

## Monthly Update

Positively affecting the unit price during the month of June was the 3.01% decrease in the value of the Australian dollar against the US dollar from US\$0.7741 to US\$0.7508. The Fund does not hedge currency exposure.

The Unit Price reflects the Q1 Underlying Fund Net Asset Values as at 31 March 2021.

## Performance (Net of Fees)\*

Ordinary Unit Class as at 30 June 2021  
 Based upon underlying fund data as at 31 March 2021

1 month	3 months	1 year	3 years (p.a)	5 years (p.a)	Inception (p.a)
3.04%	1.16%	-8.33%	2.04%	3.87%	5.11%

Unit Price as at 30 June 2021	
Unit price (excluding FITOs)	\$1.2949
Est. FITOs	\$0.0000
Unit price plus est. FITOs	\$1.2949

Asset Allocation as at 30 June 2021	
Cash AUD	0.01%
Cash USD	0.77%
Investments USD	99.22%

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

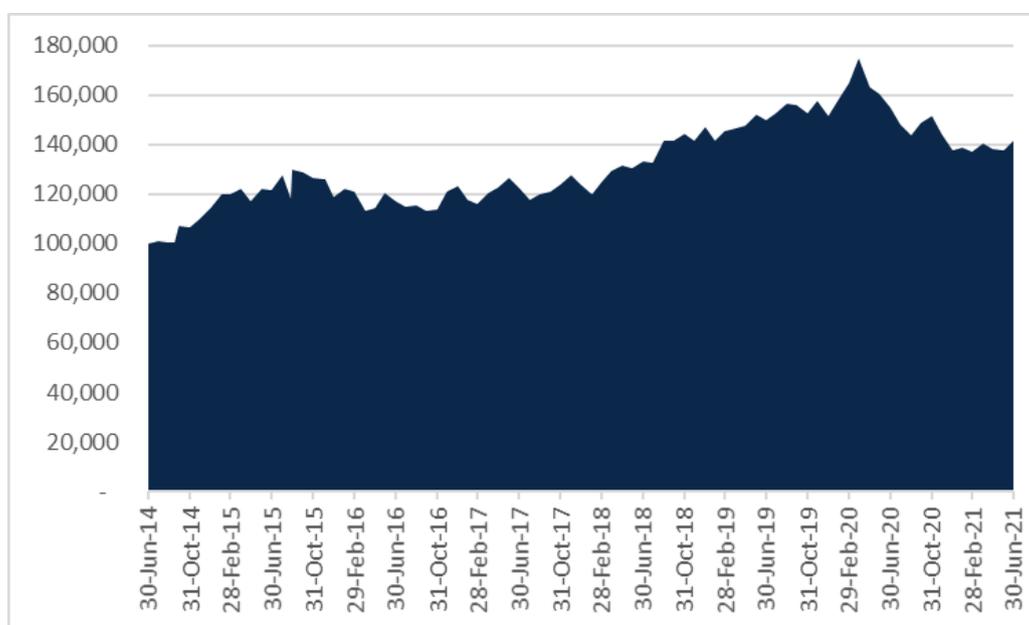
Since Inception Annualised (p.a)	Net excluding FITOs	Net including FITOs
30 June 2021	5.11%	5.24%
30 June 2020	7.54%	7.72%
30 June 2019	8.44%	8.63%
30 June 2018	7.48%	7.65%
30 June 2017	6.97%	7.10%

Unit Price as at 30 June 2021	
Unit price CUM	\$1.2949
Cash Distribution	Nil
Unit price EX	\$1.2949

Monthly Unit Price Movement Breakdown	
Underlying investments (incl. cash and distributions)	0.00%
Foreign exchange	3.10%
Fees and expenses	-0.06%
<b>Total Movement</b>	<b>3.04%</b>

