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MONTHLY UPDATE

SPIRE USA ROC II FUND (AUD) August 2016

Key Fund Details

APIR Code:	ETL0371AU
Responsible Entity:	Equity Trustees Limited
Commencement:	1 July 2013
Fund Size:	A\$52.87 million
Rating:	Highly Recommended (Zenith Investment Partners)
Application Status:	CLOSED

Ordinary Unit Price and Performance (Net of Fees)

as at 31 August 2016 based upon underlying fund data as at 30 June 2016

Unit Price (Cum):	\$1.3348
One month:	6.33%
Rolling 3 months:	2.62%
Rolling 6 month:	5.67%
Rolling 12 month:	-3.65%
FYTD:	4.23%
Since Inception:	78.05%
Since inception (p.a):	19.96%

Fund Profile

The Fund acts as an unhedged Australian feeder fund into the assets of Real Estate Opportunity Capital Fund, LP ("ROC II"). ROC II is a US\$600 million (equity) value-add "buy, fix, sell" private equity real estate fund, investing in value-add US multifamily apartment communities and office buildings.

The Fund owns a 5.88% share of a diversified portfolio of 'value-add' real estate assets across the US. As at the date of this update, the ROC II portfolio had invested in 52 multifamily apartment communities and 9 office buildings, and of these 11 have now been sold at an average 22.2% net IRR and 1.38x multiple on invested equity. US\$1.9 billion in assets remain, which will also be progressively sold down during the 'harvest period' as each asset's value has been maximised and stabilised.

Monthly Update

This month's unit price is the first month for which the unit price is based upon the Q2 2016 underlying fund data, as at 30 June 2016.

Positively affecting the Unit Price was the 5.33% increase in the value of the Fund's US dollar denominated investments in the ROC II Portfolio during Q2 (i.e from 31 March to 30 June 2016). A summary of the individual asset performance for each ROC II asset is provided on pages 3 and 4.

ROC II is now in its "Harvest Period", having already successfully sold approximately 18% of its stabilised assets, and with more profitable sales in the pipeline. This ability of Bridge IGP to successfully manage exits, in addition to its proven ability to execute refurbishment and re-leasing strategies, provides us with great confidence in the teams ability to ultimately deliver a full ROC II "round trip" investment in line, with and most likely significantly in excess of, target returns.

The Q2 2016 Investor Letter below from ROC II Chief Investment Officer, Mr Danuel Stanger, provides further details.

Also positively affecting the Unit Price during the month of August was the 1.11% decrease in the value of the Australian dollar against the USD dollar from 0.7600 to 0.7515.

Investor Letter

Please see below the Q2 Investor Letter from the Chief Investment Officer for ROC II, Mr Danuel Stanger. Please note all dollar amounts are in US Dollars.

Dear Partner,

We are pleased to share with you the Real Estate Opportunity Capital Fund II LP ("ROC II" or the "Partnerships") quarterly report for the period ending June 30, 2016. In this letter, we provide updates on our views on the multifamily and commercial office markets.

In the second quarter of 2016, the national multifamily market, specifically the Class "B" market that we focus on, continued to move in a positive direction. This trend was experienced throughout our portfolio as occupancies, revenues, and NOI (i.e Net Operating Income) increased, creating a strong surge in value. According to Co-Star, the market absorbed over 59,000 units with deliveries of approximately 50,000, and was thereby able to maintain a 95.5% occupancy rate overall. A significant contributor to this strong absorption is the fact that the U.S. homeownership rate is now at its lowest level since the U.S. began tracking it in 1965, dropping to 62.9% in the second quarter of 2016, down from 63.5% at the end of 2015. We believe this reflects the continuation of several trends which we have spoken about for a few years now, i.e., 1) Baby Boomers (Seniors) are down-sizing and are willing to rent in lieu of owning, 2) Millennials – are leaving college and their parents' homes, are forming new households, and are delaying marriage and family decisions, and 3) Immigrants - continuing to come into the country in large numbers. All of these factors continue adding to the renter cohort, and contributed to strong absorption in the quarter. Nationally second quarter rent growth remained positive, increasing by 0.9% quarter over quarter. Markets in which Bridge owns assets continued to outperform the national average by 22%, growing rents 1.1% in the second quarter.

