Spire Capital Pty Ltd
ACN 141 096 120
AFSL 344365

Level 14, 25 Bligh Street
Sydney NSW 2000

T +61 2 9377 0755
F + 612 9377 0788
info@spirecapital.com.au

QUARTERLY UPDATE

SPIRE WHOLESALE ALTERNATIVE INCOME FUND NO. 1 (AUD)
Q4 December 2016

Key Fund Details

APIR Code:	SPI0001AU
Fund Manager / Trustee:	Spire Capital Pty Ltd
Commencement:	9 November 2015
Fund Size:	A$8.23 million
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 two private debt strategies managed by Bridge Investment Group Partners, LLC; namely ROC Debt Strategies Fund, LP ("RDS") and ROC Debt Strategies KF12, LLC ("KF12").

RDS invests 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 LLC 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 LLC, holding its interest alongside US based private equity and private credit investor Portfolio Advisors.

The Fund has recently received approximately 50% of its original investment in KF12 back as a return of capital, the majority of which has been committed to ROC Debt Strategies II Fund, LP ("RDSII"), the follow on fund to RDS, which will invest in the same types of assets as RDS.

The Fund does not hedge its US Dollar currency exposure.

Ordinary Unit Price and Performance (Net of Fees)

as at 31 December 2016 based upon underlying fund Partnership Statements dated 30 September 2016

Unit Price: (CUM)	**$1.01**
3 months:	7.14%
Rolling 6 months:	1.22%
FYTD	1.22%
Rolling 12 month:	N/A
Since Inception:	6.29%
Since Inception P.A.:	5.67%

Quarterly Update

The Fund returned 7.14% for the period from 30 September 2016 to 31 December 2016.

The majority of this performance is attributable to the 5.38% decrease in the value of the Australian dollar from USD0.7653 to USD0.7241during the period.

USD distributions received from the Fund's underlying investments also contributed to the positive 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.

RDSI

Quarterly letter from the Chief Investment Officer of the Investment Manager

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

Dear Partner,
Thank you for your continued support of the ROC Debt I Funds ("ROC Debt I" or the "Partnerships" or the "Underlying Fund"). We are pleased to share with you the Quarterly Report for the period ending September 30, 2016. 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.

FUNDRAISING ACTIVITY UPDATE

We completed fundraising as of the final closing in March 2016. As of March 31, 2016, we secured $331 million in equity capital commitments between ROC Debt I and parallel vehicles established to invest alongside the Partnerships. Of this amount, $132 million is committed directly to the Partnerships and $275 million has been secured in parallel vehicles.

INVESTMENT ACTIVITY UPDATE

ROC Debt I's current 13 investments have a gross asset value of $479.5 million and reflect the targeted portfolio composition. The Partnerships' capital investment in this portfolio totalling $122.9 million is detailed as follows:

- $4.8 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K716);
- $6.3 million floating rate loan secured against 6901 South Havana, a 136,988 square foot office building in Denver, Colorado;
- $14.0 floating rate loan secured against 1500 CityWest, a 192,313 square foot office building in Houston, Texas;
- $11.5 million mezzanine loan which shows up on two lines of the Investment Performance Summary due to it being purchased in two components, secured against a portfolio of 13 multifamily properties (2,199 total units) located in various Metropolitan Statistical Areas (MSAs) in Florida;
- $2.1 million preferred equity investment against Antero Apartments, a 528 unit multifamily property in Colorado Springs, Colorado;
- $10.1 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);
- $8.9 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF12);
- $5.4 floating rate commitment secured against Thunderbird Village, a 182-unit multifamily property in Vancouver, Washington;
- $11.5 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, Connecticut;
- $12.6 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF16); and

- $15.5 million floating rate loan secured against a portfolio of six multifamily properties (1,242 units) located in Orlando & Daytona Beach, Florida.

The Quarterly Asset Summary Report provides further detail on each of the current investments held by the Partnerships. Together, our 14 closed transactions currently project a gross 13.5% IRR, which we anticipate will manifest in strong quarterly distributions for our investors of approximately 8%.

ROC Debt I has made substantial progress since its inception in September 2014. As of August 2016, the Partnerships are fully deployed in a portfolio that is projected to deliver solid returns with carefully managed risk. 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 ROC Debt I is significantly less pronounced than in the average private equity fund. The Partnerships to-date have achieved a 7.3% net IRR and a 1.07x multiple. As investments season and debt investments without a current pay component are realised, we expect returns to normalise higher. The most recent distribution returned an annualised recurring interest yield of approximately 8.3%.

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: 5-10 year tenor, double-digit returns, and low historical default rates. We benefit from tremendous deal flow; from 2014 until 2016 year-to-date, we have been awarded eleven K-Series investments; nine through direct placement and two through a limited auction. In May 2016, we launched our successor fund ROC Debt II, and secured $361 million in equity capital commitments between the fund and parallel vehicles in the initial closing. 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 U.S. markets.

Thank you, once again, for your support of the Partnerships. If you have any questions regarding ROC Debt I or your investment, please do not hesitate to contact us.

With Best Regards,

James Chung
Chief Investment Officer

KF12

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

There were five loan payoffs during 3Q16 at par totalling $61.75MM of Unpaid Principal Balance (UPB):

- 1250 West with UPB $32.88MM paid off on 9/1/16;
- The Springs with UPB $7.44MM paid off 9/1/16;
- Watch Hill with UPB $4.37MM paid off 9/1/16;
- Millenia West with UPB $11.54MM paid off 8/1/16;
- Clarendon with UPB $5.5MM paid off 7/1/16.

There has been a total of six loan payoffs since securitisation, totalling $87.7MM (6.3% of original pool balance).

In 3Q16, all of the senior traunches in RDS and the Fund's investment KF12 were re-securitized in the BAMLL 2016-FRR15 securitisation. This process is known in the US CMBS industry as a "re-remic", and was foreshadowed to investors in the Fund's Q3 update. Via this re-remic RDS and the Fund sold off more than 48% of the tranche. The circa 52% retained is forecast to generate an overall 15.3% gross IRR.

The Fund's proceeds from the re-remic have been committed to RDSII as per the Unit Holder resolution approved during Q4.

As at 31 December 2016 no capital has been called by RDSII and these proceeds remain invested in US dollars.

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$6.7 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