\*\*Foreign Income Tax Offsets

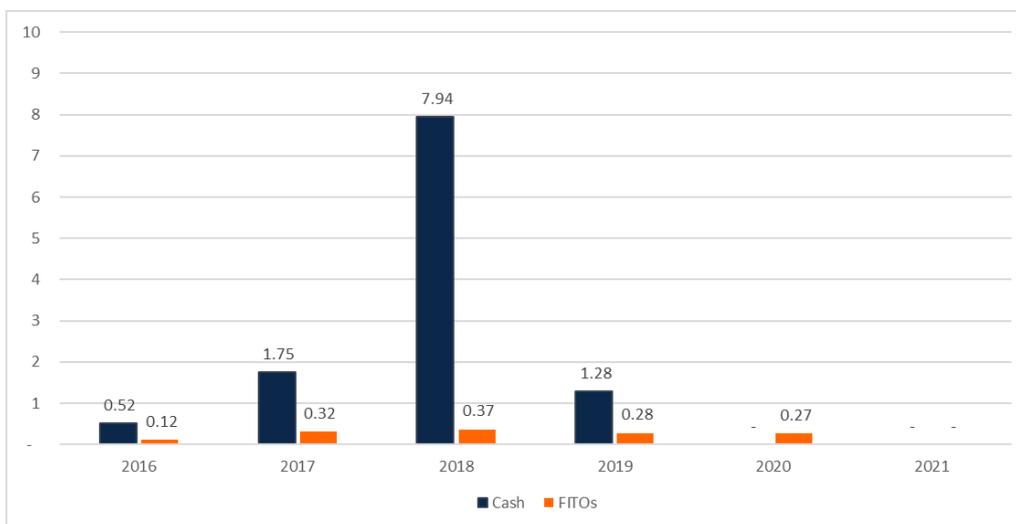
## Growth of AU\$100,000 Investment\*



\*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 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.

## Distribution CPU



## Fund Details

<b>Fund Size (AUDm):</b>	\$75.43m	<b>Fund Manager:</b>	Spire Capital Pty Limited
<b>Unit Price:</b>	\$1.2949	<b>Investment Manager:</b>	Bridge Investment Group, LLC
<b>APIR Code:</b>	ETL0412AU	<b>Responsible Entity:</b>	Equity Trustees Limited
<b>Commencement:</b>	20 May 2014	<b>Base Management Fee:</b>	0.58% 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>	Highly Recommended (Original rating, now lapsed as closed)

## Fund Update

The US Seniors Housing "private pay" sector has experienced a challenging period over the last 3-4 years, initially as a result of over supply (2017-2019) and more recently the impact of COVID as some residents elected to relocate to private residences and/or COVID impacted communities were closed to new entrants. In addition, Bridge Seniors had experienced their own challenges operationally, necessitating transition of asset management to a more core group of operators including acquiring an asset management group to better control operations across more of the portfolio.

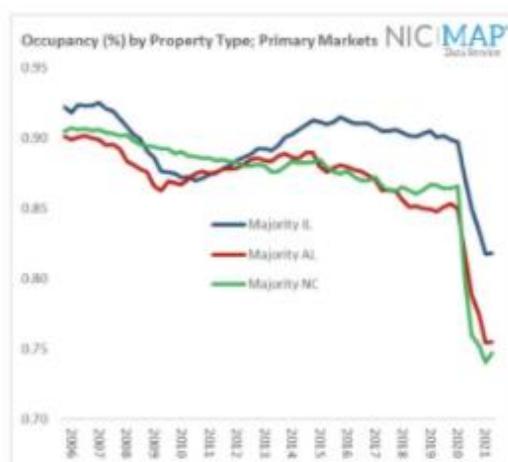
The consequence has seen a decline in occupancies to historical lows (from ~ 85% to ~ 77% nationally) as highlighted by the National Investment Centre data below for Independent Living and Assisted Living categories (noting we do not invest in Nursing Care assets). **This has required prudent cashflow management including a suspension of distributions for FY 2021.**

Notwithstanding above, there is hope on the horizon as we highlight later in this update - please take the time to read the CIO report as it provides insight into the operational and marketing initiatives along with emerging disposition strategy that ultimately, we expect, will deliver investors a reasonable result in the face of the many challenges experienced.

