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QUARTERLY UPDATE

SPIRE WHOLESALE ALTERNATIVE INCOME FUND NO. 1 (AUD) Q3 30 September 2017

Key Fund Details

APIR Code: SPI0001AU
Fund Manager / Trustee: Spire Capital Pty Ltd
Commencement: 9 November 2015
Fund Size: A\$6,901,815
Application Status: CLOSED

Fund Profile

Spire Wholesale Alternative Income Fund No.1 (AUD) ("SWAIF" or "Fund") acts as an Australian feeder fund into the USD denominated assets of three private debt strategies managed by Bridge Investment Group, LLC; namely Bridge Debt Strategies I (formerly ROC Debt Strategies Fund), LP ("BDSI"), ROC Debt Strategies KF12, LLC ("KF12") and Bridge Debt Strategies Fund II, LP ("BDSII")

The BDSI & BDSII Funds invest in a pool of US Dollar denominated first mortgage or mezzanine loans or preferred equity, secured by US multifamily apartment or seniors housing communities or commercial office properties.

KF12 invests in the US Dollar denominated Class C Certificates of a specific December 2015 Freddie Mac Multifamily loan securitisation program known as K-F12. These loans are secured by a portfolio of 79 stabilised multifamily apartment and seniors housing communities throughout the US, which had at acquisition an average occupancy at of 94.7% and an average Loan to Value Ratio of 72.4%.

The Fund is co-invested in KF12, holding its interest alongside US based private equity and private credit investor Portfolio Advisors.

Ordinary Unit Price and Performance (Net of Fees)

as at 30 September 2017 based upon underlying fund Partnership Statements dated 30 June 2017

Unit Price (Cum)	3 months	6 months	1 year	3 years (% p.a)	Since Inception (% p.a)
\$0.8445	-2.01%	-0.87%	2.19%	N/A	0.74%

Quarterly Update

The performance of the Fund was negatively affected by the 2.3% increase in the value of the Australian dollar from USD 0.7670 to USD 0.7846 during the period 30 June 2017 to 30 September 2017. Overall Fund Performance has been impacted by the 7.85% rise in the value of the Australian Dollar from USD 0.7275. The Fund does not hedge its US Dollar currency exposure. USD distributions received from the Fund's underlying investments positively contributed to performance.

Below is a summary update for each of the Fund's underlying investments. A comprehensive underlying investment summary will also be provided to unit holders in addition to this Quarterly Update.

Underlying SWAIF Investments / J-Curve Dashboard

As at 30 June 2017

Metric	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Bridge Debt Strategies I (BDS I) - 50.8% of the SWAIF Investment Portfolio						
Committed Capital (USD)	2,825,000	2,825,000	2,825,000	2,825,000	2,825,000	2,825,000
Percentage of Capital Called for BDS	100%	86.4%	99.2%	99.3%	99.3%	93.2%
IRR	1.8%	4.6%	6.8%	7.2%	7.9%	8.0%
Equity Multiple on Called Capital	1.05x	1.04x	1.06x	1.09x	1.11x	1.14x
KF12 - 25.4% of the SWAIF Investment Portfolio						
Committed Capital (USD)	2,714,653	2,833,275	2,833,275 ¹	2,833,275 ¹	2,833,275 ¹	2,833,275 ¹
Percentage of Capital Called for KF12	100%	99.9%	51.5% ¹	51.5% ¹	51.5% ¹	51.5% ¹
IRR	NM	8.3%	8.8%	7.5%	7.8%	8.2%
Equity Multiple on Called Capital		1.04x	1.13x	1.12x	1.08x	1.09x
Bridge Debt Strategies II (BDS II) - 23.9% of the SWAIF Investment Portfolio						
Fund's Committed Capital (USD) ²				1,327,750	1,327,750	1,327,750
Percentage of Capital Called ²				0%	46.0%	41.4%
IRR				NA	4.2%	5.4%
Equity Multiple on Called Capital					1.02x	1.02x
Blended & Weighted - 100% of the SWAIF Investment Portfolio						
Fund's Committed Capital (USD) ²	5,658,275	5,658,275	5,658,275	5,658,275	5,658,275	5,658,275
Percentage of Capital Called ²	100%	93%	75%	63%	74%	70%
IRR		6.5%	7.8%	5.6%	7.0%	7.4%
Equity Multiple on Called Capital		1.04	1.10	1.08	1.08	1.10
SWAIF Portfolio Returns Weighted for Called Capital (assumes uncalled capital = 1.0x multiple)						
Equity Multiple		1.04	1.07	1.05	1.06	1.07
SWAIF Portfolio Returns Adjusted for Currency						
FX @ Inception = \$US0.73						
FX Rate (AUD = USD)	0.76925	0.7426	0.76525	0.72410	0.76285	0.76705
Difference	0.03925	0.0126	0.03525	-0.0059	0.03285	0.03705
FX impact on Returns since inception	-5.4%	-1.7%	-4.8%	0.8%	-4.5%	-5.1%
Equity Multiple adjusted for currency		1.02	1.02	1.06	1.01	1.01

