# SPIRE GLOBAL PRIVATE REAL ESTATE
# SPIRE USA MULTIFAMILY FUND IV (AUD)
*A UNIT CLASS OF SPIRE CAPITAL MASTER FUND*
## MONTHLY REPORT – APRIL 2022

SPIRE CAPITAL

## Monthly Update

This report serves to provide an update on the Spire USA Multifamily Fund IV (AUD) April 2022 monthly performance based on the Q1 2022 underlying Net Asset Value from Bridge Multifamily Fund IV.

Positively affecting the unit price during the month of April was the 10.63% net increase across the portfolio in the total book value of Bridge MF IV Investment assets recorded for Q1 2022. Also positively affecting the unit price during the month of April was 5.61% decrease in the value of the Australian dollar against the US dollar from US$0.7485 to US$0.7065. The Fund does not hedge currency exposure.

The Unit Price reflects the Q1 Underlying Fund Net Asset Values as at 31 March 2022.

Please see on the following pages a detailed Q1 Investor Letter and Chief Investment Officer report for the Underlying Fund.

The first quarter of 2021 saw Net Operating Income (NOI) in the underlying Bridge Multifamily Fund IV grow significantly on the back of rising rents due to an undersupply of rental housing in the Bridge Target Markets which saw portfolio occupancy at ~ 97% (please refer to the CIO report for end of Q1 later in this report).

As of March 31, 2022, YTD same-store performance compared to the prior year indicated average effective rent, total revenue and NOI increased by 17.7%, 18.7%, and 26.2%, respectively.

As rents roll we continue to expect to see continued strong NOI grow in Q2 however we do believe that cap rates will stabilise and may in fact increase slightly.

## Performance (Net of Fees) *

*As at 30 April 2022*
*Based upon underlying fund data as at 31 March 2022*
*Please note, the inception date for individual investors is the date units were issued in the Spire Feeder Fund at time of application*

| 1 month | 3 months | 1 year | 3 years (p.a) | Since Inception Annualised[1] | Inception Foreign Exchange Impact | TVPI[2] |
|---|---|---|---|---|---|---|
| **16.40%** | **16.84%** | **58.05%** | **N/A** | **18.30%** | **-0.57%** | **1.4766** |

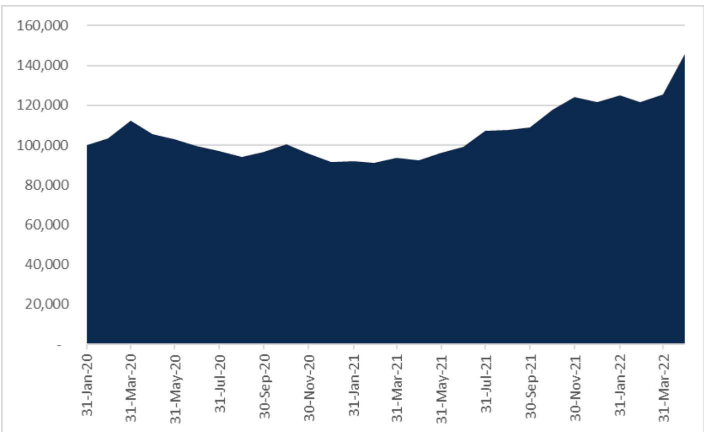
| Asset Allocation as at 30 April 2022 | |
|---|---|
| Cash AUD | 0.40% |
| Cash USD | 5.40% |
| Investments USD | 94.20% |

| Unit Price Movement Breakdown | |
|---|---|
| Underlying investments (incl. cash and distributions) | 10.54% |
| Foreign exchange | 5.92% |
| Fees and expenses | -0.06% |
| **Total Movement** | **16.40%** |