The recent improvement in market conditions in Q2 2021, as a result of improved fundamentals and vaccinations, should see the fund re-commence distributions in late 2021 and into 2022, particularly as assets are sold.

NIC MAP <sup>®</sup> Data Service	Seniors Housing			Nursing Care
	Overall	Majority IL	Majority AL	Majority NC
<b>Market Fundamentals 2Q21</b>				
Occupancy	78.7%	81.8%	75.5%	74.7%
Annual Rent Growth	1.2%	1.4%	1.1%	1.9%
Annual Absorption	-4.3%	-3.9%	-4.8%	-6.9%
Annual Inventory Growth	2.8%	2.5%	3.2%	-0.2%
Construction vs. Inventory	5.0%	4.8%	5.3%	0.3%
Rolling 4-Quarter Starts vs. Inventory	1.8%	1.6%	2.0%	0.1%
<b>Capital Markets 1Q21</b>				
Transaction Volume (millions)	\$2,028.90			\$694.90
Rolling 4-Quarter Price Per Unit	\$169,300.00			\$92,567.00
Rolling 4-Quarter Cap Rate	5.8%			8.0%

\* Overall Seniors Housing combines Majority IL and Majority AL Properties  
 Source: NIC MAP<sup>®</sup> Data, powered by NIC MAP Vision  
 Data for the Market Fundamentals is representative of the Top 31 Primary metropolitan markets.  
 Data for the Capital Markets is representative of all U.S. property transactions of at least \$2.5 million.



## KEY FINDINGS

- Seniors housing occupancy was unchanged from the first quarter of 2021, remaining at 78.7%.
- The occupancy rate for independent living properties and assisted living properties averaged 81.8% and 75.5% during the second quarter of 2021, respectively.
- The occupancy rate for independent living remained steady, while the occupancy rate for assisted living inched up by 10 basis points during the second quarter of 2021.
- The occupancy rate for nursing care properties averaged 74.7% in the second quarter of 2021, an almost 70 bps increase from the first quarter.

## Bridge Investment Group Performance & Hope on the Horizon:

Below is an extract from the March quarter end CIO report - we expect an updated Q2 2021 report at the end of August.

In addition, we encourage you to join us for a Webinar with the Bridge Seniors CIO on 2nd of September 2021. Please contact your Spire representative or click [here](#) to register your attendance.

## Views on the Seniors Housing Markets at Q1 2021 Quarter End and Impacts of COVID

COVID-19 had a significant impact on Bridge Seniors I portfolio occupancy, with a total occupancy loss of 10% from the onset of the pandemic through February 2021, marked by a low-point of 73.2%. Since the beginning of March, Bridge Seniors I occupancy has increased by 0.8% through the end of April, ending at 74%. We consider Majority Assisted Living ("AL") in Primary Markets as reported by NIC to be the most meaningful benchmark on occupancy, which ended April at 75.6%. Year over year rent growth in the Bridge Seniors I portfolio grew by 2.8% through Q1 21, compared to NIC rent growth of 1.2%.

The vaccine is having a measurable positive impact in eliminating the virus in our communities. All properties have returned to normal operations and allow family visitation, activities, and community dining.

As of May 15th, 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 and tours are up 30% in March and April 2021 from Q4 2020. The sales process has remained strong, and we are converting one in four tours to new move-ins. As a result, move-ins are near Q1 2020 levels in March and April, and represent a 10% increase from prior to our on-

site vaccinations earlier in the year. While the leading indicators are encouraging, some markets have been slower to reopen than others. The cautionary sentiment toward reopening in the California, Arizona, and Northeast markets has resulted in a lag in increased leasing activity in those markets, which represent 33% of the portfolio. We are highly focused on maximizing performance at each asset, and are actively performing regular reviews of lead databases, executing secret shops, and training sales staff to better educate prospects, as further highlighted below in the operational update.

## Investment Activity

As of March 31, 2021, 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. Planned capital investment, uninsured repair costs and performance enhancements into the Fund's assets will be funded from total cash flow and reserves.

We continue to evolve our disposition targets as COVID-19 outcomes are becoming more understood.

