

**OVERVIEW**

The Fund was established in 2014 and acts as an unhedged Australian feeder fund into the assets of of Bridge Seniors Housing & Medical Properties Fund LP (“Bridge Seniors I”). Bridge Seniors I is a US\$737 million (equity) “buy, fix, sell” private equity real estate fund, investing in value-add US seniors housing and medical properties. The Fund has a US\$51 million capital commitment to Bridge Seniors, of which 87.6% has now been called and invested, and owns a 6.91% share of a diversified current portfolio of 54 separate seniors housing assets across the US, which have been acquired for approximately US\$1.6 billion. Bridge Seniors I’s Investment Period will run until January 2018, following which assets will be sold, most likely via a portfolio sale, when the portfolio has been stabilised and value has been maximised. 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\$7.8 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 23 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 1,000 management, leasing and facilities employees across the 30 states in which assets are owned.

**PERFORMANCE (NET OF FEES)**

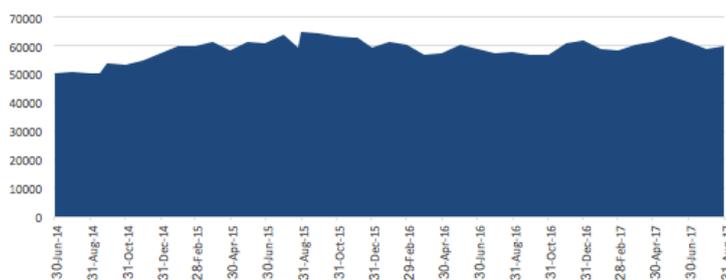
Ordinary Unit Class

Based upon underlying fund data as at 30 June 2017

1 month	3 months	1 year	5 years	Inception (p.a)
1.97%	-5.07%	3.79%	N/A	5.88%

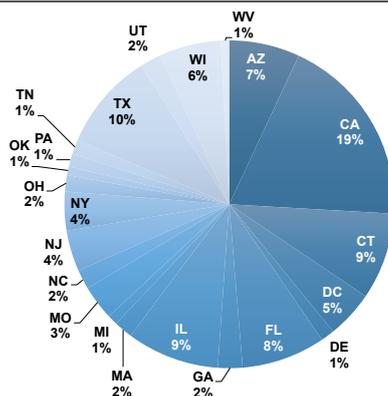
*\*\* Past performance is not an indicator of future performance\*\**

**GROWTH OF AUD 50,000 INVESTMENT**



Performance and Growth table and chart are based on an investment made at the Fund’s first issuance of units in June 2014 at \$1:00 per unit and includes Unit Price growth plus cash Distributions. Performance figures and growth chart do not assume the re-investment of Distributions back into the Fund as the Fund was not open to re-investment. Unit Prices and Performance figures 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 Issue Price at which they were issued Units in the Fund, which in turn was based upon the AUD / USD exchange rate applicable in the month in which an investment was made.

**REGIONAL BREAKDOWN\***



*\*Underlying Fund investments by property value as at 30 June 2017*

**FUND DETAILS**

<b>Fund Size (AUDm):</b>	68.53
<b>APIR Code:</b>	ETL0412AU
<b>Commencement:</b>	20 May 2014
<b>Zenith Research Rating:</b>	Highly Recommended (Original rating, now lapsed as closed)
<b>Unit Price:</b>	\$1.1764
<b>Distribution Frequency:</b>	Annually as at 30 June
<b>2017 Distribution (CPU):</b>	2.07 + 0.32 FITOs
<b>Liquidity:</b>	Nil - Closed-ended fund

<b>Fund Manager:</b>	Spire Capital Pty Limited
<b>Investment Manager:</b>	Bridge Investment Group, LLC
<b>Responsible Entity:</b>	Equity Trustees Limited
<b>Base Management Fee:</b>	0.58% p.a. x NAV
<b>Underlying Fees:</b>	2% of committed equity
<b>Underlying Performance Fee:</b>	20% of realised profits after an 8% preferred return is paid to Limited Partners.
<b>Application Status:</b>	CLOSED

## MONTHLY UPDATE

Positively affecting the unit price during the month of August was the 1.60% increase in the NAV of the underlying fund recorded in the 30 June 2017 Partners Statement. August is the first month in which this underlying fund data has been used for unit price calculation. Also positively affecting the unit price was the 0.651% decrease in the value of the Australian dollar against the USD dollar from US\$0.7984 to US\$0.7932. The Fund does not hedge currency exposure. Unit Prices are reflecting the Q2 Underlying Fund Net Asset Values as at 30 June 2017. Underlying Fund performance since inception is summarised below:

Underlying Bridge Seniors Housing I Investment / J-Curve Dashboard

As at 30 June 2017

Metric	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Committed Capital (USD)	15M	20M	25M	51M							
Called Capital %	11.2%	23.0%	24.2%	42.6%	42.6%	42.6%	64.8%	64.8%	75.9%	83.9%	87.6%
USD cash %	88.8%	77.0%	75.8%	57.4%	57.4%	57.4%	35.2%	35.2%	24.1%	16.1%	12.4%
IRR on Called Capital	NM	3.6%	6.6%	7.8%	7.6%						
Equity Multiple on Called Capital	0.74x	0.90x	0.94x	0.96x	0.99x	0.99x	0.99x	1.04x	1.08x	1.10x	1.12x

## OUTLOOK

The Fund is receiving quarterly distributions of operating income from the current portfolio, which will continue to grow as the Investment Manager continues with the execution of value-add strategies to grow cash-flow. The Quarterly Letter from the US Investment Manager below provides further details on the market outlook and the Partnerships' investment activities.

## UPDATE ON HURRICANES HARVEY & IRMA

We have been advised by Bridge Investment Group that management teams in Bridge seniors housing communities were well prepared for the storms and as a result no resident or staff injuries have been reported, even though some assets in Florida lost power for a few days. There was no catastrophic damage caused by either Hurricane Harvey or Irma. Some assets were affected by roof leaks and water damage, which is expected to be covered by insurances. Further updates will be provided on the Spire website when available.

## QUARTERLY LETTER FROM THE US INVESTMENT MANAGER

Dear Partner,

Thank you for your support of Bridge Seniors Housing & Medical Properties Fund LP ("Bridge Seniors I" or the "Partnerships"). We are pleased to share with you the Quarterly Report of the Partnerships for the quarter ending June 30<sup>th</sup>, 2017. In this letter, we provide our views on the seniors housing market and an update on the Partnerships' investment activities to date.

## VIEWS ON THE SENIORS HOUSING MARKET

Stabilized occupancy in the U.S. seniors housing market dipped slightly to 90.3% during Q2. We continue to see some near-term slow down in absorption in certain markets. However, the unprecedented long-term demographic trends continue to lend confidence to long-term occupancy growth. This long-term demand should support investment in existing supply, as well as in additional units, as the population age increases over the next 30 years. Rent growth for the industry remained strong at 3.1% annualized during the quarter,

and the markets in which Bridge Seniors Co-Fund I is currently invested are experiencing rent growth at 3.5%, a greater rate than the national average. These rates compare favorably with the U.S. inflation rate of less than 2%.

#### INVESTMENT ACTIVITY UPDATE

As of June 30, 2017, Bridge Seniors Fund I had called 86% of the Partnerships' available capital, and had made 54 investments in 23 states across the US. The 54 investments owned by Bridge Seniors Fund I as of the end of Q2 have a total capital allocation of \$1.5 billion, and are projected to yield an average three year cash-on-cash return of 10%, and an asset-level 19% IRR on invested equity.

Since the end of Q2, we have acquired one asset for \$30 million, utilizing \$10 million of Partnerships equity. We also have two additional assets under contract, totalling \$70 million in purchase price, and projected to utilize \$20 million of Partnerships equity. As a result, we are 90% allocated. We do not anticipate making any more new investments in Bridge Seniors Fund I. As we season the owned portfolio and adjust our expansion plans, we will continue to call capital for planned capital investment and performance enhancements of currently owned assets. Part of that seasoning may include adjusting our mix of third-party managers. All 57 investments currently owned or under contract by the Partnerships have a total capitalization price of approximating \$1.6 billion, including budgeted capex.

We believe this portfolio reflects the strong financial metrics we anticipated in our offering documents, and the exceptional "value add" capabilities of our asset management team, along with the attractive risk-adjusted returns that Bridge Seniors Fund I expects to deliver.

We appreciate your support as our Partner and are extremely gratified by the progress we have been able to achieve to date in the Bridge Seniors I Funds. We look forward to continued success.

If you have any questions regarding Bridge Seniors or your investment, please do not hesitate to contact us or our Australian partner Spire Capital.

With Best Regards,



Phil Anderson  
Chief Investment Officer  
Bridge Seniors I Funds

#### **CONTACT US**

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#### **Important Information**

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