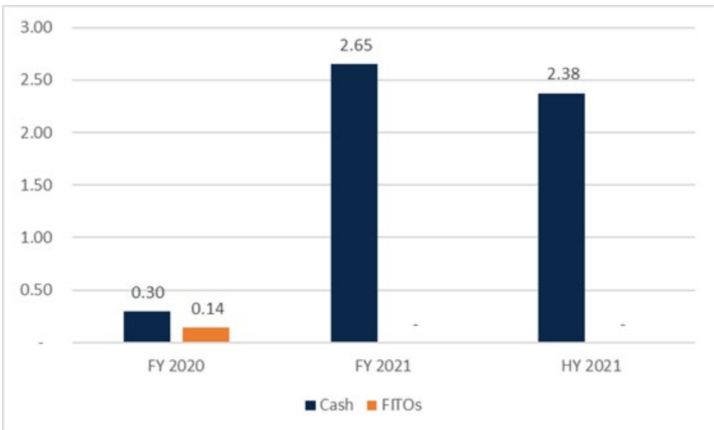
*[1]**Inception -** 31 January 2020. Inception date occurred from the commencement of NAV based unit pricing, following the completion of capital raising in January 2020. Please note however that each investor's performance numbers are calculated on an individual basis from their time of application and may differ from the above.*
*[2]**TVPI** – is the "Total Value Paid In" ratio and is, according to the Institutional Limited Partners Association (ILPA) perhaps the best available measure of performance before the end of a (closed-ended) fund's life. TVPI is the total estimated value of the fund's investments, both distributions received plus the value of the remaining investments in the fund, divided by the amount of capital paid into the fund to date. For the purposes of calculating TVPI Spire capital includes the value of any Foreign Income Tax Offsets in the value of distributions received. This ratio has other names, including Multiple of Investment Capital (MOIC) and the Return on Invested Capital (ROIC).*

*[*]Past performance is not an indicator of future performance. Performance and Growth table and chart are based on the aggregated total application amount and units issued during the capital raising period and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising in January 2020. 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.*
**Returns calculated above assume that distributions are re-invested as per the FSC Standard of calculating total returns.*

## Growth of AU$100,000 Investment*




## Distribution CPU



## Fund Details

| | | | |
|---|---|---|---|
| **Fund Size (AUDm):** | $71.92m | **Fund Manager:** | Spire Capital Pty Limited |
| **Unit Price:** | $2.1117 | **Investment Manager:** | Bridge Investment Group, LLC |
| **APIR Code:** | SPI1337AU | **Trustee:** | Spire Capital Pty Limited |
| **Commencement:** | 11 April 2019 | **Base Management Fee:** | 0.50% p.a. x NAV |
| **Application Status:** | CLOSED | **Underlying Fees:** | 2% of committed equity |
| **Liquidity:** | Nil - closed-ended Fund | **Underlying Performance Fee:** | 20% of realised profits after an 8% preferred return is paid to Limited Partners. |
| **Distribution Frequency:** | Biannually as at 31 December and 30 June | **Zenith Research Rating:** | Recommended (Original rating, now lapsed as closed) |

## Fund Overview

Spire USA Multifamily IV Fund (AUD) (‘the Fund’ a unit class of Spire Capital Master Fund) seeks to generate regular income and capital appreciation by investing in value-add US real estate. The Fund was established in April 2019 and acts as an unhedged Australian feeder fund into the assets of Bridge Multifamily Fund IV LP (“BMF IV”) a Private Equity Real Estate underlying fund.

BMF IV is a US$1.594 billion value-add “buy, fix, sell” fund, which will invest in value-add US multifamily apartment communities. The Fund has a US$33.3 million capital commitment to BMF IV, of which 93.44% has now been called and invested, and owns a 2.11% share of a diversified current portfolio of 45 investments in high-growth target markets.

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.

## Bridge Multifamily IV Funds – Q1 2022 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 Multifamily Fund IV LP and its parallel vehicles (“Bridge Multifamily IV,” the “Fund,” or the “Partnerships”). We are pleased to share with you the CIO Quarterly Report for the period ending March 31, 2022.