Notes:

1. KF12 was the subject a re-remic (re-securitization) in Q3 which saw the Fund receive a return of non-callable capital, the majority of which was committed to BDSII. Thus the Fund's position in KF12 represents full investment in KF12.
2. The Fund's first Capital Call for BDSII for 46% of Committed Capital was paid subsequent to the Q4 Partner Statement, on 31 January 2017.

Q2 Investor Letters

Please note all dollar amounts and returns are US Dollar denominated.

BDSI

Dear Partner,

Thank you for your continued support of the Bridge Debt I Funds ("Bridge Debt I" or the "Partnerships"). We are pleased to share with you the Quarterly Report for the period ending June 30, 2017. In this letter, we provide an update on the Partnerships' investment activities to date. There are four separate documents included with the overall Quarterly Report package: (i) Quarterly Fund Package (this document) which contains this Fund Management Letter and the Investment Performance Summary; (ii) Quarterly Partner Package which contains the Partner Statement, Exhibit A – Allocation History, and Exhibit B – Allocation Since Inception; (iii) Quarterly Financial Report which contains the fund financial statements and accompanying notes; and (iv) Investment Summary Package which contains individual summaries on investments held by the Partnerships.

INVESTMENT ACTIVITY UPDATE

Bridge Debt I's current 12 investments have a gross asset value of \$248.1 million and reflect the targeted portfolio composition. The Partnerships' capital investment in this portfolio totalling \$101.7 million is detailed as follows:

- ~\$2.7 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K716);
- ~\$14.2 floating rate loan secured against 1500 City West, a 192,313 square foot office building in Houston, TX;
- ~\$10.3 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K1501);
- ~\$17.8 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K719);
- ~\$9.3 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF12);
- ~\$5.5 million floating rate commitment secured against Thunderbird Village, a 182 unit multifamily property in Vancouver, WA;
- ~\$7.0 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF14)
- ~\$2.4 million floating rate loan secured against 4 Mountainview Terrace, a 64,255 square foot office building in Danbury, CT;
- ~\$11.3 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF16);
- ~\$15.0 million floating rate loan secured against a portfolio of six multifamily properties (1,242 units) located in Orlando & Daytona Beach, FL; ~\$4.2 million floating rate loan secured against 828 Bedford, a 64,255 square foot multifamily property in Brooklyn, NY; and ~2.0 million restricted cash deposit with Wells Fargo Bank NA associated with the fund warehouse line of credit.

In addition, we had one realization in the second quarter of 2017:

~ \$11.5 million mezzanine loan, secured against a portfolio of 13 multifamily properties (2,199 total units) located in various MSAs in Florida; because this loan was purchased in two components, it appears on two lines of the Investment Performance Summary.

The Investment Summary Package provides further detail on each of the current investments held by the Partnerships. Together, our 12 closed transactions currently project a gross 14%+ IRR, which we anticipate

will manifest in strong quarterly distributions for our investors of approximately 7-8% before netting out fund expenses.

Bridge Debt I has made substantial progress since its inception in September 2014. As of June 30, 2017, the Partnerships are 92.6% deployed in a portfolio that is projected to deliver solid returns with carefully managed risk. Some realizations in the last two quarters have taken us below full deployment, but we expect to redeploy that capital before the investment period ends in September 2017. Like all private equity-style investment vehicles, the Partnerships' performance approximates the J-Curve, wherein management fees and start-up costs in the early investment years result in returns which are anticipated to curve upward, and in most instances, where capital contributed is greater than the book value of portfolio investments. It is worth noting that the J-Curve experienced in Bridge Debt I is significantly less pronounced than in the average private equity fund. The Partnerships to-date have achieved an 8.2% net IRR and a 1.14x multiple. As investments season, we expect returns to continue to trend higher. The most recent distribution returned an annualized interest yield of approximately 7.5% and inception-to-date the fund has paid out at an annualized distribution rate of 6.7%.

