

Quarterly Update

Positively affecting the unit price during the September quarter was the net 18.35% increase across the portfolio in the total book value of Bridge Debt SMA BDS III Co-Invest investment assets recorded for Q2.

The Unit Price reflects the Q2 Underlying Fund Net Asset Values as at 30 June 2020.

The quarterly cash distribution for Q3 2020 was US 59.0094 cents per unit, paid to investors on the 8 October 2020.

The calculation of distribution components will be provided to investors on an annual basis as at 30 June.

Performance (Net of Fees)

As at 30 September 2020

Based upon underlying fund data as at 30 June 2020

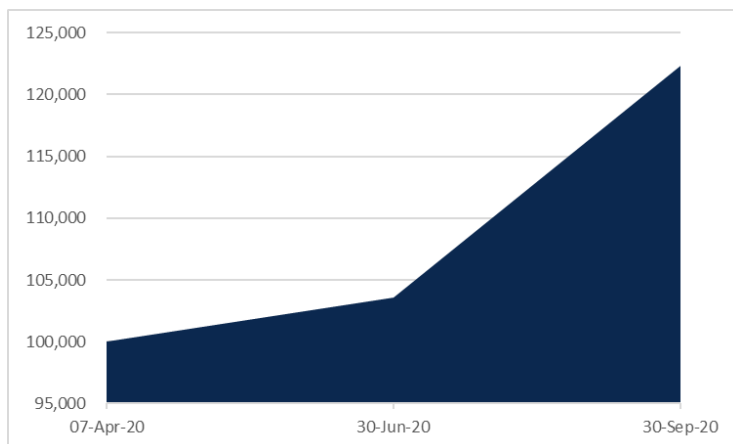
3 months	6 months	9 months	1 year	3 years (p.a)	Inception (p.a)
18.09%	22.33%	N/A	N/A	N/A	22.33%

Asset Allocation as at 30 September 2020	
Cash USD	56.78%
Investments USD	43.22%

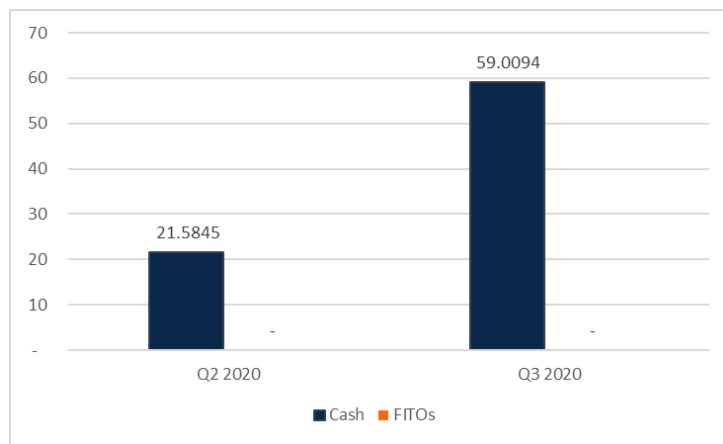
Unit Price as at 30 September 2020	
CUM price	US\$0.9684
Cash distribution	US\$0.5901
EX price	US\$0.3783

Unit Price Movement Breakdown	
Underlying investments (incl. cash and distributions)	18.26%
Management fees	-0.07%
Tax formation expenses	-0.01%
Other expenses	-0.09%
Total Movement	18.09%

Growth of US\$100,000 Investment*



Distributions (USD)



Past performance is not an indicator of future performance.

*Unit Price and performance do not include the value of Foreign Income Tax Offsets (FITOs) which may be distributed in addition to cash.

Fund Details

Fund Size (USDm):	\$7.52m (CUM)
Unit Price (US\$):	\$0.9684 (CUM)
APIR Code:	SPI1793AU
Commencement:	7 April 2020
Currency:	US Dollars
Application Status:	CLOSED
Liquidity:	Nil - closed-ended Fund

Fund Manager:	Spire Capital Pty Limited
Investment Manager:	Bridge Debt Strategies Fund III GP LLC
Trustee:	Spire Capital Pty Limited
Base Management Fee:	0.25% p.a. x NAV
Underlying Fees:	0.65% of committed equity
Underlying Performance Fee:	15% of realised profits after an 8% preferred return is paid to Limited Partners.
Distribution Frequency:	Quarterly as at 30 Sep, 31 Dec, 31 Mar and 30 Jun

Management Letter from Bridge Investment Group - 31st July 2020

Note: All dollar amount and performance returns quoted are US Dollar denominated.

Thank you for your support of Bridge Debt SMA BDS III Co-Invest ("BDS III Co-Invest" or the "Partnerships"). We are pleased to share with you the CIO Report for the period ending July 31, 2020.

Fund Performance Summary

As of July 31, BDS III Co-Invest has achieved a 123.3% gross IRR and 91.3% net IRR. The BDS III Co-Invest distributed interest and gains of \$13.8 million on the original capital investment of \$120.2 million or 11.5% of the original investment. In addition, 44.7% of investor capital has been returned at a 1.25x multiple.

Market Overview at Q2 2020 Quarter End

In the Freddie Mac K-Series B-piece sector, yields in the secondary market compressed significantly during the quarter after the sharp dislocation in late March. We estimate about 75% of the widening seen in late March was reversed out during the second quarter. In the new issue market, Freddie widened out yields about 300 bps vs. pre-COVID-19 levels. Freddie issuance paused briefly in March with the market volatility and resumed in April as the markets regained their footing. However, unlike the secondary market, new issue Freddie Mac B-piece pricing did not compress in the second quarter as the markets stabilized.

Investment Activity Update

Since closing on the portfolio in early April, we have realized gains primarily on the second loss bonds in the portfolio. These fixed and floating rate bonds were acquired in the ~8% yield range but quickly compressed inside of 5% yields in the second quarter. We quickly moved to sell them and realized gains of 20-25% in a very short time frame. Given the safe credit profile of these bonds, liquidity returned for them very quickly once the markets stabilized after early April. We did also sell down one B-piece, K53, in the portfolio in early July. We originally acquired the B-piece at a 14.5% yield and were able to sell it at an 8.75% yield.

As of July 31, we have liquidated approximately 44.7% of the original portfolio and anticipate further sales in coming months.

Thank you, once again, for your support of the Partnerships.

With Best Regards,



James Chung
Chief Investment Officer
Bridge Debt III Funds

Fund Overview

The Fund has invested via a co-investment in a portfolio of Freddie Mac Multifamily K-Series securities alongside Bridge Debt Strategies III Fund and other institutional co-investment partners.

The co-investment is managed by Bridge Investment Group ("Bridge") is the US based Investment Manager of the Fund. Bridge is a specialist US real estate and real estate funds manager with over US\$18 billion in assets under management. Bridge is headquartered in Salt Lake City, Utah, with offices in New York, San Francisco and Orlando. Over the last 25 years Bridge has invested, managed and sold several billion dollars of property assets across all segments of the market. Bridge has a strong operating and property management platform, comprising over 2,600 management, leasing and facilities employees across the states in which assets are owned.

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Important Information

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