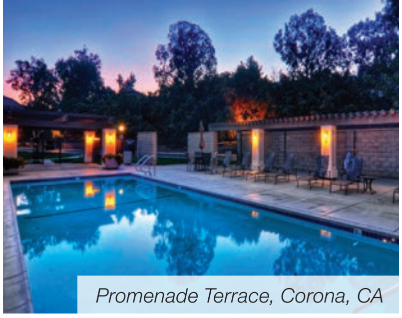
Zenith Investment Partners
Highly Recommended


The Crossing, Chino Hills, CA


Promenade Terrace, Corona, CA


Embassy Row, Atlanta, GA

The Smart Alternative Investment

SPIRE CAPITAL

SPIRE USA ROC III FUND (AUD)

ROC – Real Estate Opportunity Capital

“In property and infrastructure, it’s harder to find an attractively priced ‘core’ investment, but it is easier to find an attractively priced opportunistic investment. There is less flow of capital into those areas.”

David Neal, Future Fund Managing Director, AFR 28 January 2016.

Spire USA ROC III Fund (AUD) is a Private Equity Real Estate fund investing in opportunistic and value-add US real estate; specifically for-lease multifamily apartment communities (80%) and commercial office properties (20%).

As at fund launch (December 2015) the Fund had exposure to an initial US$603 portfolio of 18 properties, comprising 14 multifamily apartment properties with a total of 5,670 rental units, and 4 office buildings providing 1.2 million rentable square feet.

The Fund invests as a single Limited Partner side-by-side with US and global institutional and family office investors.

The Fund is the follow-on Fund to the 2013 vintage Spire USA ROC II Fund (AUD), which has provided a total return to investors of 21.44% p.a. since inception.

Portfolio Benefits

Buying Value

A diversified initial US$603 million portfolio of approximately 6,000 value-add multifamily rental units and 1.2 million square feet of office space acquired opportunistically from motivated sellers. The final ROC III portfolio acquired is expected to be or exceed US$2 billion in value.

USD Assets

Ability to invest in leveraged US dollar denominated real property assets without US tax returns.

Pricing Opportunity

Investors buy interests in the existing portfolio of assets acquired at Cost.

Diversification

Global Private Equity Real Estate has a low correlation to listed Australian equities and property securities, improving effective diversification.

SMSF Investment

SMSF investors can invest in the Fund to improve portfolio diversification.

Low Volatility

As a closed-ended illiquid fund, the Fund’s monthly unit price is not impacted by equity and commodities market volatility.

Invest in a US$603M + portfolio of opportunistically acquired and attractively priced US real estate assets via an Australian dollar denominated registered Fund

Fund Strategy

The Fund is a feeder fund into the assets of the US domiciled ROC Multifamily & Commercial Office Fund III LP ("ROC III"), managed by the highly experienced Bridge Investment Group Partners, LLC. Bridge IGP has over 1,000 employees across 30 US states in which Bridge IGP funds own and manage assets.

ROC III intends to acquire a portfolio of multifamily and commercial assets during its Investment Period, which expires in January 2018. Each asset acquired will have a value-add plan, which will be executed following acquisition. During the ROC III Harvest Period, which commences February 2018, Bridge IGP will commence the sale of assets which have completed their value-add process and are considered stabilised and ready for sale to a passive, yield seeking investor such as a REIT (Real Estate Investment Trust) or a syndicate. A sale of the entire stabilised portfolio to a single buyer, such as a publically traded REIT, Sovereign Wealth Fund or major Pension Fund, may also be considered.

Below is a summary of the investment characteristics that Bridge IGP targets to acquire. These are generally assets that:

- can typically be acquired at discounts to current replacement cost;
- have strong fundamentals, but opportunistic in nature since they will be typically sourced from "motivated sellers," for whom price is not the only criteria;
- are located in growing submarkets, with a focus on cities with strong macro-economic prospects, net in-migration, and job creation above national averages;
- have an occupancy rate greater than 10% below the submarket's occupancy level and with prospects to achieve market occupancy rates and rents within those submarkets;
- are of a size between US$10 – to US$25 million of equity, a size considered by Bridge IGP to be the middle market "sweet spot" where competition from both giant, national "financial buyers" and from more local "ad-hoc" buyers is reduced;
- can be fully analysed using discounted cash flow analysis prior to investment; and
- are projected to be cash-flow positive, after applying appropriate financing, either immediately or soon after improvements.

As of the date of the PDS ROC III has acquired or contracted to acquire approximately US$603 million in assets, which form the Initial Portfolio investments into which the Fund invests. The Fund will also acquire a proportionate interest in future investments made by ROC III.

US Investment Manager

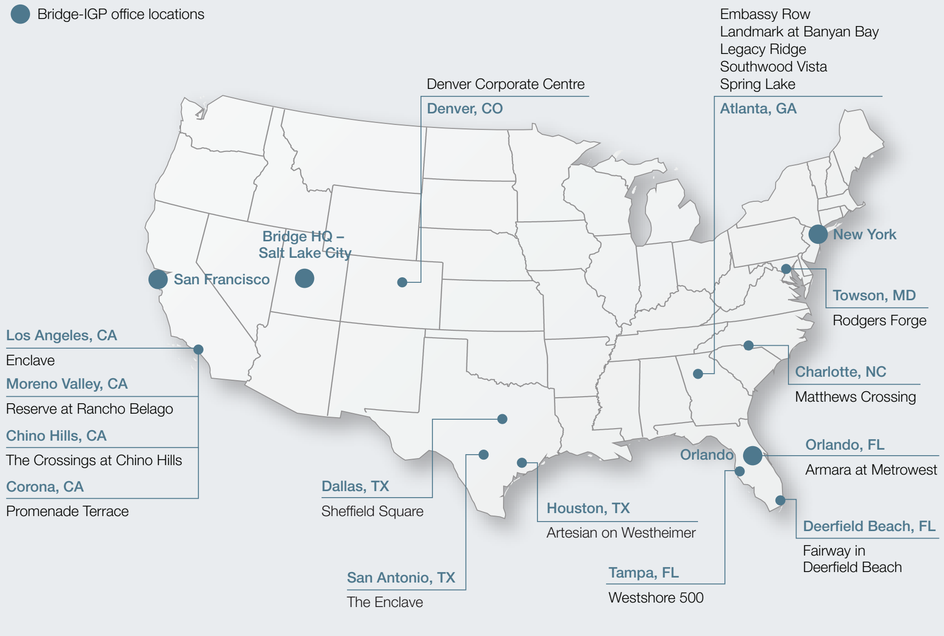
Bridge Investment Group Partners, LLC is the US based Investment Manager of the Fund.