Our stable, trusted relationship with Freddie Mac has allowed Bridge to be one of the most active purchasers of the K-Series, which represent some of the most attractive fixed income alternatives in the market today: five to ten year tenor, double-digit returns, and low historical default rates. We benefit from tremendous deal flow; from 2014 until 2017, we have been awarded seventeen K-Series investments; fifteen through direct placement and two through a limited auction. In July 2016, we launched our successor fund Bridge Debt II, and have secured \$726.5 million in Bridge Debt II equity capital and \$567.9 million in parallel vehicles through June 2017. Based on our current dialogue with Freddie Mac, we anticipate a robust pipeline of floating rate investments and other select Freddie Mac products in 2017 and beyond. In our direct lending activities, we continue to see significant opportunity in underserved parts of the debt space, particularly in secondary US markets.

With Best Regards,



James Chung
Chief Investment Officer

KF12 ACTIVITY UPDATE

Please note all dollar amounts and forecast returns are in US Dollars.

- There were two ownership transfers in 1H17: Park 83 Apartments and Aqua At Deerwood Apartments, with \$100K paid. There has been a total of 18 loan assumptions and/or transfers since securitization generating approximately \$845K in fee income. - There were seven loan payoffs during 1H17 at par totalling \$115.5MM of UPB: Encantada Queen Creek - UPB \$23.2MM; Dwell Apartment Homes - UPB \$11.5MM; The Place At 7400 - UPB \$10.2MM; The Place At Twenty-Two - UPB \$6.9MM; Place At 2120 - UPB \$6.1MM; The Crossing at Bear Creek - UPB \$37.7MM; Overlook Estates Apartments - UPB \$19.9MM. There has been a total of 23 loan payoffs since securitization, totaling \$326.8MM (23.5% of original pool balance).

- Trinity Towers South with UPB \$2.95MM paid off 12/1/16.

There has been a total of 16 loan payoffs since securitization, totalling \$211.27MM (15.2% of original pool balance)

BDSII

Dear Partner,

Thank you for your continued support of the Bridge Debt II Funds ("Bridge Debt II" or the "Partnerships"). We are pleased to share with you the Quarterly Report for the period ending June 30, 2017. In this letter, we provide (i) an update on the progress of the Partnerships' fundraising activities; and (ii) an update on the Partnerships' investment activities to date. There are four separate documents included with the overall Quarterly Report package: (i) Quarterly Fund Package (this document) which contains this Fund Management Letter and the Investment Performance Summary; (ii) Quarterly Partner Package which contains the Partner Statement, Exhibit A – Allocation History, and Exhibit B – Allocation Since Inception; (iii) Quarterly Financial Report which contains the fund financial statements and accompanying notes; and (iv) Quarterly Asset Summary Report which contains individual summaries on investments held by the Partnerships.

As always, we continue efforts to improve our communications so that the information we provide will be clear and complete. Should you have any questions about the information in the reports, please see the notes page at the end of each report, and of course, feel free to contact our Investor Relations department via email at investorrelations@bridgeig.com or via phone at 877-866-4540.

FUNDRAISING ACTIVITY UPDATE

Since the Fund's inception in July 2016, Bridge Debt II raised \$832.6 million in Bridge Debt II equity capital and \$767 million in parallel vehicles established to invest alongside the partnership.

INVESTMENT ACTIVITY UPDATE

Bridge Debt II's current 22 investments have a gross asset value of \$530 million and reflect the targeted portfolio composition. The Partnerships' capital investment in this portfolio totals \$290.2 million and is detailed below. The Quarterly Asset Summary Report provides further detail on each of the current investments held by the Partnerships.

- ~\$15.1 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF18);
- ~\$4.9 million floating rate loan commitment secured against Scottsdale Gateway II, a 107,885 square foot office building in Scottsdale, AZ;
- ~\$22.0 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF20);
- ~\$3.4 floating rate loan commitment secured against 86 North Apartments, a 144-unit multifamily property in Chapel Hill, NC;
- \$9.7 million floating rate loan commitment secured against a Timber Hollow Apartments, a 368-unit multifamily property in Fairfield, OH;
- ~\$3.4 million floating rate loan commitment secured against a 155 South 4th Street, a 41-unit multifamily property in Brooklyn, NY;
- ~\$20.9 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF23);
- ~\$12.2 million preferred equity investment secured against a Reserve at the Ballpark, a 321-unit multifamily property in Atlanta, GA;
- ~\$4.0 million preferred equity investment secured against a Narraticon Apartments, a 443-unit multifamily property in Deptford township, NJ;

