in the second and third quarters associated with these changes.

Despite near-term operational challenges, we believe that the portfolio can achieve total returns commensurate with industry trends and the strategy outlined in our offering. We have made significant strides in changing our third-party manager composition and expect improvement in both occupancy and NOI as these changes take effect in the latter part of 2018 and into 2019.

Overall, we feel positive about our senior living investments, along with the activity in the specific markets where we operate. 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 Fund I. We look forward to continued success.

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

With Best Regards,

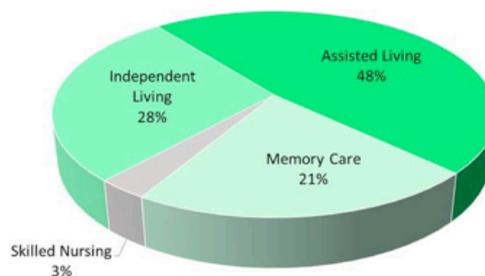


Phillip Anderson
 Chief Investment Officer
 Bridge Seniors Housing & Medical Properties Fund I

Bridge Seniors Fund I – 57 properties, 24 states



Unit Types	# of Units	Fund %
Assisted Living	3,151	48%
Independent Living	1,846	28%
Memory Care	1,423	21%
Skilled Nursing	209	3%
Total	6,629	100%



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 Seniors Housing and Medical Properties 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

