

Monthly Update

Positively affecting the unit price during the month of August was the 0.16% net increase across the portfolio in the total book value of Bridge Seniors Investment assets recorded for Q2. Negatively affecting the unit price during the month of August was the 3.12% increase in the value of the Australian dollar against the USD dollar from US\$0.7172 to US\$0.7396. The Fund does not hedge currency exposure.

The Unit Price reflects the Q2 Underlying Fund Net Asset Values as at 30 June 2020.

Performance (Net of Fees)

Ordinary Unit Class as at 31 August 2020
 Based upon underlying fund data as at 30 June 2020

1 month	3 months	1 year	3 years (p.a)	5 years (p.a)	Inception (p.a)
-2.94%	-10.27%	-7.94%	6.31%	2.10%	6.09%

Unit Price as at 31 August 2020	
Unit price (excluding FITOs)	\$1.3154
Est. FITOs	\$0.0000
Unit price plus est. FITOs	\$1.3154

Asset Allocation as at 31 August 2020	
Cash AUD	0.06%
Cash USD	1.26%
Investments USD	98.68%

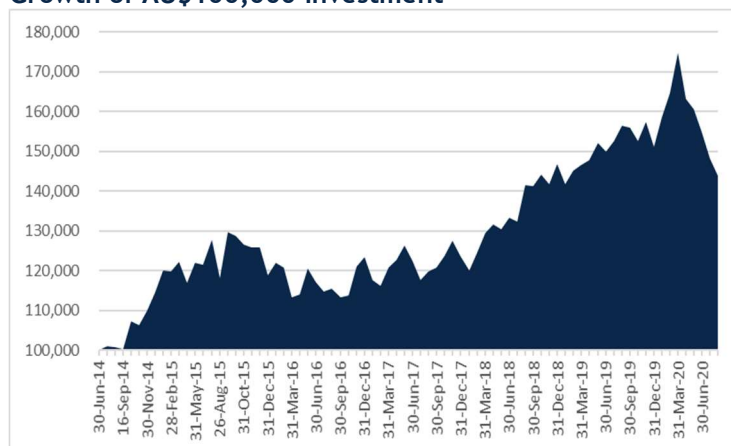
Returns including FITOs* (Net of Fees)

Since Inception Annualised (p.a)	Net excluding FITOs	Net including FITOs
30 June 2020	7.54%	7.72%
30 June 2019	8.44%	8.63%
30 June 2018	7.48%	7.65%
30 June 2017	6.97%	7.10%
30 June 2016	8.29%	8.35%

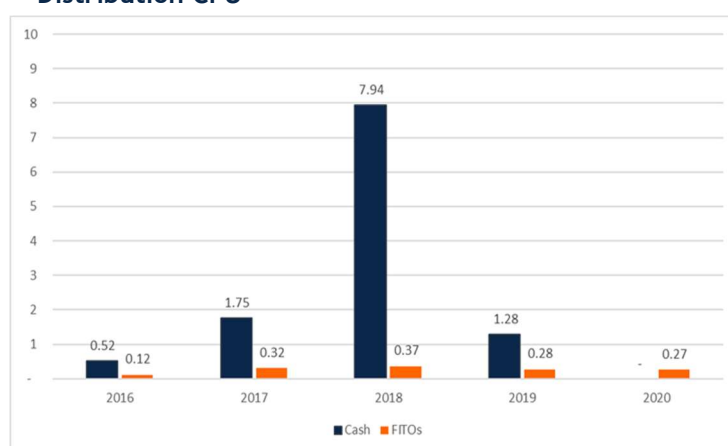
*Foreign Income Tax Offsets

Monthly Unit Price Movement Breakdown	
Underlying investments (incl. cash and distributions)	0.15%
Foreign exchange	-3.03%
Fees and expenses	-0.06%
Total Movement	-2.94%

Growth of AU\$100,000 Investment*



Distribution CPU



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 first issuance of units in June 2014 at \$1.00 per unit and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising in December 2015. Unit Price and performance 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.

Fund Details

Fund Size (AUDm):	\$76.62m
APIR Code:	ETL0412AU
Commencement:	20 May 2014
Zenith Research Rating:	Highly Recommended (Original rating, now lapsed as closed)
Unit Price:	\$1.3154
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

Q2 2020 Investor Letter from Bridge Investment Group

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

Thank you for your support of the Bridge Seniors I Funds (the “Fund” or the “Partnerships”). We are pleased to share with you the Quarterly Report for the period ending June 30, 2020.

