

Monthly Update

Positively affecting the unit price during the month of August was the 2.87% net increase across the portfolio in the total book value of Bridge Seniors II 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	6 months	1 year	3 years (p.a)	Inception (p.a)
-0.58%	-8.27%	-10.89%	-6.40%	1.36%	-0.20%

Unit Price as at 31 August 2020	
Unit price (excluding FITOs)	\$1.2627
FITOs	\$0.0000
Unit price plus FITOs	\$1.2627

Asset Allocation as at 31 August 2020	
Cash AUD	0.93%
Cash USD	12.35%
Investments USD	86.72%

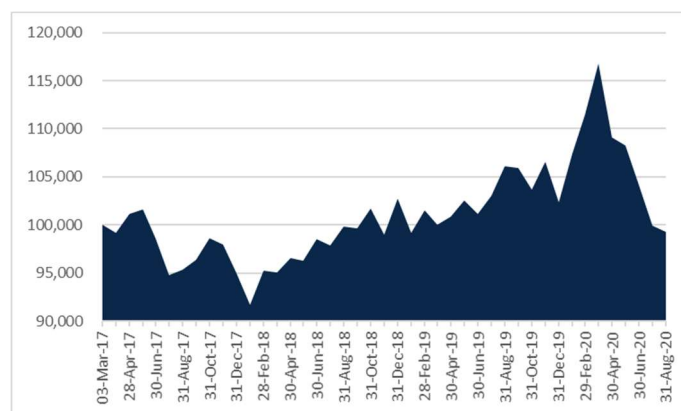
Returns including FITOs* (Net of Fees)

Since Inception Annualised (p.a)	Net excluding FITOs	Net including FITOs
30 June 2020	1.22%	1.40%
30 June 2019	0.48%	0.53%
30 June 2018	1.13%	1.17%

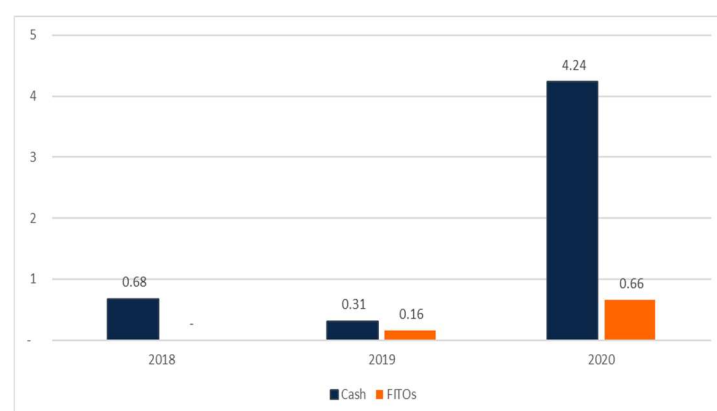
*Foreign Income Tax Offsets

Monthly Unit Price Movement Breakdown	
Underlying investments (incl. cash and distributions)	2.49%
Foreign exchange	-3.00%
Fees and expenses	-0.07%
Total Movement	-0.58%

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 3rd March 2017 at \$1.3220 per unit and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising in November 2017. 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 Application Price at which they were issued Units in the Fund, which in turn was based upon the AUD / USD exchange rate applicable on the day that an investment is accepted.

Fund Details

Fund Size (AUDm):	\$63.84m
APIR Code:	ETL1507AU
Commencement:	17 February 2017
Zenith Research Rating:	Recommended (Original rating, now lapsed as closed)
Unit Price:	\$1.2627
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:	0.60% 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.
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 Bridge Seniors II Funds ("Bridge Seniors II" or the "Partnerships"). We are pleased to share with you the CIO Quarterly Report for the period ending June 30, 2020.

FUND PERFORMANCE SUMMARY

As of quarter end, the Bridge Seniors II Funds have achieved a 7.0% gross IRR and 1.1% net IRR. The Bridge Seniors II Funds have produced an annualized current income yield of 5.7% year to date ('YTD') and 5.5% inception to date ('ITD'). The percentages represent an annualized cash-on-cash yield based on the weighted average of invested capital held over each respective period during which the income was generated by Bridge Seniors II Funds' investments. These figures are gross of fund-level expenses and fees withheld from distributions. Please refer to the Performance Summaries in the enclosed materials. Investors should note the following key points pertaining to performance metrics:

1. It is relatively early in Bridge Seniors II Funds' lifecycle. Although we are through the deployment window, approximately 30% of the portfolio was acquired in Q4 2019 and therefore valued for the first time in Q2 2020.
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. The current return metrics are indicative of value and upside potential. Despite the impacts of COVID-19, the distributions from Q2 2020 results will remain at 6% (annualized). Bridge Seniors II Funds have achieved seven consecutive quarters of flat to positive increases in current yield evidencing stable, durable cash flow for investors.
4. In addition to maintaining current distributions of cash flow, we continue to maintain a strong balance sheet, with \$130M of uncalled capital, prudent leverage of 62%, 2.6x debt service coverage, and less than 6% of loans maturing before the end of 2021.