## OUR VIEWS ON THE RESILIENCE OF U.S. COMMERCIAL REAL ESTATE

As of the date of this letter, Bridge Investment Group Holdings LLC (“Bridge”) provides an update to our views communicated in our most recent investor letters related to year-end 2021 reporting, as well as those shared during our recent Limited Partner Annual Meeting. Over the last several weeks, we have observed choppy markets across public equities, sovereign bonds, corporate debt, and commodities. We believe that, in the context of macroeconomic and geopolitical volatility, we are privileged to be investors in the U.S. commercial real estate markets. Not only do we maintain our conviction that the U.S. is the preeminent investment destination globally, but also that thematic-driven investing in real assets in the U.S. provides our Limited Partner base with exposure to and relative safety in flight-to-quality opportunities in these turbulent times.

While there is much to share about Bridge and our outlook for positive growth in the coming year for the U.S. and its commercial real estate markets, we recognize that global events and in particular the war in Ukraine continue to leave an indelible mark on the broader global recovery. As a result of these forces, prices are expected to rise through the year, particularly in select sectors, which will continue to challenge markets. We believe, however, that the global response to these events will lead to strengthened global relations as well as a revaluation of energy policy and reorientation of global supply chains. In the balance of these factors, we believe that the global outlook is likely to improve with respect to duration and magnitude.

There are headwinds, but we as a firm believe that the tailwinds exceed the headwinds across U.S. real estate sectors. Our positive outlook is grounded in several thematic factors that we believe are vital to navigating these turbulent times: (i) a growing population with fortified household balance sheets; (ii) high household formation and migration to knowledge-economy markets; (iii) low unemployment and high wage growth in growth markets; (iv) strong corporate balance sheets and the ability to invest in the office of tomorrow; (v) the connected office and the desirability of human-centric places for work; (vi) the evolution of consumerism and the related needs for infrastructure and logistics; (vii) decades of undersupply in the housing market; (viii) and strong housing demand driven by the demographic imperatives of growing millennial households and aging, active older individuals. These positive themes, in our view, largely offset the confluence of increased market volatility, higher interest rates and a higher forward curve, tight labour markets, and high inflation data. And while real estate is insulated from some of the direct impacts of these headwinds, it is not completely immune from downstream effects.

We believe we are positioned, not by accident, for performance and resilience in a world grasping for yield. We expect to continue to perform in such manner, to the benefit of our investors, because of our principled and disciplined approach to thematic investing. Our approach to forward integration and data-driven investing continues to be key differentiators that will further our performance in these turbulent times. We look forward to providing our in-depth views in our Investor Webinars between May 17th and 19th, 2022.

## VIEWS ON THE MULTIFAMILY MARKET AT Q1 2022 QUARTER END

Bridge continues to see robust performance and healthy U.S. multifamily fundamentals amid shifting conditions and uncertainty elsewhere in the global financial markets. Backed by strong demand-side pressures, multifamily construction is poised to increase as authorized projects yet to be started are up 33% year over year, but that elevated rate has abated meaningfully compared to the prior quarter[ii]. Absorption remains strong, outpacing new supply by over 20% with roughly 95,000 units of demand to 78,000 units of supply[iii]. We believe the sector will continue to experience robust fundamentals coming off a strong 2021, which saw same-store effective rents accelerate to over 17.3% YOY as occupancy continued to increase at 20 bps QOQ, settling at 97.6%—another high for the past decade[iv]. Particularly encouraging, in our perspective, is that the increases appear to be driven in Class B and C assets, as each saw increases in occupancy of 10 and 20 basis points, respective, while Class A remained flat QOQ[v].

