

## Monthly Update

Positively affecting the unit price during the month of March was the 1.64% net increase across the portfolio in the total book value of Bridge Seniors II Investment assets recorded for Q4. Also, positively affecting the unit price during the month of March was the 1.61% decrease in the value of the Australian dollar against the USD dollar from US\$0.7742 to US\$0.7617. The Fund does not hedge currency exposure.

The Unit Price reflects the Q4 Underlying Fund Net Asset Values as at 31 December 2020.

## Performance (Net of Fees)\*

Ordinary Unit Class as at 31 March 2021

Based upon underlying fund data as at 31 December 2020

1 month	3 months	6 months	1 year	3 years (p.a)	Inception (p.a)
3.06%	2.59%	-3.04%	-15.08%	1.41%	-0.22%

Unit Price as at 31 March 2021	
Unit price (excluding FITOs)	\$1.2603
FITOs	\$0.0050
Unit price plus FITOs	\$1.2653

Asset Allocation as at 31 March 2021	
Cash AUD	0.47%
Cash USD	9.11%
Investments USD	90.42%

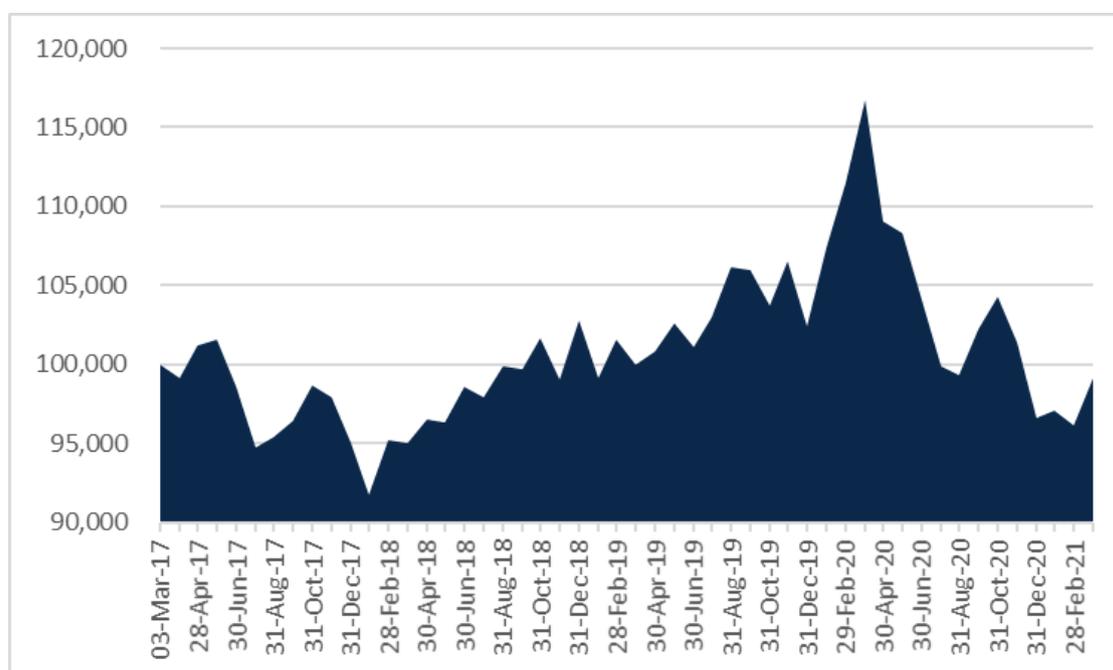
## Returns including FITOs\*\* (Net of Fees)

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)	1.54%
Foreign exchange	1.61%
Fees and expenses	-0.09%
<b>Total Movement</b>	<b>3.06%</b>