- ~\$26.2 million investment in various BBB- rated CMBS securities;
- ~\$8.8 million floating rate loan commitment secured against 3800 Horizon, a 214,679 square foot office building in Trevose, PA;
- ~\$2.9 million floating rate loan commitment secured against Dulles Creek, a 87,562 square foot office building in Herndon, VA;
- ~\$52.6 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF27);
- ~\$12.5 million floating rate loan commitment secured against 355 West Broadway, a 8,400 square foot mixed-use building in New York, NY;
- ~\$2.5 million floating rate loan commitment secured against Sublett Corners Shopping Center, a 87,900 square foot retail center in Arlington, TX;
- ~\$8.7 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K64);
- ~\$8.3 million floating rate loan commitment secured against Tesoro Apartments, a 188-unit multifamily property in Redlands, CA;
- ~\$12.0 million mezzanine investment secured against The Pointe, a 418,000 square foot office building in Atlanta, GA;
- ~\$14.0 million floating rate loan commitment secured against a Tzadik Oaks, a 375 unit multifamily property in Tampa, FL;
- ~\$9.9 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KL01);
- ~\$17.5 million floating rate loan commitment secured against Downing Court Retail Condo, a 11,200 square foot retail center in New York, NY;
- ~\$16.5 million mezzanine investment secured against HSBC Building, a 37,294 square foot office building in Miami, FL

Together, our 22 closed transactions fit well within our thesis and project a net 10% plus IRR, which we anticipate will manifest in strong quarterly distributions for our investors (in the 10% range).

Bridge Debt II has made substantial progress since its inception in July 2016. Like all private equity-style investment vehicles, the Partnerships' performance approximates the J- Curve, wherein management fees and start-up costs in the early investment years result in returns which are anticipated to curve upward, and in most instances, where capital contributed is greater than the book value of portfolio investments. It is worth noting that the J-Curve experienced in Bridge Debt II is significantly less pronounced than in the average private equity fund. The Partnerships to-date have achieved a 7.4% net IRR and a 1.03x multiple. As investments season and debt investments without a current pay component are realized, we expect returns to normalize higher.

Our stable, trusted relationship with Freddie Mac has allowed Bridge to be one of the most active purchasers of the K-Series securities, which represent some of the most attractive fixed income alternatives in the market today: five- to ten-year tenor, double-digit returns, and low historical default rates. We benefit from tremendous deal flow; from 2014 until 2017, we have been awarded seventeen K-Series investments; fifteen through direct placement and two through a limited auction. Based on our current dialogue with Freddie Mac, we anticipate a robust pipeline of floating rate investments and other select Freddie Mac products in 2017. In our direct lending activities, we continue to see significant opportunity in underserved parts of the debt space, particularly in secondary US markets. We target deals under \$50 million, a size that is largely ignored by competing debt funds and traditional lenders, and focus on asset types in which Bridge has significant operational capabilities. This highly-differentiated approach is key to our success in sourcing attractive, risk-adjusted investments in the portfolio.

Thank you, once again, for your support of the Partnerships. If you have any questions regarding Bridge Debt II or your investment, please do not hesitate to contact us or our Australian partner Spire Capital.

With Best Regards,



James Chung
Chief Investment Officer

Note: A complete copy of the Q2 BDSI (inc KF12) and BDSII Asset Summaries is available to investors and their advisers on request to Spire.

Manager Profiles

The US Investment Manager is Bridge Investment Group Partners, LLC. Bridge IGP has over 25 years experience in successful investment in US value-add real estate and a platform of over 1,000 employees. As at 31 December 2015 Bridge IGP had US\$8.8 billion in AUM across US private real estate and private debt strategies.

Spire Capital Pty Ltd is the Australian Fund Manager. Spire via its Global Investment Series democratises and structures leading global institutional quality investment opportunities for the Australian private wealth and SMSF market.

For further information please contact Spire Capital on +612 9377 0755 or via email info@spirecapital.com.au

Spire Capital Pty Ltd ("Spire"), ABN 21 141 096 120 and Australian Financial Services Licence Number 344365 is the Investment Manager and Trustee of the Fund. This Monthly Update has been prepared by Spire for information purposes only. It does not contain investment recommendations nor provide investment advice. Spire nor their related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund. Past performance is not necessarily indicative of future performance. Professional investment advice can help you determine your tolerance to risk as well as your need to attain a particular return on your investment. You should not act in reliance of the information of this Quarterly Update. We strongly encourage you to obtain detailed professional advice and read the Information Memorandum in full before making an investment decision.