After seeing record transaction volume in Q4 2021, which was nearly double the prior quarter and eclipsed any quarter on record, transaction volume in Q1 2022 came in at $63.0 billion[vi]. This level set another record for first-quarter activity, with single-asset purchases accounting for the vast majority of transactions at $52.6 billion[vii]. Late in the quarter, as rising interest rates and market expectations adjusted to the Federal Reserve's first 25 basis point increase in the Effective Funds Rate since prior to COVID-19, multifamily assets demonstrated pricing resilience with little observable expansion of cap rates. Nationally, top-quartile transactions are trading at or below a 4.1% cap rate[viii] and in our attractive target markets Bridge saw cap rates ranging from the mid-to-high 3% range. However, the spread between multifamily cap rates and the 10-Year Treasury rate compressed as the latter approached 2.34% at quarter-end and rose to 3% post-quarter-end. Post quarter-end we are seeing more true rebound deals as other firms are unable to execute amid current conditions, either due to a lack of readily available capital or capability to secure accretive debt financing. The fundamentals of the sector, punctuated by the undersupply of housing in United States and the amount of capital raised to invest in the space, lead us to believe there will be a relatively small pricing adjustment from all-time highs in 2021, as the market adapts to the increased borrowing costs. Although there has been limited price discovery to date, initial feedback is that pricing expectations are down approximately 5% from early Q1 expectations. We believe that in this period of disruption, our track record in transitional conditions will not only serve us well as disciplined underwriters, but also in our ability and reputation for execution. We believe that this ability to execute, in combination with strong investor interest, solid fundamentals, and strong operational performance, contributes to a positive multifamily market outlook for Bridge.

## INVESTMENT ACTIVITY UPDATE

As of March 31, 2022, Bridge Multifamily IV raised equity commitments totalling $1.594 billion, of which the Fund had called 91.7%. We have closed 100% of Bridge Multifamily IV's anticipated real estate allocation. We are very pleased with the portfolio that we have assembled for Bridge Multifamily IV and are excited for the next phase of the Fund as we start to complete the value-add repositioning and begin dispositions. The portfolio demonstrated meaningful appreciation throughout the first quarter as there was continued downward pressure on cap rates and strong operational improvements, however the market is showing more volatility in the second quarter and we are expecting some upward movement in cap rates.

Post the quarter ending March 31, 2022, Bridge Multifamily IV has placed one multifamily asset under contract for sale:

- Cabana 99, a 286-unit apartment community in Phoenix, Arizona, which is 95.00% owned by the Fund, is anticipated to be closed by June 21, 2022, resulting in a gross IRR 65% versus pro forma IRR of 25%, a gross multiple of 3.0x versus a pro forma multiple of 1.6x.

## OPERATIONAL UPDATE

Operationally, Bridge Multifamily IV continues to outperform projections due to market and asset selection, operational expertise, and value-add execution. The portfolio is 97.8% leased and the asking rents are an encouraging 13.6% higher than in-place rents. Q1 2022 asset reviews were strong for the portfolio with NOI averaging 9.5% above budget for the Fund's portfolio YTD and NOI life-to-date is 4.3% ahead of pro-forma projections with COVID-19 loss reserve included, or 6.5% ahead with COVID-19 loss reserve excluded.

As of March 31, 2022, YTD same-store performance compared to the prior year indicated average effective rent, total revenue and NOI increased by 17.7%, 18.7%, and 26.2%, respectively. The weighted average effective monthly rent per unit across all properties held for at least a full month as of March 31, 2022 (the "Portfolio") was $1,234. While we do not yet have a complete picture on the true COVID-19 write-offs during this period due to our deferral program and inability to pursue residents via evictions notices, etc., same-store cash collections in Q1 2022 were up 17.8% versus Q1 2021. During the first quarter, for the properties in the Fund's Portfolio, we completed 614 unit upgrades, of which 445 have been leased and are achieving an average monthly rent premium of $122 for an ROI of 18.1%. Since inception, for the properties currently in the Fund's Portfolio, we have completed 5,644 unit upgrades and achieved an average monthly rental increase per unit of $116, equating an ROI of 19.1%, respectively on all units leased as of March 31, 2022.

The Fund's four remaining development projects continue to progress well:

- Seven Skies: Building 2 (76 units) were delivered March 15, 2022 and Building 3 (98 units) are scheduled to deliver mid-July 2022, approximately two-months behind schedule. Leasing is progressing well with delivered units occupied at over 97% at an average rent of $1,721 – approximately 15% above proforma projections

- Vernola Marketplace: Construction is ahead of schedule and Certificates of Occupancy have been issued for 252 units (63% of the planned 397 units) and 162 units have been delivered for leasing. Leasing has improved since the last update and the delivered units are occupied at approximately 50% at rents approximately 30% above proforma projections.

