SPIRE GLOBAL PRIVATE REAL ESTATE

SPIRE USA ROC III FUND (AUD)

MONTHLY FACTSHEET – MAY 2019

MONTHLY UPDATE

Positively affecting the unit price during the month of May was the net 3.27% increase across the portfolio in the total book value of Bridge MF III Investment assets recorded for Q1. Also positively affecting the unit price during the month of May was the 1.56% decrease in the value of the Australian dollar against the USD dollar from US$0.7039 to US$0.6929. The Fund does not hedge currency exposure.

The Unit Price reflects the Q1 Underlying Fund Net Asset Values as at 31 March 2019.

PERFORMANCE (NET OF FEES)

Ordinary Unit Class as at 31 May 2019
Based upon underlying fund data as at 31 March 2019

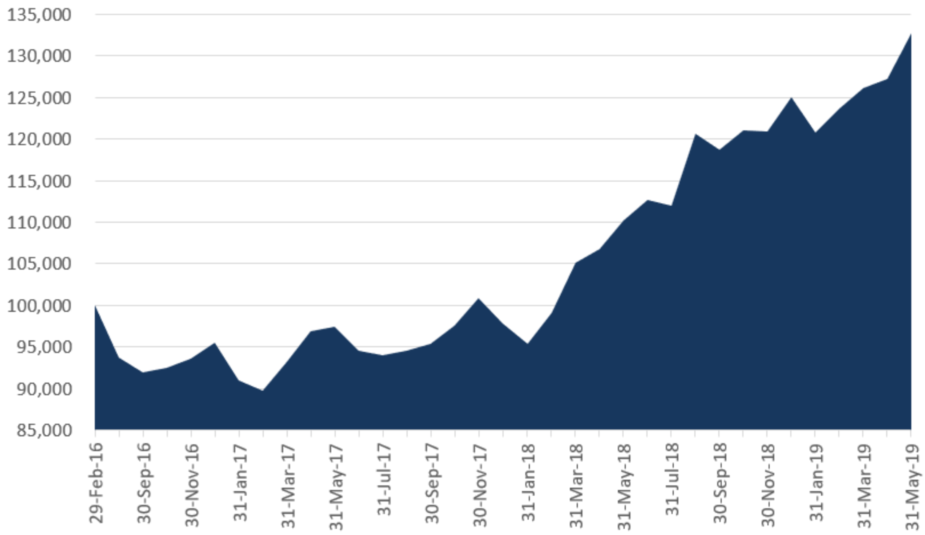
	1 month	3 months	1 year	5 years (p.a)	Inception (p.a)
Net returns	4.36%	7.36%	20.52%	N/A	9.11%

Monthly Unit Price Movement Breakdown	
Underlying investment	3.16%
Foreign exchange	1.29%
Management fees	-0.04%
Other income and expenses	-0.05%
Total Movement	**4.36%**

Asset Allocation as at 31 May 2019	
Cash AUD	1.70%
Cash USD	11.40%
Investments USD	86.90%

Unit Price as at 31 May 2019	
Unit price (excluding FITOs)	$1.2094
Est. FITOs	$0.0219
Unit price plus est. FITOs	$1.2313