The U.S. commercial office market also showed continuing positive momentum in the second quarter of 2016 due largely to the continuation of a slow but steady growth rate in the economy and employment. Employment growth in the second quarter was 2.1% nationally, but the Bridge markets outperformed by over 50%, coming in with 3.2% annual job growth in the quarter. While the 1.2% annualized GDP growth rate is disappointing, we believe this slow but sure recovery has created a positive investment climate for us, and leaves us with a reason to believe we are in for a longer cycle of positive growth short of a major disruption at the global level. The positive job growth and modest supply increases resulted in a further tightening in the office markets nationally with a 50 bps increase in occupancy nationally, and 70 bps in the Bridge markets. Rent growth nationally grew at a 2.4% annual pace, while in the Bridge markets we saw a 3.2% increase in the quarter.

As of June 30, 2016, ROC II had invested 96.2% (or \$573 million of total equity) of its available equity into 52 multifamily housing communities (17,979 units) and nine commercial office assets (2,086,815 ft²). The Partnerships currently have a gross asset value estimated at \$2.0 billion and have generated a 26.5% net IRR and a 1.76x net multiple on invested equity to date. Of ROC II's 61 investments, 11 investments have been realized as of the end of the quarter – returning a 20.7% net IRR and a 1.35x net multiple on invested equity.

(Continued on next page)



During the quarter ending June 30, 2016, ROC II realized no assets but one closed just one day after the end of the quarter:

- ♣ *The Preserve Apts.* – a 530 unit apartment project in Houston, TX, closed on July 1, 2016 resulting in an estimated gross IRR of 33.2% and a multiple of 1.79x;

We have 33 of the 49 assets remaining in the Fund II portfolio in some stage of the marketing/disposition process. Of these, three are under contract or awarded with non-refundable deposits, 17 are awarded and in due diligence, one is in Best and Final and about to be awarded, and the other 12 are in the early to mid-stream marketing processes prior to call for offers.

With this activity on the dispositions side, we currently anticipate that all of the original investment capital will be returned and we will have exceeded the preferred return upon distribution of the sales of these 33 assets before the end of the year. As has been our consistent practice since ROC II's inception, we will continue to make distributions of current operating cash flow on a quarterly basis through the remaining life of the Partnership. We look forward to continued strong cash flow, distributions, and realizations over the remaining harvest period.

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

With Best Regards,

Danuel Stanger
Chief Investment Officer
Bridge Investment Group Partners

Asset Performance Summary

Please note all dollar amounts are in US Dollars. Total Investment amounts are equity invested amounts only and exclude leverage. IRRs and Return Multiples are at the asset level only and therefore do not reflect fund level fees and expenses or carried interest on dispositions. A copy of the Q2 Partners Statement from which the below data is sourced is available to investors or their advisor on request.

Commercial Office Investments

ROC II Funds¹

April 3, 2012 through June 30, 2016
Investment Performance Summary

Investment	Location	Type	Valuation Method ²	Date Acquired	Date Sold	Total Investment	Return Multiple ⁶	IRR ⁷
Commercial Investments								
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	10,750,000	1.68x	10.3%
LaSalle 29 Building	Chicago, IL	Office	A	Apr-13	Jan-15	7,420,000	1.27x	13.4%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	1.74x	113.5%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	A	Aug-13	Apr-15	16,000,000	1.50x	27.1%
1875 Lawrence Building	Denver, CO	Office	A	May-14	Mar-16	15,672,849	1.40x	21.2%
Gran Park at The Avenues	Jacksonville, FL	Office	D	Jun-14	-	7,521,990	1.58x	35.1%
Fifth Third Center Office Building	Tampa, FL	Office	D	Jul-14	-	16,391,068	1.23x	11.5%
Parkway Center	Marietta, GA	Office	D	Aug-14	-	12,312,142	2.22x	58.0%
Total Commercial Investments						122,648,049	1.45x	24.1%