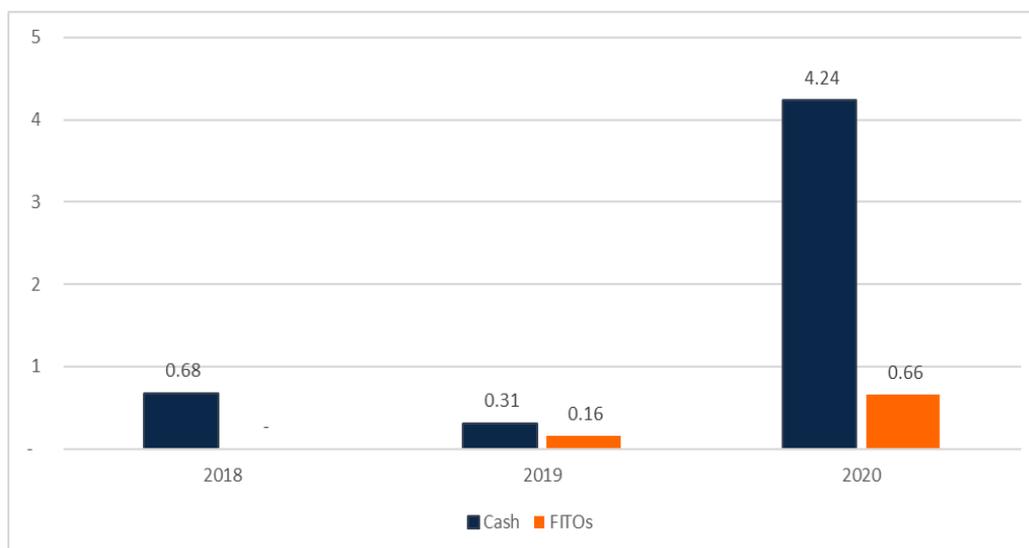
## Growth of AU\$100,000 Investment\*



\*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 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.

## Distribution CPU



## 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 94% 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's subsidiary fund management companies are registered investment advisers with approximately \$25 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.

## Fund Details

<b>Fund Size (AUDm):</b>	\$63.72m	<b>Fund Manager:</b>	Spire Capital Pty Limited
<b>Unit Price:</b>	\$1.2603	<b>Investment Manager:</b>	Bridge Investment Group, LLC
<b>APIR Code:</b>	ETL1507AU	<b>Responsible Entity:</b>	Equity Trustees Limited
<b>Commencement:</b>	17 February 2017	<b>Base Management Fee:</b>	0.60% p.a. x NAV
<b>Application Status:</b>	CLOSED	<b>Underlying Fees:</b>	2% of committed equity
<b>Liquidity:</b>	Nil - Closed-ended fund	<b>Underlying Performance Fee:</b>	20% of realised profits after an 8% preferred return is paid to Limited Partners.
<b>Distribution Frequency:</b>	Annually as at 30 June	<b>Zenith Research Rating:</b>	Recommended (Original rating, now lapsed as closed)

## Q4 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 December 31, 2020.

### Fund Performance Summary

Since the onset of the COVID-19 pandemic, the seniors housing industry faced unprecedented challenges. We believe our responses to these challenges and best-in-class operations resulted in the highest level of standard with regard to promoting the health, safety, and well-being of our residents. From an investment management and operations standpoint, we focused on capital preservation and asset-level investments to combat the virus and protect our residents and staff. Accordingly, we revised our goals early in the year with three crucial priorities: 1) maintain a healthy balance sheet, 2) utilize our vertical integration and operational expertise to mitigate the financial impacts of occupancy losses, and 3) position the Fund to shift from capital preservation to value creation as conditions improve.

As of quarter end, the Bridge Seniors II Funds have achieved a 7.1% fund IRR (gross of fees) and 3.0% fund IRR (net of fees). The Bridge Seniors II Fund have produced an annualized current income yield of 5.9% year to date (‘YTD’) and 5.6% 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. Our valuations and corresponding total returns reflect conservative assumptions based on current market and portfolio conditions. As of this letter, conditions for both the market and our assets are improving. Accordingly, valuations will improve and align with our portfolio’s target returns.
2. The steady current income yield during 2020 is considered a positive indicator of performance potential coming out of the pandemic.
3. The balance sheet and leverage position remain healthy. Bridge Seniors II has sufficient cash reserves, prudent leverage of 62% LTV, a 2.6x debt service coverage ratio, and less than 6% of loans maturing before the end of 2021.