FUND PERFORMANCE SUMMARY

As of quarter end, the Bridge Seniors I Funds have achieved a 10.1% gross IRR and 6.4% net IRR. While the Bridge Seniors I Funds have produced cash flow well in excess of debt service and expenses translating to a debt service coverage ratio of 2.1x YTD, we have delayed distributions as we continue to reserve for uncertainties and reduce our leverage. We expect that Bridge Seniors I will recommence regular distributions in Q1 2021 as the need for additional reserves diminishes and as dispositions occur.

Please refer to the Performance Summaries in the enclosed materials. Investors should note the following key points pertaining to performance metrics:

1. While the Bridge Seniors I Funds’ life runs until 2024 or 2026 if extensions are exercised, we expect to resume an orderly disposition strategy as occupancies rebound, intending to achieve a substantial return of capital during 2021 and 2022, as further outlined in the investment activity section below.
2. The valuation, and corresponding total return metrics, are reflective of the hold period, value-add strategy, and added conservatism in the valuation process as influenced by COVID-19.
3. Given the limitations of callable capital at this stage in the Bridge Seniors I Funds, we have continued to increase our cash reserves and reduce our leverage until we see more certainty. As disposition activity increases, we expect to resume distributions.

VIEWS ON THE SENIORS HOUSING MARKETS AT Q2 2020 QUARTER END AND IMPACTS OF COVID

COVID-19 has shined a bright light on the need for high-quality care and housing for our elderly population. The essential needs-based fundamentals supporting Seniors Housing continue to strengthen through the convergence of cost-effective care delivery and the unprecedented demographic shift in the aging population. Consumers are highly focused on operators’ infectious disease control, safety and wellness, which has created an incredible value proposition in our communities. Often overlooked, the social engagement component has been further illuminated by the COVID-19 crisis as residents who have been serviced by at-home care have experienced difficulty handling isolation, further accelerating the demand for well-managed communities where resident needs are met, and socialization and sense of community are engrained into everyday living.

While the private-pay Seniors Housing sector has been impacted by COVID-19 in Q2 2020, Seniors Housing has demonstrated significant resiliency over the prior quarter. Bridge Seniors I portfolio performance has exceeded the forecast established at the beginning of the quarter and, with a few exceptions, is well positioned to recover. Most notably, demand has rebounded indicating the needs-based nature of seniors housing.

The second quarter of 2020 began with a total focus on ensuring the health and safety of residents and staff. We took a proactive approach to securing personal protective equipment and implementing safety protocols across our communities. These actions, as well as our onsite frontline heroes and resident caretakers, protected our residents. The peak number of residents directly impacted by the virus to date has been 1.5% of the total population in our communities and has since declined to .5%. We maintain vigilance with respect to the proactive care and safety protocols in our communities and will continue these best practices going forward.

The safety protocols included closing properties to move-ins and limiting visitation to essential personnel. While many important protocols remain in-place, all properties are now accepting new move-ins and new methods for visitation are working well.

Nevertheless, COVID-19 had an impact on net operating income as occupancy dropped and non-recurring COVID-19 expenses were incurred. Despite these impacts, cash flow held its ground relative to prior quarter mainly as a result of an intentional reduction of controllable expenses and declining interest expense.

Soon after safety protocols were established, we shifted our focus to regaining occupancy. While we lost 5.6% of occupancy from March to August, demand has bounced back. During the month of July, the portfolio had **127 move-ins** which is nearly double the amount of April and May and 80% of pre-COVID-19 average monthly levels. It will take some time to regain occupancy but the outlook for both our portfolio and the industry is bright, and the sector has proven its resiliency. The pace with which demand rebounded, combined with year-to-date annualized rent growth of over 3% and lack of collection issues, is indicative of such.

As we look forward, there are some positive residuals from the pandemic. These include the reversal of two major headwinds the industry faced over the past several years - increasing supply growth and labor pressure.

As noted in prior communications, the sector experienced outsized supply growth from 2014 through 2017. The tapering of construction starts over the past two years is expected to slow dramatically as a result of COVID-19 putting significant limitations on construction financing. This comes as we enter a spike in the growth of the senior population. Over the next ten years, the senior population will increase at a rate over three times the prior ten years. In short, the equilibrium of supply and demand could accelerate by two to four years earlier than we had expected previously. This timing overlaps with the Bridge Seniors I hold period.

