

SPIRE GLOBAL PRIVATE REAL ESTATE
**SPIRE USA ROC SENIORS HOUSING AND
 MEDICAL PROPERTIES FUND II (AUD)**
 MONTHLY FACTSHEET - AUGUST 2018



OVERVIEW

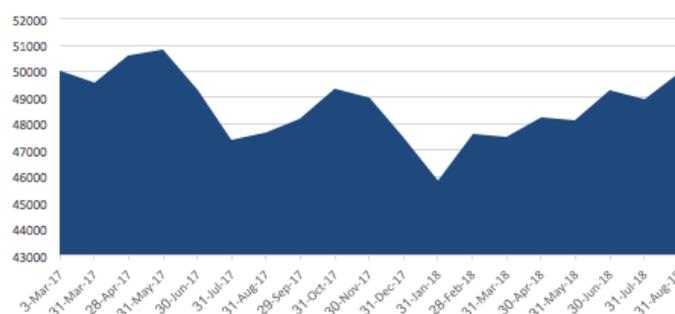
The Fund was established in 2017 and acts as an unhedged Australian feeder fund into the assets of of Bridge Seniors Housing & Medical Properties Fund II LP (“Bridge Seniors II”). Bridge Seniors II is a US\$1.05 billion (equity) “buy, fix, sell” private equity real estate fund, investing in value-add 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 16 separate seniors housing assets located across nine US states, 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 August 2018
 Based upon underlying fund data as at 31 March 2018

Unit Price	1 month	3 months	1 year	5 years	Inception (p.a)
\$1.3132	2.00%	3.68%	4.70%	N/A	-0.10%

GROWTH OF AUD 50,000 INVESTMENT¹

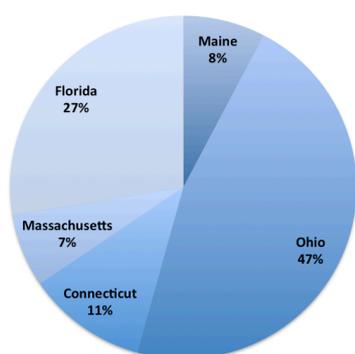


** Past performance is not a reliable indicator of future performance**

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.

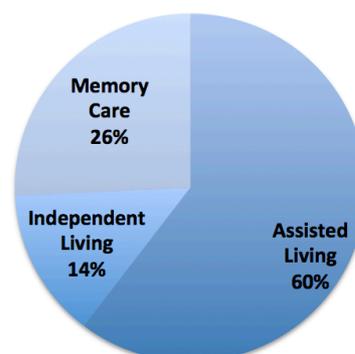
1. Assumes investment on the date of the first issuance of units i.e. 3rd March 2017

REGIONAL BREAKDOWN*



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

ASSET TYPE*



FUND DETAILS

Fund Size (AUDm):	\$66.40
APIR Code:	ETL1507AU
Commencement:	17 February 2017
Zenith Research Rating:	Recommended (Original rating, now lapsed as closed)
Unit Price:	\$1.3132
Distribution Frequency:	Annually as at 30 June
Liquidity:	Nil - Closed-ended fund
2018 Distribution (CPU):	0.6764 + 0.00 FITOs

Fund Manager:	Spire Capital Pty Limited
Investment Manager:	Bridge Investment Group, LLC
Responsible Entity:	Equity Trustees Limited
Base Management Fee:	0.60% 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 2.7172% 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 Q1, 31 March 2018 - US Dollar denominated

*Invested Capital as a percentage of Committed Capital

Metric	Q3 2017	Q4 2017	Q1 2018
Committed Capital (USD)	\$49.5M	\$49.5M	\$49.5M
Invested Capital %*	12.0%	12.0%	12%
IRR on Called Capital	N/A	N/A	N/A
Equity Multiple on Called Capital	N/A	0.88x	0.89x

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 II LP (“Bridge Seniors Fund II” or the “Partnerships”). We are pleased to share with you the Quarterly Report for the period ending June 30, 2018.

IEWS 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 inventory 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 II 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. 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 II has called 20% of the Partnerships’ available capital, and made 17 investments in 11 states across the U.S. The 1,933 units across these 17 investments have a total capital allocation of \$530 million and are projected (based on our assumptions) to yield an average three-year cash-on-cash return of 8%, and an asset- level 18% IRR on invested equity.