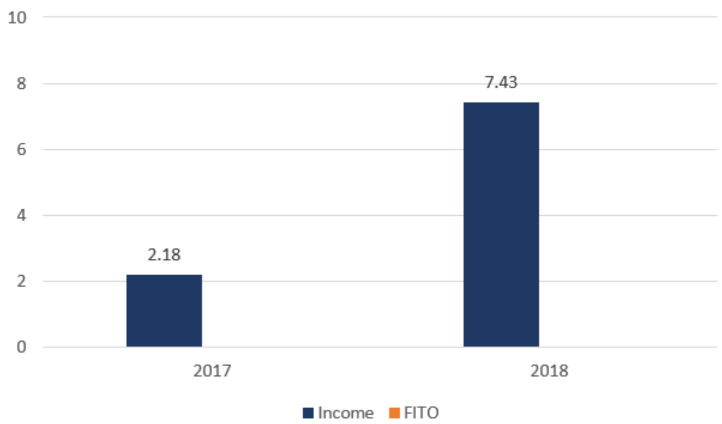
GROWTH OF AUD 100,000 INVESTMENT



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

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

DISTRIBUTION CPU



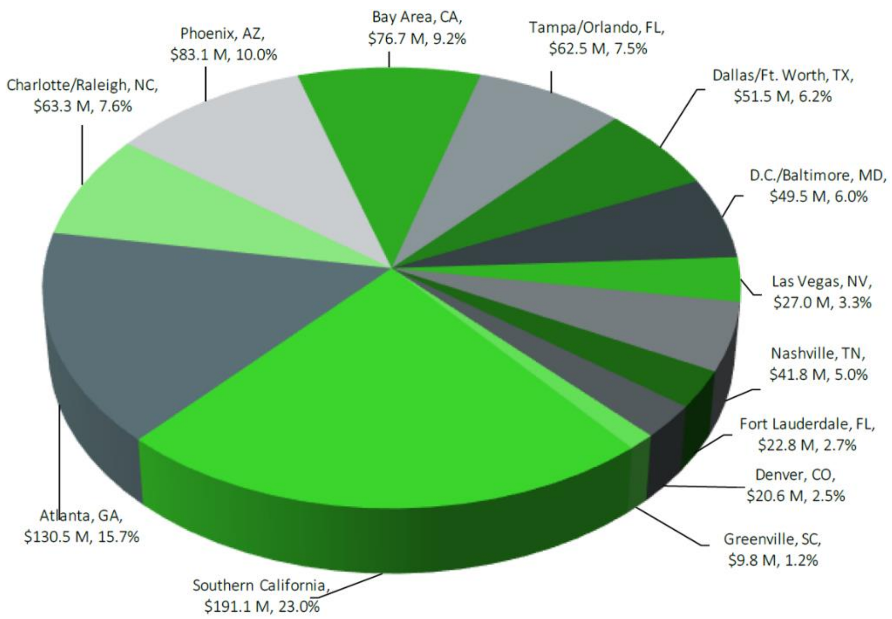
FUND DETAILS

Fund Size (AUDm):	$91.80m
APIR Code:	ETL0460AU
Commencement:	18 March 2016
Zenith Research Rating:	Highly Recommended (Original rating, now lapsed as closed)
Unit Price:	$1.2094
Distribution Frequency:	Annually as at 30 June
Application Status:	CLOSED

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.
Liquidity:	Nil - Closed-ended fund

REGIONAL BREAKDOWN*

**Underlying Fund investments by Equity invested as at 31 March 2019*



Q1 INVESTOR LETTER FROM BRIDGE INVESTMENT GROUP

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

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 March 31, 2019.

VIEWS ON THE MULTIFA MILY AND COMMERCIAL OFFICE MARKETS

As we exit the first quarter of 2019, Bridge’s multifamily and office strategies remains well-positioned for success. A growing U.S. economy, strong household formation rates, and steady job growth continue to bolster the investment landscape and defy media expectation. Furthermore, Bridge’s refinement of data-driven investment analytics has amplified our ability to select high performing markets. These factors have allowed Bridge’s assets to maintain strong fundamentals amid an evolving financing environment this quarter.

Real gross domestic product is estimated to grow by an annualized rate of 3.2% as of the first quarter of this year.[i] Notably, this forecast is a revision up from previous projections and tracks similarly to the outsized growth seen in the third quarter of 2018. The quarter's annualized growth remains above the current expansion's average of 2.18%.[ii] Employment has also sustained significant growth with an average of 180,000 jobs created per month in 2019.[iii] As of today, the economic expansion remains the second-longest running expansion in U.S. history, and at 118+ months is poised to break the 120-month record set from 1991 to 2001. That said, the current expansion has been the slowest-growing recovery of the 11 since WWII.[iv] Although GDP has grown 24.5% since the last trough, we have yet to reach the average trough-to-peak gain of 25.13%, and we are well below the 42.5% gain achieved in the 1991-2001 expansion.[v] This slow and steady growth suggests the expansion will continue for the foreseeable future.