Labor is the other headwind moderated by the impacts of COVID. In the past several years, a strong employment market and growth in seniors housing supply created labor pressure that negatively impacted property level performance. Sourcing and retaining talent are not only key to resident satisfaction, but also to profitability, because payrolls are the single largest property expense. With unemployment rising in many sectors, Seniors Housing is one of the few industries hiring, and Bridge is finding ways to recruit and train talent from other industries.

Lastly, COVID-19 has put a premium on operations. The evolving customer considerations and concerns will create a divide between those operators that provide a high standard of care and those who do not. Providing the highest standard of care requires capital, infrastructure, scale, innovation, and commitment. Considering the fragmented nature of our sector, many operators simply aren't capable, or will lag behind. As a result, Bridge's vertically integrated approach is now even more differentiated and valuable. There are several key areas in which this structure is benefiting portfolio performance and investment decisions:

1. **Expense Efficiencies** – Our asset management approach in the prior quarter resulted in a 5% reduction in normal operating expenses, primarily in labor. The resources within Bridge Senior Living, including a dedicated Chief Talent Officer, allowed us to find operating efficiencies across the entire portfolio.
2. **Sales & Marketing** – The seniors housing customer has different considerations since COVID-19 and the sales process is now virtual. In order to adapt to the changing landscape, we've established a five-part sales and marketing program. The program is centered around creating leads, advancing leads, advancing tours (virtual), closing, and specialization particular to dementia care. This includes a portfolio-wide training series, for which 250 sales and care associates are participating, representing the majority of all property-level sales professionals.
3. **Protocols/PPE** – Early in the pandemic we leveraged our scale early to secure large quantities of personal protective equipment. Our firsthand experience in standardizing safety protocols has helped to institute best practices across all of our owned properties and operating partners. "Hero stories" from our front-line health care professionals emerge on a near-daily basis.
4. **Technology/Innovation** – In recent months we have used technology to enhance the resident experience through a mobile app for residents/families, as well as, through an engagement technology called Radio Recliner that allows our residents to "DJ" their own radio station. Of note, Radio Recliner was recently featured on "CBS This Morning" (www.radiorecliner.com).
5. **Investing** – with our vertically integrated team 100% focused on Seniors Housing, we are able to underwrite and value assets thoroughly and thoughtfully, further leading to our reputation as a reliable buyer in the eyes of the market.

The second quarter of 2020 will certainly be long-remembered in our sector; however, the takeaways are indicative that the value proposition for Seniors Housing is as compelling as ever and that Bridge's vertical integration has been key to mitigating the impacts of the virus, as well as, its ability to drive future results.

In this context, as has always been the case, Bridge operations continues to drive our outperformance. Throughout this crisis, we remain focused on clear investor communications, and have continued to follow up with webinars and communications as the months progressed. We will hold Q2 investor calls for our Funds the week of August 31st and look forward to your joining us.

INVESTMENT ACTIVITY & OPERATIONAL UPDATE

As of June 30, 2020, Bridge Seniors I had called 95% of the Partnerships' available capital and made 57 investments in 24 states across the U.S., with a total capital allocation of \$1.7 billion. Bridge Seniors I is fully allocated at 95% of commitments, and we do not anticipate making additional acquisitions. Planned capital investment, uninsured repair costs and performance enhancements into currently owned assets may require additional capital calls, although we anticipate most capital needs will be substantially, if not entirely, funded from total cash flow.

Occupancy as of the publishing of this letter was 77.6%. While the fall in occupancy from 83% at the end of Q1 2020 had a negative impact on revenue during the quarter, the impacts of COVID-19 in Q2 2020 were mitigated through reduction of normal operating expenses, of which these efficiencies are expected to continue going forward. In preparing for valuations for this period, we have looked at the portfolio's significant performance improvement in 2019 and into 2020. Several asset valuations have increased due to occupancy growth and increasing stability. Bridge Seniors I has made progress towards a new operator mix, which has reduced our outlook on risk. We also continue to evaluate the indirect and negative impact of COVID-19 on the general economy and the competitive landscape that affects several of our communities. In particular, the collapse of the oil economy has devastated the Odessa-Midland Texas region. We have acknowledged that reality in this quarter by significantly adjusting the pricing and the product mix of our Odessa community. While a rapid rebound may change our opinion, the Q2 2020 valuation for Odessa does not reflect a rebound during the holding period of Bridge Seniors I. Our asset management teams continue to make day-to-day adjustments in all of our properties to respond in real time to the opportunities and challenges of each market in a continuing effort to mitigate risks and secure the upside.