We plan to sell four assets in Q2 and Q3 of 2021. This group of assets, outlined below, represent approximately 10% of called capital and are expected to generate a 2.1x multiple of capital, and we anticipate a distribution from the sale proceeds in Q4 2021 as mentioned above.

- Newcastle Place under contract to sell for \$75.0M in Q3 2021, and expected to produce a 15.8% Gross IRR, and a 2.0x multiple and approximately \$40M of liquidity to Bridge Seniors I.
- Spring Village of Galloway under contract to sell for \$37.8M on June 1st, and expected to produce a 17.6% Gross IRR, 2.3x multiple, and provide approximately \$10M of liquidity to Bridge Seniors I.
- Jacaranda Trace under letter of intent to sell for \$90M in the middle of Q3 2021, and expected to produce a 5% Gross IRR, a 1.3x multiple, and approximately \$18M of liquidity to Bridge Seniors I. Our Fair Market Value contemplates a developable land parcel for property expansion, however the prospective buyers did not value the parcel due to pending new supply.
- Summer Breeze under letter of intent to sell for \$18M early in Q3 2021, and expected to produce a 20.1% Gross IRR, and a 2.4x multiple. The proceeds from this sale of approximately \$6M will be used to rebalance the remaining Kaplan Portfolio.

As mentioned above, we are continuously monitoring the portfolio for risk-adjusted opportunities to sell properties and optimize Bridge Seniors I as occupancy performance improves.

During the first quarter, our operational focus shifted from value preservation to value creation and accelerated recovery. We have transitioned 14 assets representing 1,324 units to management under Bridge Senior Living, and we will continue to leverage our vertically integrated operating structure to optimize property level performance and maintain portfolio-level cash flow.

## Operational Update:

Our operating expertise enabled us to find operating efficiencies leading to reduced operating expenses. These meaningful savings alongside reduced interest expenses, have enabled us to continue to maintain property-level cash flow relative to pre-COVID-19 levels. 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 received approximately \$8.5 million of relief funds, and these funds have offset the majority of COVID-19-related expenses incurred through the date of this letter. \$1.2M of additional funds are expected to be received in Q2 2021. As COVID-19-related expenses have declined by approximately 70% since the peak in Q2 2020, we expect the majority of ongoing expenses to reduce significantly with the exception of expenditures for procuring PPE, which is expected to be less than 0.5% of total operating expenses.

Bridge Senior Living continues to innovate best practices that enhance the resident experience and differentiate our properties in the market. Most recently we launched the proprietary "Bridge App", that serves to connect and engage resident families with a daily window into life their loved one and in our communities, and empower staff with enhanced communication tools. This level of connectivity and engagement through technology is unique in Seniors Housing, and serves to differentiate our communities in a time when closing the gap of social engagement has never been more important. We also recently launched a new website, made significant upgrades to our web presence, and hired two marketing professionals to optimize digital advertising and maximize our digital lead and tour traffic. We are continuously training our staff and evolving the conversation with our prospects about the adverse effects of isolation at home, and the benefits of social engagement in our communities. The results of this training are encouraging as tour and leasing activity continues to increase.

We believe that forward integration is key to Bridge Seniors arising from the pandemic as an industry leader, 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 I investment portfolio. Following are some key metrics detailing recent performance and our outlook:

- New Move-Ins: March and April move-ins are up to an average of 150 per month, which brings the Fund close to pre-pandemic performance at approximately 90% of pre- COVID-19 levels. This performance is marked by robust inquiry and lead activity at pre-COVID-19 levels.
- Occupancy: Although down by 10% from March 2020 through February 2021, occupancy increased by 0.7% in March and April 2021
- NOI Margin: NOI margin increased by 0.6% from Q4 2020 to Q1 2021 to 15.3% as operational expense management resulted in a 4.0% reduction in expenses from Q4 2020 to Q1 2021.
- Rental Rates: Rental rates have increased by 2.8% YOY from Q1 2020 to Q1 2021.
- Collections: There has been no decline in rent collections as seniors' rent payments generally rely on asset spend down, social security, and pension income.



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