The Federal Reserve has not broken message since moderating its position on interest rates earlier in the year. In conjunction with holding the Fed Funds rate steady in March 2019, the FOMC lowered expected 2019 hikes from two to zero. The change has been largely met with investor optimism, as reflected in the public equity markets, and the reprieve from interest rate hikes provides flexibility to Bridge's financing activities. Notwithstanding eight interest rate moves since between late 2016 and 2018, U.S. cap rates remain flat to down in Commercial Real Estate Markets.[vi]

The strength in the U.S. economy bodes well for apartment demand, and our business strategy continues to see significant tailwinds. As of the first quarter, multifamily supply over the past four quarters was approximately 301,000 units. Although this represents a marginal decrease of about 2% quarter-over-quarter, there are roughly 420,500 units in the construction pipeline as of Q1 2019.[vii] While this is the highest pace of pipeline activity seen in nearly a decade, there is an observable deceleration in multifamily permits as Q1 2019 saw a 43.74% decrease with 56,731 multifamily permits recorded.[viii] While new overall supply has been consistent over the past several years across the country, we continue to see an overabundance of newer Class A stock relative to its Class B counterpart.[ix] The disproportionate amount of Class A units in pipeline creates some concern in the short-run for Class A supply/demand balance, but nationally overall unit deliveries continue to be below Bridge's internal demand projection of 328,000 units on an annual basis. Net of obsolescence, which could range from 0.5% to 1.0% of existing stock annually, our net demand expectations range from 425,000 to 500,000 units per year.[x] This also speaks to the favorability of Bridge's high touch, value-add approach, which privileges Class B acquisitions with better fundamentals. As of the first quarter of 2019, Class B apartment occupancy was 317 basis points higher than that of Class A properties including recent market deliveries in lease up,[xi] and the effective rent gap per unit between Class A and Class B apartments in dollars has grown by over 18% since 2013 and currently stands at $489.[xii]

Multifamily transaction volume remained positive with the quarter-end closing 1% higher than Q1 of 2018. Total nominal transaction volume totals $36.4B this quarter with $175.2B in activity over the past four quarters. The marginal increase was driven primarily by large portfolio sales, which buoyed this quarter despite a decrease in single-asset activity. The RCA Multifamily Commercial Property Price Index (CPPI) posted an 7.3% year-over-year gain, with cap rates compressing to 5.4% (down 20 basis points since this time last year).[xiii]

Office demand has also benefited from the healthy U.S. economy, but oversupply has not been an issue in Bridge markets. As a result, market fundamentals remain strong. Occupancy rates across all Bridge Office Target Markets are at 90.2%, which is near the peak of the expansion compared to the low of 85.4% seen during the last downturn.[xiv] Over the 2019 horizon, occupancy and asking rent growth rates for the Bridge Office Target Markets are expected to be 90.3% and 3.17%, respectively.[xi] The national forecast for occupancy is expected to be similar, with the Office NOI Index rising nearly 4.15% by the end of 2020. Bridge Office Target Markets are expected to see a 6.27% increase in the NOI Index over the same period.[xi]

Transaction volumes for office real estate totaled $25.6 billion this quarter, which is a 14% decline from this time last year. However, activity has picked up in the later part of the quarter and is expected to continue at a solid pace throughout the year. While the nominal transaction amount remains tepid, prices have continued to rise for suburban offices.[vi] RCA's CPPI index shows a 5.2% annual increase in pricing from this point last year.[vi] Noticeably, the price growth for suburban properties has far outpaced CBD assets, which have grown 100 basis points slower over the same period.[vi] The finding is substantial as it bolsters Bridge's office selection thesis. When considered in conjunction with office cap rates, which remain flat, the trend in office fundamentals continue to create an attractive environment for capitalizing on value-add investments across prime business centers and secondary markets.