### The Return of the U.S. Economy and Commercial Real Estate Markets

As of the date of this letter, we evaluate the state of the U.S. economy as improving and strong, although not without continued concerns. The size and speed of economic recovery may well exceed consensus outlook released at the outset of 2021. In January we saw U.S. GDP growth projections from the IMF at 5.1%, Bloomberg Economics at 3.5%, and Moody’s Analytics at 4.8%. GDP forecasts have since improved with Bloomberg and Moody’s up 140 and 150 basis points, respectively, and we expect to see continued optimism as forecasters price in the recently-passed stimulus.<sup>1 2 3</sup> The \$1.9 trillion American Rescue Plan Act signed into law on March 11, 2021 exceeds the \$1.5 trillion or less of economic stimulus priced in by many market observers. The size of the stimulus will effectively erase the U.S. GDP gap by mid-2021. Combined with the rapid development of safe and effective vaccines, we expect to see a strong rebound in sectors severely affected by last year’s lockdowns, and economic activity will intensify this spring. The implications for U.S. commercial real estate are overwhelmingly positive, and we have begun to see market liquidity return to pre-pandemic levels in most sectors.

Bridge expects to experience its strongest year on record from both a capital raising and deployment perspective, and we believe our operational metrics to fully recover by year end if not exceed prior levels. The U.S. continues to stand tall as the preeminent destination for global investment as the U.S. economy, bolstered throughout the pandemic by strong fiscal and monetary policy, looks to accelerate at a pace faster than previous economic recoveries. This has led to continued strong inflows of international capital into the U.S. real estate market.

Our firm and our Funds continue to benefit from the hard work and excellence of our operations personnel across each of Bridge’s verticals. We attribute a large part of our differentiated position as an investment manager to our distinctive approach to real estate asset management: our high touch specialized investment teams, our forward integration into property management and our carefully curated sector focus. In addition to the verticals that are currently part of our portfolio, we expect to launch new attractive initiatives in net lease industrial and diversified core plus in Q2 2021 and believe that we will offer differentiated exposure in those sectors.

In this context, Bridge continues to rely on operations, which have always driven our outperformance regardless of the cycle.

### Views on the Seniors Housing Markets at Q4 2020 Quarter End and Impacts of COVID

As indicated previously, COVID-19 induced the most challenging cycle in the history of our sector with the most significant impacts related to occupancy. The Bridge Seniors II portfolio experienced a 1.4% occupancy loss in the quarter and a 7.6% loss from the onset of the pandemic through year-end. Post quarter-end, occupancy continued to decline albeit at a decreasing rate. However, the vaccine is having a measurable positive impact in reducing the spread of the virus in our communities, and as a result we are experiencing decreased operational costs. Highlighting this in part, in November and December our portfolio experienced a resurgence in COVID-19 cases, which reduced our ability to move in new residents and provide community and social engagement activities. By the end of February, 95% of our residents were fully vaccinated against COVID-19, and as of March 15, 2021, COVID-19 cases have reduced by 95% from the peak in December 2020. Furthermore, many properties are returning to the normal operations and allowing move-ins, family visitation, activities, and community dining.

It’s too early to suggest that we are “out of the woods” but leading indicators post quarter-end are encouraging. As of March 15, 2021, 100% of our buildings were open to new move-ins and leasing activity has increased to its highest level since the onset of the pandemic. New inquiries are exceeding pre-COVID-19 levels, and are up 30% in February and March 2021 relative to year-end 2020. The sales process has remained strong, and we are converting one in three tours to a new move-in. As a result, move-ins have steadily increased to near Q1 2020 levels in recent weeks.

While 2020 has been a challenging year, we believe that Bridge's vertical integration was key to mitigating the impacts of the virus, and we are excited to continue to drive positive results and capitalize on the strengthening value proposition for Seniors Housing in 2021 on behalf of the Bridge Seniors II investment portfolio.

## Investment Activity & Operational Update

As of December 31, 2020, Bridge Seniors II called 87% 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 acquired based on building quality with an average age of seven years, market fundamentals, performance trends, and favorable projected returns.