Bridge IGP is a specialist US real estate and real estate funds manager with over US$5 billion in assets under management. Bridge IGP is headquartered in Salt Lake City, Utah, with offices in New York, San Francisco and Orlando. Over the last 23 years Bridge has invested, managed and sold several billion dollars of property assets across all segments of the market.

Bridge IGP has a strong operating and property management platform, comprising over 1,000 management, leasing and facilities employees across the 30 states in which assets are owned. Bridge uses this operating platform to add value through superior property value management.

Bridge IGP's partners have made significant co-investment in ROC III.

Existing Portfolio Investments



The Types of Properties the Fund Invests in

Stable / Value Add

Stable / Value Add assets are typically not in foreclosure, but are acquired from sellers – often with whom Bridge IGP has a prior relationship – looking to rebalance their portfolios and / or reduce debt. Typically, Bridge IGP sees opportunities to increase net rents by some value-add improvements, or by reducing operating expenses. Occupancy rates are higher than Value Add / Opportunistic deals, in the 80% – 90% range, meaning that they are eligible for attractive long-term, fixed-rate agency debt (i.e., Fannie Mae or Freddie Mac). 10 year fixed rate loans can currently be obtained at 4.0% p.a. or below. These properties provide good "cash-on-cash" returns, often exceeding 10% per annum, providing good current cash flow to blend with the lower initial cash flow but higher growth opportunities of Distressed and Value Add / Opportunistic assets.

Value Add / Opportunistic

Higher up the risk spectrum than Stable / Value Add, Value Add – Opportunistic assets, may be acquired from distressed sellers (hence, opportunistic), but do not normally require extensive rehabilitation. The asset being in prior foreclosure or capital constrained ownership, has usually led to vacancy rates rising to sometimes 20% or 30%. There may be some physical improvements which may be made to the common property (e.g., upgrading clubhouses or converting tennis courts to soccer fields), or to a selection of units (in the case of multifamily assets), which can either increase occupancy rates, increase rentals, or both. This is the value-add. Usually these assets are able to be acquired with minimal competition, because they have vacancy rates higher than acceptable to REIT and other passive buyers, and because they are not eligible for long-term, fixed-rate agency debt (i.e. Fannie Mae or Freddie Mac loans), having occupancy rates below 80%. However, because there is existing cash flow, the assets can be attractively debt financed by bank loans of between 3-5 years.

Distressed

An asset that typically been acquired out of foreclosure or from a special servicer (i.e., receiver). A prior lack of capital for basic repairs and maintenance may have led to some physical distress, which has caused vacancy rates to rise as high as 70+%. Distressed assets are "heavy lifting" assets, often requiring substantial remediation before an effective re-leasing campaign can be executed. Cash flows will be low or negative in the early ownership period, until such time as remediation works have been completed and re-leasing has been effective. Due to low cash flows at acquisition, assets may require initial financing using 100% equity, or debt funding with partial recourse to other ROC III assets. Typically, any such recourse reduces or is extinguished as pre-agreed cash flow levels are achieved. Bridge is highly experienced in the acquisition, funding, remediation and re-leasing of distressed assets.

Landmark at Banyan Bay, Atlanta, GA

Westshore 500, Tampa, FL


Sheffield Square, Dallas, TX


Spring Lake, Atlanta, GA


Artesian on Westheimer, Houston, TX

Fact Sheet Summary

Fund Name	Spire USA ROC III Fund (AUD)
PDS Issue Date	23 December 2015
APIR	ETL0460AU
Research Rating	“Highly Recommended” – Zenith Investment Partners
ARSN	609 038 600
Responsible Entity & Custodian	Equity Trustees Limited
Fund Manager (Australia)	Spire Capital Pty Ltd
Fund Administrator (Australia)	White Outsourcing Pty Ltd
Investment Manager (USA)	Bridge Investment Group Partners, LLC
Fund Type	Closed Ended registered Managed Investment Scheme
Fund Domicile & Currency	Australia / Australian dollars
Target Subscription	A$100,000,000
Financial Year End	30 June
Unit Price Calculation	Monthly
Minimum Initial Application	A$50,000
Minimum Subsequent Application	A$5,000
Applications Processed	Daily
Application Period	Until mid 2016
Management Fees (at Target Subscription)	0.58% p.a.
Distributions	Annually as at 30 June
Liquidity	The Fund is illiquid. Capital will progressively be returned as assets are sold during the “Harvest Period” commencing February 2018.
Platforms	To be advised – check with Spire Capital

Up to Date Information

Price, performance and other fund information is available at **www.spirecapital.com.au**

Factsheets are updated regularly

Further Information

Talk to your Adviser

02 9377 0755

www.spirecapital.com.au