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Multifamily Apartment Investments

ROC II Funds¹

April 3, 2012 through June 30, 2016
Investment Performance Summary

Investment	Location	Type	Valuation Method ²	Date Acquired	Date Sold	Total Investment	Return Multiple ⁶	IRR ⁷
Multifamily Investments								
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	7,125,000	2.73x	30.2%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,050,000	2.65x	30.0%
Andorra Apartments	Indio, CA	Multifamily	A	May-12	Apr-14	3,375,000	1.42x	20.4%
Pinewood Apartments	Lynwood, WA	Multifamily	A	May-12	Oct-14	1,665,000	1.69x	26.4%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	13,302,000	1.84x	22.2%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,728,573	3.82x	43.1%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	725,000	1.71x	18.4%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	968,000	1.31x	8.1%
Stratford Apartments	San Antonio, TX	Multifamily	A	Oct-12	Dec-15	5,250,000	1.77x	21.2%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	10,050,000	3.28x	44.0%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,620,000	3.13x	43.2%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	3,987,000	3.13x	41.5%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,300,000	3.22x	43.1%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	A	Dec-12	Jan-16	9,587,452	2.54x	37.4%
Pembroke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	3.81x	64.1%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	7,210,000	3.65x	64.0%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	6,400,000	2.25x	29.1%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	A	Feb-13	Mar-16	2,790,000	2.12x	30.6%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	4,265,000	1.85x	22.3%
Chandler's Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,575,000	2.98x	43.1%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	8,575,000	1.61x	19.1%
Enclave Apartments	Euleus, TX	Multifamily	D	Jun-13	-	4,588,915	2.82x	42.8%
Overlook Apartments	Euleus, TX	Multifamily	D	Jun-13	-	5,935,880	2.71x	41.9%
Mission Palms Apartments	Tucson, AZ	Multifamily	D	Jun-13	-	9,200,000	1.53x	17.7%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	7,375,000	1.94x	29.5%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	17,975,000	1.53x	17.3%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,560,000	1.62x	18.8%
The Preserve Apartments	Houston, TX	Multifamily	A	Aug-13	Jul-16	16,265,000	1.79x	33.2%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	10,700,000	2.43x	48.7%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	D	Oct-13	-	15,000,000	2.43x	45.7%
Meridian Pointe Apartments	Duluth, GA	Multifamily	D	Oct-13	-	4,430,000	1.71x	29.9%
Aventerra Apartments	Mesa, AZ	Multifamily	D	Oct-13	-	16,150,000	2.42x	45.2%
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	D	Oct-13	-	14,100,000	1.79x	32.6%
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	D	Nov-13	-	11,699,000	2.09x	40.9%
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	D	Dec-13	-	18,015,000	1.97x	35.3%
Ashley Vista Apartments	Lithonia, GA	Multifamily	D	Jan-14	-	8,075,000	1.77x	28.8%
Bridgewater Apartments	Stockbridge, GA	Multifamily	D	Jan-14	-	4,700,000	2.52x	73.0%
Presidio Apartments	Oceanside, CA	Multifamily	D	Jan-14	-	17,075,000	2.05x	37.9%
Silver Shadow Apartments	Las Vegas, NV	Multifamily	A	Jan-14	Nov-15	5,100,000	1.64x	31.8%
Vista at 23rd Apartments	Gresham, OR	Multifamily	D	Mar-14	-	11,475,000	3.14x	73.0%
Stratford Ridge Apartments	Marietta, GA	Multifamily	D	Jun-14	-	11,398,000	1.50x	31.7%
Stonehill at Pipers Creek Apartments	San Antonio, TX	Multifamily	D	Jul-14	-	6,673,000	1.37x	19.1%
Wood Hollow Apartments	Euleus, TX	Multifamily	D	Jul-14	-	7,900,000	2.05x	51.8%
Elliot's Crossing Apartments	Tempe, AZ	Multifamily	D	Jul-14	-	7,775,000	2.12x	55.6%
Abbotts Glen Apartments	Norcross, GA	Multifamily	D	Jul-14	-	5,850,000	1.80x	46.3%
Auvers Village Apartments	Orlando, FL	Multifamily	D	Aug-14	-	15,762,041	1.57x	34.0%
Champions Park Apartments	Norcross, GA	Multifamily	D	Sep-14	-	7,850,000	1.48x	30.5%
Six Forks Station Apartments	Raleigh, NC	Multifamily	D	Oct-14	-	13,800,000	1.63x	37.1%
Addison of Naperville Apartments	Naperville, IL	Multifamily	D	Oct-14	-	20,531,676	1.68x	42.6%
Oakley Park Apartments	Fairburn, GA	Multifamily	D	Nov-14	-	7,175,000	1.62x	38.9%
Pavilion Crossing Apartments	Charlotte, NC	Multifamily	D	Dec-14	-	12,785,000	1.07x	4.6%
Redlands Lawn & Tennis Club	Redlands, CA	Multifamily	D	Dec-14	-	23,450,000	1.53x	37.4%
Total Multifamily Investments						482,747,788	2.11x	37.6%