A capital call of approximately 6% is planned for early April 2021 bringing Bridge Seniors II to approximately 93% called. The planned capital call will fund additional investment to existing assets, as well as other expenses and reserves. We do not intend to acquire new properties in Bridge Seniors II and anticipate this will be the final capital call, barring any unforeseen future capital needs at the property-level.

The evolution of our company, specifically with respect to our forward-integrated operations, has been beneficial with regard to mitigating the impacts of COVID-19. We leveraged our expertise to identify operating efficiencies that helped offset revenue loss related to occupancy. Bridge Seniors II's YTD NOI margin decreased 2.9% in comparison to the prior year period. However, the operational efficiencies highlighted above resulted in the recapture of 40% of every dollar of revenue lost to occupancy declines. COVID-19 has put a premium on operations, and Bridge's forward-integrated approach is more differentiated and valuable than ever.

Expense efficiencies, along with reduced interest expense, have enabled us to maintain property-level cash flow relative to pre-COVID-19 levels. In Bridge Seniors II, we've held distributions near 6% throughout the pandemic. Cash flow and distributions up to this point do not contemplate federal, and in some cases state, relief funds applied for under the CARES Act. We have been approved for \$6.5 million of relief funds, and these funds have offset the majority of COVID-19-related expenses incurred through the date of this letter. We have received approximately 30% of these funds. As COVID-19-related expenses have declined by approximately 60% since the peak in Q2 2020, we expect the majority of ongoing expenses to reduce significantly with the exception of expenditures for procuring PPE.

Following are some key metrics detailing recent performance and our outlook:

- **New Move-Ins:** After a decline of move-ins from November to early January due to increased infections, February and March move-ins are up to an average of over 190 per month as of February 2021, which is back to pre-COVID-19 levels. This is marked by strong inquiry activity exceeding pre-COVID-19 levels, tour activity returning to 90% of Q1 2020 levels, and the conversion to new leases increasing to over 30%.
- **Occupancy:** Although down by 7.6% from March 2020 through December 2020, we have fared better than the public REITs during the same period
- **NOI Margin:** NOI margin fell by 2.9% from Q1 to Q4; we were able to mitigate much of our NOI loss as the pandemic continued as a result of our operational expense management.
- **Rental Rates:** Rental rates have increased by approximately 3% annualized in 2020, 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.
- **Cash Flows:** Bridge Seniors Fund II has maintained steady cash yields of 5.9% in 2020. Distributions are expected to increase as market conditions improve, and the value add investments in the portfolio stabilize.

We are pleased to report that only three of our seniors housing communities experienced negative impacts from severe conditions in mid-February, and none of our residents or associates were injured as a result. Each of these communities had relatively minimal pipe or sprinkler system freezes due to the severe weather, and thanks to the incredible efforts by our team and the on-site leadership, we were able to mitigate the damage, procure contractors and plumbers to get on site and remediate conditions quickly.

## Reviewing our Commitments to Social Responsibility and Equity

Bridge has ingrained Environmental, Social, and Governance ("ESG") practices and promotes Diversity, Equity, and Inclusion ("DE&I") throughout our firm. For decades, our core values touched upon various aspects of ESG and DE&I, and we have integrated those core values into our firm's practices to further enhance our leadership in amongst investment managers.

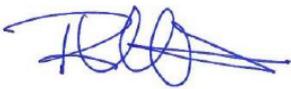
In our fiduciary role, we believe that ESG issues can affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes, and through time. We also recognize that applying these principles may better align investors with their own broader objectives for society. Thus, where consistent with our fiduciary responsibilities, Bridge has committed to adopt the United Nations Principles for Responsible Investment ("UN PRI"), and we will soon submit our annual report on our activities this coming year.

Bridge continues to be at the forefront of sustainability with the roll-out of Bridge Solar across 12 projects in Bridge Office, producing 12 megawatts of potential renewable power in seven rooftop and five carports. We estimate 20 to 30 percent of Bridge Office II assets will incorporate solar, leading to a lower carbon footprint, reduced operating expenses, improved demand from corporate tenants that also increasingly prioritize ESG, and an accretive return on investment to the property. By utilizing a mixture of government incentives, internal Bridge resources, and financial engineering, Bridge is one of the pioneers in the use of solar PVs in the real estate private equity industry.