We continue to evolve our disposition targets as COVID-19 outcomes are becoming more understood. We are focusing on assets that had strong trends going into March, particularly those assets that have attractive agency debt - which actually brings value, with terms that are more favorable than currently available, including multiple years of term remaining, attractive spreads, significant interest-only terms, and fewer reserves and covenants. We are retaining brokers and potentially considering off market transactions on six assets representing approximately 6% of called capital. For planning purposes, given current conditions, we may only see assets representing 2-3% of called capital achieve pricing expectations and sell in the next six to nine months. We are also engaging with investment bankers and brokers on other assets, but timing is uncertain and dependent on pace of occupancy recovery.

Following are some key metrics to note during this extraordinary time:

- **New Move-Ins:** July ended strong with 125 Move-Ins, which is nearly back to pre-COVID-19 levels. This is marked by strong tour activity returning to Q1 2020 levels, albeit virtually, with one in five tours converting to new leases.
- **Occupancy:** Although down by a little over 5% since Q1 2020, occupancy has not fallen as much as originally anticipated, and we expect to see a positive rebound in Q4 2020 on the heels of positive leasing activity. A third of our communities were closed to new admits at the beginning of Q2 2020, however all were open by the end of June.
- **Rental Rates:** Rental rates have increased YTD by over 3% annualized, further highlighting the value-proposition of our communities.
- **Collections:** There has been no decline in rent collections as seniors' rent payments generally rely on asset spend down, social security, and pension income, and are generally unaffected by rising unemployment. In fact, we have seen an acceleration of collections as more residents have moved toward automatic payment processing.
- **Performance:** While 2019 experienced strong NOI growth of 17.5%, NOI for the first half of 2020 has fallen as a result of occupancy declines. The impacts of COVID-19 in Q2 were mitigated through reduction of normal operating expenses, of which these efficiencies are expected to continue going forward. The majority of non-reoccurring COVID-19 expenses are burning off rapidly and we anticipate NOI to rebound in the near term.

- **Cash Flows:** Despite the impacts of COVID, Bridge Seniors I has maintained cash flows well in excess of debt service. However, given limitation on callable capital and our ongoing efforts to manage risks and de-lever the portfolio, we have delayed distributions at this time. Distributions are expected to resume as impacts of COVID-19 become more clear, the value-add investments in the portfolio stabilize, and the market for stabilized asset dispositions re-emerges.

We remain confident that our overall fund performance will be positive compared with overall Seniors Housing REITs and other competitive-set investors, as we all adjust to the COVID-19 impacts. We will continue to work hard to make improvements to optimize our investments and deliver positive returns to our investors by actively managing this portfolio. We appreciate your support as our Partner and look forward to future success.

With Best Regards,



Phillip Anderson
 Chief Investment Officer
 Bridge Seniors I Funds



Blake Peeper
 Deputy Chief Investment Officer
 Bridge Seniors I Funds

Fund Overview

The Fund was established in 2014 and acts as an unhedged Australian feeder fund into the assets 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 95% has now been called and invested, and owns a 9.20% 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’s subsidiary fund management companies are registered investment advisers with approximately \$20.2 billion of AUM. The principals of Bridge have been investing in real estate for 27 years and have experienced success in the multifamily, commercial office, seniors housing and CRE-backed fixed-income sectors. Bridge’s subsidiaries manage private equity funds, separately managed accounts, co-investments, and joint ventures. A vertically integrated real estate platform, Bridge and its affiliates employ over 4,000 people across 23 states and 50 metropolitan statistical areas. In 2020, Bridge was again named a Top 50 Private Equity Real Estate firm by PERE, a leading industry publication, moving up to #17 in the rankings. Bridge and its affiliates manage approximately 40,000 multifamily housing units, 12,500 senior housing units and about 14.4 million square feet of commercial office space.

Regional Breakdown*

Bridge Seniors I – 47 properties, 21 states



*Underlying Fund investments by Equity invested as at 30 June 2020

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