Notes:

- ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP. Returns presented below represent aggregate returns for the U.S.-domestic partnerships, and such aggregate returns may differ materially from the fund-level returns for each of the U.S. partnerships due to different management fee structures and timing of investor subscriptions, contributions and distributions and fund-level returns for the non-U.S. partnerships due to additional structuring costs and taxes incurred by those funds.
- See Valuation Method Key (to the right).
- Realized Proceeds represent net cash proceeds received in connection with Realized Investments and unrealized investments.
- Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
- Implied Value represents the sum of Realized Proceeds and unrealized values.
- Return Multiple is Implied Value divided by Total Investment. Total Net Return Multiples have been adjusted to be net of management fees, "carried interest", taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership).
- IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
- Realized investments include investments sold with distribution pending, investments sold and distributed, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.
- Return to the Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
- Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest. Net return information reflects average fund-level returns, which may differ from actual investor-level returns due to timing, variance in fees paid by investors, and other investor-specific investment costs such as taxes.
- The investment performance information set forth above is presented solely for illustrative purposes and is not intended to predict or guarantee the investment performance of the Fund or any other investment program.
- There is no guarantee that the Fund will achieve its investment objectives. Past performance is not a guarantee of future results.

Valuation Method Key:

- "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
- "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs. "Under Contract" investments are subject to various contingencies so there can be no assurance that any "Under Contract" investment will be consummated or that it will generate the proceeds reported herein.
- "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
- "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
- "UPB" - Unpaid loan balance including principal and accrued interest.
- "Cost" - Acquisition basis net of transaction costs.
- "Estimate" - Internal Management Estimate.



Manager Profiles

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.

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.

Spire Capital and Bridge Investment Group Partners were nominated as one a finalist in Zenith Investment Partners' 2015 Fund Manager of the Year Award in the Direct Property category.

For further information please contact Spire capital on (02) 9377 0755 or via email info@spirecapital.com.au.

"Equity Trustees Limited ("Equity Trustees"), ABN 46 004 031 298 and Australian Financial Services Licence Number 240975, is the Responsible Entity of the Fund. Spire Capital Pty Ltd ("Spire") ABN 21 141 096 120 and (wholesale) Australian Financial Services Licence Number 344365 is the Fund Manager of the Fund. This Monthly Update has been prepared by Spire for general information purposes only. It does not contain investment recommendations nor provide investment advice. Neither Equity Trustees nor 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. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should not act in reliance of the information of this Monthly Update. We strongly encourage you to obtain detailed professional advice and read the relevant product disclosure statement in full before making an investment decision. Applications for an investment can only be made on an application form accompanying a current Product Disclosure Statement ("PDS")."