INVESTMENT ACTIVITY UPDATE

As of March 31, 2019, 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 March 31, 2019, Bridge Multifamily III Funds realized three assets:

- Artesian on Westheimer, a 660-unit apartment community in Houston, Texas, which was 20% owned by the Fund, closed on February 28, 2019 resulting in a gross IRR of 3.91% versus a pro-forma IRR of 16.93%, a multiple of 1.16x versus a pro-forma multiple of 2.34x.
- Forest Cove, a 646-unit apartment community in Atlanta, Georgia, which was 100% owned by the Fund, closed on March 28, 2019 resulting a gross IRR of 55.54% versus a pro-forma IRR of 23.09%, a multiple of 3.38x versus a pro-forma multiple of 2.09x.
- 800 Fairway, an 176,890 sq. ft. commercial office asset in Deerfield Beach, Florida, which is 90.0% owned by the Fund, closed on February 21, 2019 resulting in a 18.51% IRR versus a pro-forma IRR of 20.60%, a multiple of 1.65x versus a pro-forma multiple of 2.08x.

In Q2 2019 we began the disposition of selected assets and anticipate closing on the sale of eight multifamily assets and two commercial office assets by the end of Q2 2019. These sales should return approximately $160.4 million of Fund equity and $103.6 million of net gain on sale.

- Rodgers Forge, a 497-unit apartment community in Baltimore, Maryland, which is 90.3% owned by the Fund, closed on April 26, 2019 resulting in a 16.07% IRR versus a pro-forma IRR of 17.17%, a multiple of 1.54x versus a pro-forma multiple of 1.55x.
- Beacon Hill, a 349-unit apartment community in Charlotte, North Carolina, which is 68.9% owned by the Fund, closed on Apr 30, 2019 resulting in a 48.37% IRR versus a pro-forma IRR of 16.52%, a multiple of 1.81x versus a pro-forma multiple of 1.73x.

- Promenade Terrace, a 330-unit apartment community in Corona, California, which is 100.0% owned by the Fund, closed on Apr 30, 2019 resulting in a 23.02% IRR versus a pro-forma IRR of 18.40%, a multiple of 1.77x versus a pro-forma multiple of 1.39x.
- Ridgeview, a 320-unit apartment community in Moreno Valley, California, which is 100.0% owned by the Fund, closed on Apr 30, 2019 resulting in a 40.91% IRR versus a pro-forma IRR of 20.35%, a multiple of 2.23x versus a pro-forma multiple of 1.94x.
- Preserve at Lakeland Hills, a 432-unit apartment community in Lakeland, Florida, which is 100.0% owned by the Fund, closed on April 30, 2019 resulting in a 27.72% IRR versus a pro-forma IRR of 18.87%, a multiple of 1.84x versus a pro-forma multiple of 1.85x.
- Amara at Metrowest, a 411-unit apartment community in Orlando, Florida, which is 77.7% owned by the Fund, is targeted to close on May 22, 2019 resulting in a 29.91% IRR versus a pro-forma IRR of 17.14%, a multiple of 2.70x versus a pro-forma multiple of 1.75x.
- Monte Viejo, a 480-unit apartment community in Phoenix, Arizona, which is 82.0% owned by the Fund, is targeted to close on June 20, 2019 resulting in a 29.34% IRR versus a pro-forma IRR of 19.76%, a multiple of 2.00x versus a pro-forma multiple of 1.91x.
- Ashford Place, a 452-unit apartment community in Charlotte, North Carolina, which is 100.0% owned by the Fund, is targeted to close on July 23, 2019 resulting in a 36.38% IRR versus a pro-forma IRR of 18.48%, a multiple of 2.27x versus a pro-forma multiple of 1.83x.
- Westshore 500, a 130,350 sq. ft. commercial office asset in Tampa, Florida, which is 90.0% owned by the Fund, is targeted to close on May 29, 2019 resulting in a 18.85% IRR versus a pro-forma IRR of 19.50%, a multiple of 1.94x versus a pro-forma multiple of 1.86x.
- Fairview Center, a 182,759 sq. ft. commercial office asset in Charlotte, North Carolina, which is 80.0% owned by the Fund, is targeted to close on June 10, 2019 resulting in a 19.84% IRR versus a pro-forma IRR of 18.70%, a multiple of 1.64x versus a pro-forma multiple of 2.11x.