One of the most important components of our ESG commitment is fostering, cultivating, and strengthening a culture of diversity and inclusion. Our human capital is our most valuable asset. Diversity, or the collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and company’s commitment to excellence. We integrate this commitment throughout our business practices, from recruitment and selection to communication and collaboration, service in our communities, professional development, and beyond.

We remain confident that our overall fund performance will be positive. We will continue 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,



Robb Chapin  
 Co-Chief Investment Officer  
 Bridge Seniors II Funds



Blake Peeper  
 Co-Chief Investment Officer  
 Bridge Seniors II Funds

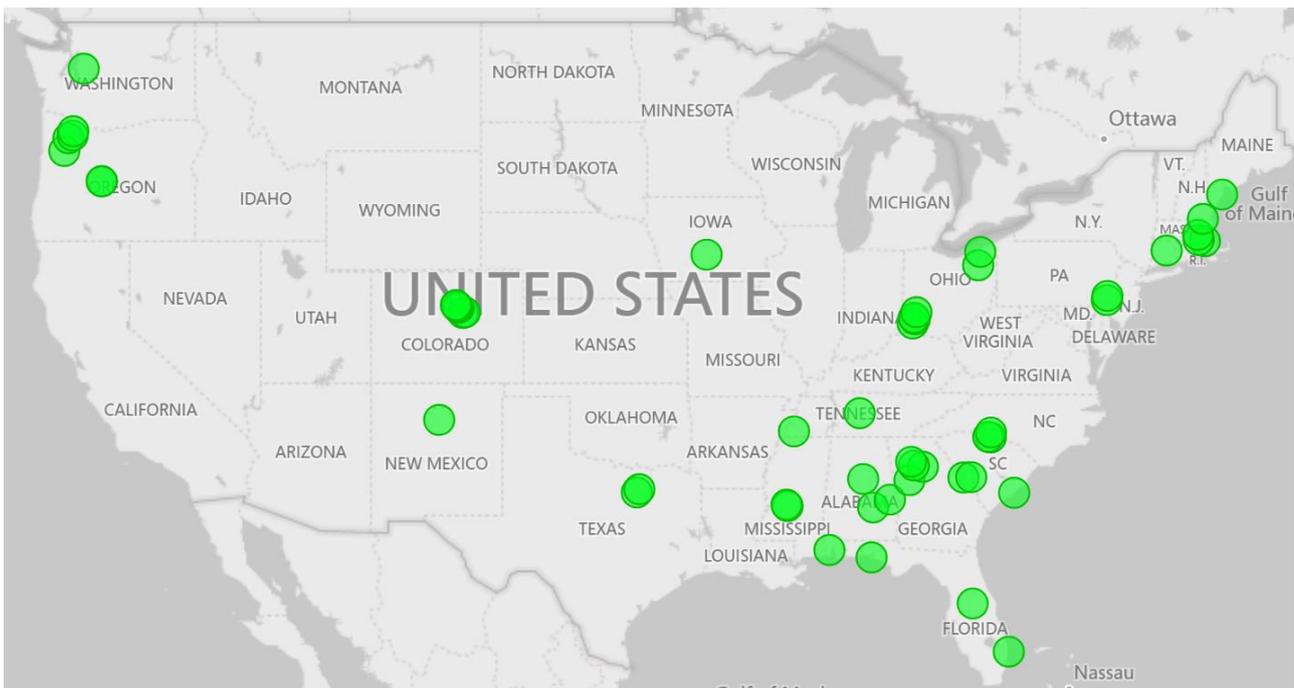
<sup>1</sup> International Monetary Fund, World Economic Outlook Update, January 2021.

<sup>2</sup> Bloomberg Economics, as of January 28, 2021 and March 5, 2021.

<sup>3</sup> Moody’s Analytics, Baseline Scenario (January and March 2021 models).

### Regional Breakdown\*

Bridge Seniors II Funds - 52 properties, 19 states



\*Underlying Fund investments by Equity invested as at 31 December 2020

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