VIEW 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 II portfolio performance has exceeded the forecast established at the beginning of the quarter and 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 less than 0.4%. 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, nearly 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 180 move-ins which is double the amount of April and May and 93% 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 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 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 II 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 II called 88% of the Partnerships' available capital for investments in 54 properties across 19 states which equates to approximately 6,300 units. These investments have a total capital allocation of over \$2.0 billion and include a blend of stabilized and value-add property profiles, which Bridge Seniors II strategically added to the portfolio based on building quality (average age seven years), market fundamentals, performance trends, and favorable projected returns.

We do not anticipate making any further investments in Bridge Seniors II, and as such will delay a capital call of approximately 4-5% to Q1 2021 to fund follow on investment and other enhancements to assets in the current portfolio, as well as other expenses and reserves, bringing Bridge Seniors II to approximately 93% called in current investments.

Occupancy as of the publishing of this letter was 79.2%. While the fall in occupancy from 85% 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. The valuation of the portfolio this quarter included the first mark to market for the 14 acquisitions made in Q4 2019. Several of these asset valuations have increased due to occupancy growth and increasing stability, even throughout the pandemic. The average hold period for assets valued in Q2 2020 is two years, which reflects the early stage of the Bridge Seniors II Funds' life with the investment period ending in March 2020, and as we move beyond the "J-Curve" effect on returns. 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.

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

- **New Move-Ins:** July ended strong with over 180 Move-Ins, which is 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 approximately 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:** Q1 2020 experienced strong NOI growth of 4%. 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-recurring 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 Fund II has maintained steady cash yields of approximately 6%. Distributions are expected to increase as impacts of COVID-19 clear and the value-add investments in the portfolio stabilize.

We remain confident that our overall fund performance will be positive compared with overall Seniors Housing REITs and other competitive-set investors of 2017 vintage, 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 II Funds



Blake Peeper
 Deputy Chief Investment Officer
 Bridge Seniors II Funds

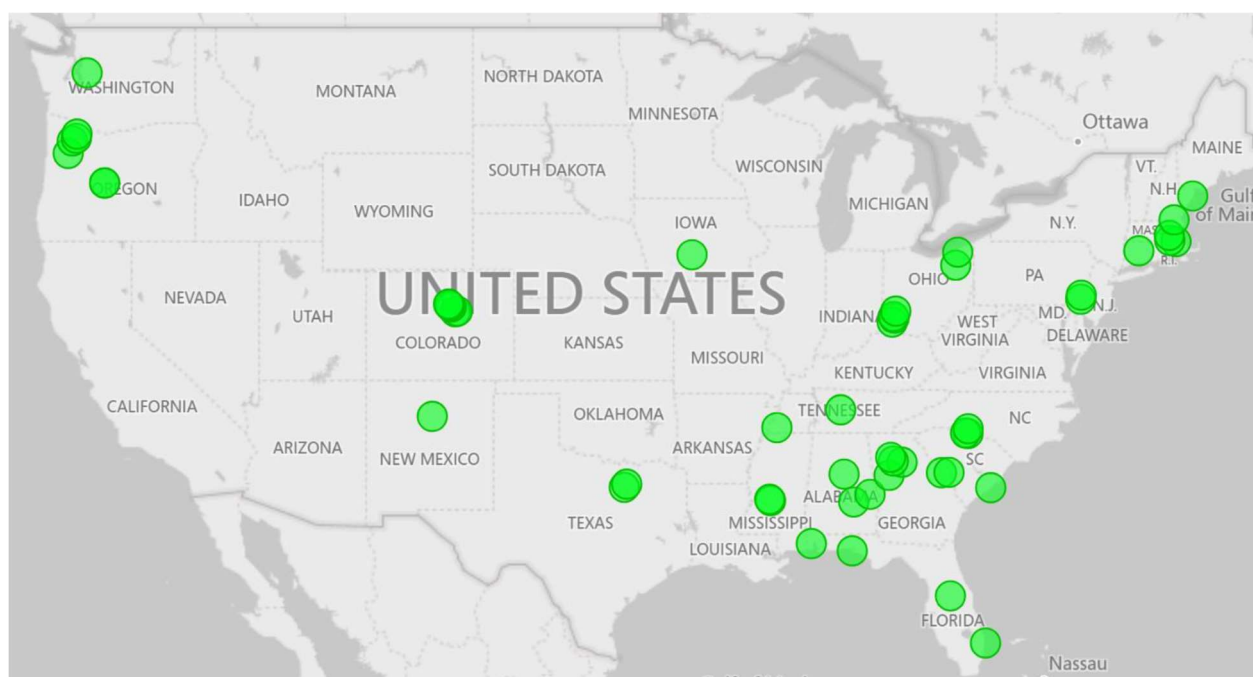
Fund Overview

The Fund was established in 2017 and acts as an unhedged Australian feeder fund into the assets 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 88% has now been called and invested. The Fund owns a 6.21% share of a diversified current portfolio of 54 separate seniors housing assets located across 19 US states, providing a total of 6,300 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\$18 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 25 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 2,600 management, leasing and facilities employees across the states in which assets are owned.

Regional Breakdown*

Bridge Seniors II Funds - 52 properties, 19 states



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

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