OPERATIONAL UPDATE

As of March 31, 2019, the Fund multifamily portfolio is within 0.9% of our life-to-date NOI forecast. Our ongoing 2019 budgeted projections for the portfolio continue to demonstrate significant results. The multifamily portfolio was 92.6% leased as of March 31, 2019, reflecting the fact that we are in the repositioning mode at a number of assets, with extensive renovations still underway. The commercial office portfolio was 83.4% leased as of March 31, 2019 and saw significant leasing activity during the quarter. Principally, Brookfield Corporate Center saw an 84,206 sq. ft. lease renewal of GE Renewables for seven years; in-line with our pro-forma, this renewal has stabilized the asset, and it is currently under negotiations to close in the third quarter of 2019. Recurring cash flow from the combined portfolio continues to be stronger than expected.

Overall, we feel positive about our commercial office and multifamily investment operations, along with the activity in the specific markets in which we are operating. We appreciate your support as our Partner and are gratified by the progress we have been able to achieve to date in the Bridge Multifamily III Funds. We look forward to continued success.

During Q2 2018, we launched Bridge Multifamily IV, and have secured commitments totaling $493.2 million, with $443.2 million callable as of March 31, 2019. So far, the Fund has called approximately 60.23% of callable commitments and made 16 investments in high-growth cities in Texas, Georgia, Washington, Arizona, California, Washington, and Nevada, with another one investment under contract. Although in the early stages of implementing our capital improvement program, we feel positive about the prospects of Bridge Multifamily IV.

If you have any questions regarding Bridge Multifamily III Funds or your investment, please do not hesitate to contact Spire on 02 9047 8800.

With Best Regards,

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

[i] Bureau of Economic Analysis, as of Q1 2019
[ii] Moody's Analytics, Real GDP, as of Q1 2019
[iii] Bureau of Labor Statistics, as of April 2019
[iv] National Bureau of Economic Research (NBER)
[v] Moody's Analytics & NBER, as of Q1 2019
[vi] Real Capital Analytics, Cap Yield Report, as of Q1 2019
[vii] Axiometrics, as of Q1 2019
[viii] Axiometrics, as of Q1 2019
[ix] Bridge Investment Group Research, as of Q1 2019
[x] National Multifamily Housing Council, US Apartment Demand – A Forward Look, May 2017; Bridge Investment Group Research, as of Q1 2019
[xi] CoStar Analytics, as of Q1 2019
[xii] Axiometrics, as of Q1 2019
[xiii] Real Capital Analytics, Apartment Capital Trends Report, as of Q1 2019
[xiv] CoStar Analytics, as of Q1 2019

SPIRE USA ROC III FUND (AUD)

MONTHLY FACTSHEET – MAY 2019

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 93% 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.

SPIRE FUNDS CURRENTLY OPEN FOR INVESTMENT:

Spire USA Multifamily Fund IV (AUD)

AVAILABLE TO WHOLESALE INVESTORS ONLY

Fact Sheet (click to download)

Zenith Research Report: "Recommended" (click to download)

Term Sheet (click to download)

Information Memorandum (click to download)

Interactive Application Form (click to download)

CLOSE DATE: 30 September 2019 (subject to allocation)

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

CONTACT US

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