- Ovation at Galatyn Station: Grading work has been mostly completed and buyout is 95% complete. No major cost overruns or delays anticipated at this time.

- Cabana Southern: The project is 98% bought out, but the framer did not lock in lumber when the contract was issued. Current exposure is estimated at $1.3 million. There is currently $1.9 million of contingency in the budget. Fundamentals in the East Valley submarket continue to be strong with 20% growth in asking rents and less than 3% vacancy.

## BRIDGE'S ONGOING COMMITMENTS TO SOCIAL RESPONSIBIL ITY AND EQUITY

We are proud to share that our second annual firmwide Environmental, Social and Governance ("ESG") Report was published during the first quarter. In addition to continued reporting alignment with the Global Reporting Initiative ("GRI") Standards, we increased transparency in this report by aligning our ESG objectives and initiatives with the United Nations Sustainable Development Goals ("SDGs") and disclosures that align with the Sustainability Accounting Standards Board ("SASB") standards for Real Estate. Furthermore, as Bridge became a supporter of the Task Force on Climate-related Financial Disclosures ("TCFD") in 2021, we shared our progress thus far on the recommended disclosures of the TCFD within our ESG report.

The recently launched dedicated Climate Change Task Force, comprised of senior leadership from across our equity asset verticals, ESG, risk management, legal and compliance, finance, and client solutions group, has been meeting on a monthly basis to discuss climate-related topics such as the TCFD pillars, their applicability to Bridge's business, and physical and transition risks.

As we continue to expand our reporting capabilities and build our overall ESG program, Bridge is currently completing second year GRESB reporting submissions for Bridge Workforce and Affordable Housing Fund (WFAH) and Bridge Office Fund II and first time GRESB reporting submissions with Bridge Multifamily Fund IV and Bridge Seniors Housing Fund II. We have expanded our delicencing efforts across all of our equity funds in regard to the viability of renewable energy infrastructure including solar and/or EV charging stations, with a few of our funds already commencing development of solar panels as a part of our Bridge Solar Initiative.

Among our recent accolades, the Bridge Solar Initiative was shortlisted in the Best Corporate Sustainability Strategy category and WFAH was shortlisted in the Best ESG Investment Fund: Real Estate category, both for the 2022 ESG Investing Awards.

We appreciate your support as our Partner and are gratified by the progress of the portfolio to date, and Bridge Multifamily Fund IV overall, and we look forward to continued success.

With Best Regards,

| | |
|---|---|
| Jonathan Slager<br>Co-Chief Investment Officer<br>Bridge Multifamily IV Funds | Colin Apple<br>Co-Deputy Chief Investment Officer<br>Bridge Multifamily IV Funds |

DISCLAIMER

*This CIO Letter (this "Letter") is provided to limited partners for informational purposes only by Bridge Multifamily Fund Manager LLC (together with its affiliates, "Bridge") related to an investment in the Fund. Prior performance of the Fund (including any distributions, returns or annualized yield) and any targets or pro forma numbers referenced herein are not a guarantee of future results and individual investor returns differ materially from those summarized herein due to differing management fees and investment dates. This Letter contains forward-looking statements that are based on the current beliefs and assumptions of Bridge. Investors are cautioned not to place undue reliance on any forward-looking statements in this Letter. We provide no assurance that these beliefs and assumptions will not change or that the Fund will successfully execute on its strategies or achieve target returns. The performance of any investment, including an investment in the Fund, is subject to various risks, including those identified in the Fund's private placement memorandum.*

i Preqin as of Q1 2022.
ii U.S. Census Bureau, New Residential Construction. As of Q1 2022.
iii RealPage Market Analytics as of Q1 2022.
iv RealPage Market Analytics as of Q1 2022.
v RealPage Market Analytics as of Q1 2022.
vi Real Capital Analytics, Capital Trends, as of Q1 2022.
vii Real Capital Analytics, Capital Trends, as of Q1 2022.
viii Real Capital Analytics as of Q1 2022.

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## Important Information

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