During the quarter ending June 30th, 2018, Bridge Seniors Fund II acquired one property and identified, contracted and performed due diligence on five additional seniors housing communities (561 units). Those five properties closed in the third quarter and represent \$160 million of total capital allocation. We look forward to providing more detail on future investments in our Q-3 report. The acquired property is:

- Hearthside Senior Living, an Assisted Living and Memory Care seniors housing community in an affluent sub-market of Memphis, TN The properties acquired in Q3 are:
- Mt. Bachelor MC, a 56-unit Memory Care seniors housing community located in Bend, Oregon
- Mt. Bachelor ALMC, a 100-unit Assisted Living and Memory Care seniors housing community located in Bend, Oregon
- The Village at Keizer Ridge, a 126-unit Assisted Living and Memory Care seniors housing community located near Salem, Oregon
- Arbour Square of West Chester, a 149-unit Independent Living, Assisted Living, and Memory Care seniors housing community in Philadelphia, PA
- Pine Grove Crossing, a 131-unit Assisted Living and Memory care seniors housing community in Denver, CO

While the market remains competitive, we continue to source high-quality deals in excellent markets and maintain a significant pipeline of new acquisition opportunities. It is important to note that aggressive market pricing from certain investors has been a limiting factor in our deployment pace. In the past quarter, transactions pursued and acquired/contracted by others reflected average valuations of over \$500,000 per unit, with total returns well below our historical thresholds.

In spite of that competition, we continue to succeed in certain markets with individual properties and also find ourselves increasingly competitive on portfolios that smaller investors cannot fund. Looking forward, we anticipate investing at a pace that results in approximately 90%-93% of capital called through 2020. Capital calls of 6%-10% per quarter should be expected. The pace will be influenced by the timing of portfolio acquisitions currently under consideration, which range from \$200M to \$500M in total capitalization.

In spite of a slower-than-expected deployment pace, we believe the portfolio assembled 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.

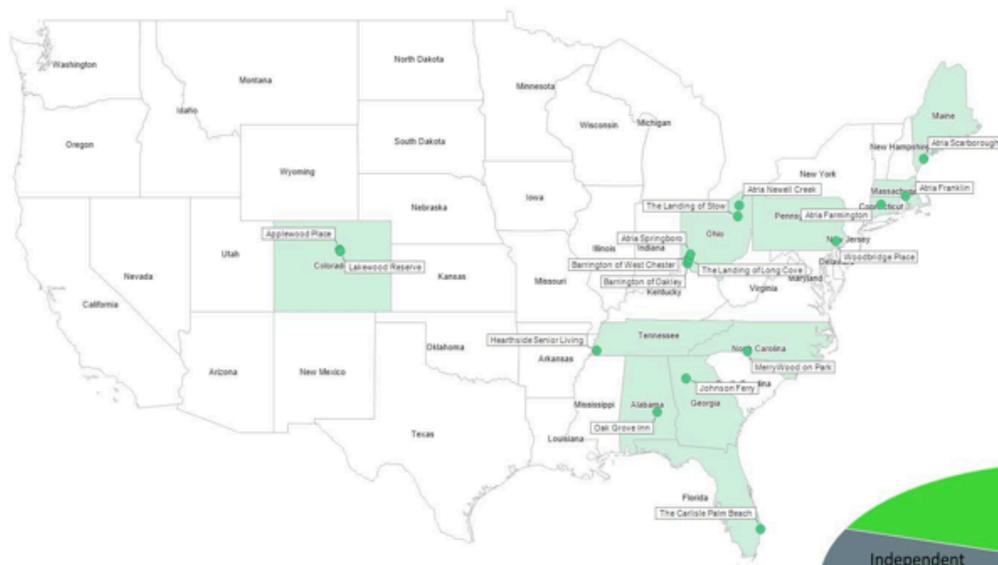
We appreciate your support as our Partner and are gratified by the progress we have been able to achieve to date in Bridge Seniors Fund II. We look forward to continued success. If you have any questions regarding Bridge Seniors or your investment, please do not hesitate to contact us or our Australian partner Spire Capital.

With Best Regards,

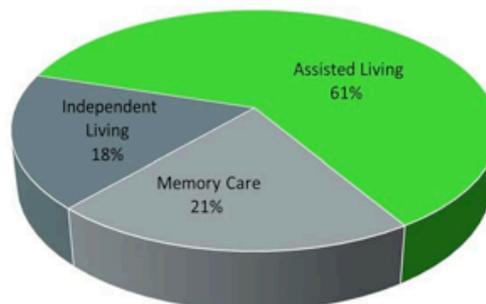


Phillip Anderson
Chief Investment Officer
Bridge Seniors Housing & Medical Properties II Funds

Bridge Seniors Fund II – 17 properties, 11 states



Unit Types	# of Units	Fund %
Assisted Living	1,187	61%
Independent Living	349	18%
Memory Care	397	21%
Skilled Nursing	-	0%
Total	1,933	100%



CONTACT US

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Important Information

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