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MONTHLY UPDATE

SPIRE USA ROC II FUND (AUD) September 2015

Key Fund Details

APIR Code:	ETL0371AU
Responsible Entity:	Equity Trustees Limited
Commencement:	1 July 2013
Fund Size:	A\$62.84 million
Rating:	Highly Recommended (Zenith Investment Partners)
Application Status:	CLOSED

Ordinary Unit Price and Performance (Net of Fees)

as at 30 September 2015 based upon underlying fund data as at 30 September 2015

Unit Price:	\$1.5754
1 month:	-7.30%
Rolling 3 months:	6.38%
Rolling 6 month:	9.93%
Rolling 12 month:	43.29%
FYTD:	6.38%
Since Inception:	68.65%
Since inception (p.a):	26.24%

Fund Profile

The Fund acts as an 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 55 separate real estate assets across the US with an estimated gross value of US\$2.1 billion. As at the date of this update, the ROC II portfolio owns 50 multifamily apartment communities comprising 17,610 "for lease" residential units and 5 office buildings with approximately 1.5 million square feet of leasable office space. 5 assets of the 60 assets originally acquired in the ROC II portfolio have now been profitably sold following completion of their value-add strategies.

Manager Profiles

Spire Capital (Spire) is the Fund Manager and Bridge Investment Group Partners, LLC (Bridge) is the Sub-Advisor and US based Investment Manager to the Fund. Bridge were sourced and appointed by Spire in 2012 following Spire's identification of the US real estate market as likely to produce excellent returns for Australian investors. Spire via its Global Investment Series, sources, structures land effectively democratises for the Australian private wealth and SMSF

market, the opportunity to invest alongside Spire in institutional investment strategies conducted by leading global investment managers.

Bridge is a specialist value-add real estate investor and operator, with expertise in multifamily apartments, commercial office and seniors housing . Bridge has over 25 years experience in successful investment in US value-add real estate and a platform of over 1,000 employees nationally.

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.

Monthly update

The Fund's negative 7.30% return for the month of September 2015 is attributable to an increase in the value of the Australian dollar during the month of September, and to a one-off adjustment in the Fund's Net Asset Value and Unit Price calculation methodology to exclude the value of Foreign Income Tax Offsets (FITOs) which are available to investors as a result of any US tax paid, withheld or deemed to be withheld. Our recent [Notification](#) contains further details of this change.

Please see below an extract of a recent letter received from Bridge IGP Chief Investment Officer, Dan Stanger, providing an update on the ROC II Partnership's activities and investments. This is taken from the Q3 Partner Statement, a complete copy of which is available upon request.

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 September 30, 2015.

All demographic data point to a sustained increase in U.S. multifamily demand over historical averages, most likely in excess of 400,000 units per year, for several years. To meet this demand across the nation we expect to see delivery of over 325,000 new units this year and as many as 400,000 units in 2016.

Since there is never perfect delivery of product to meet the demand in exactly the way it manifests, we anticipate certain markets, such as Houston, and some submarkets in high-growth cities, will face challenges related to occupancy and rent growth as they work through the new supply, specifically if said market's economy is being impacted negatively by economic events such as those currently being experienced in the energy sector. Rent growth continues to be strong across the U.S., and specifically in Class-B multifamily communities, which designation characterizes the vast majority of our investments in the Partnerships. And finally, as both capitalization rates and interest rates continue to be very favorable for the multifamily housing industry, we expect no shortage of capital looking to acquire well-located and well-positioned assets in the marketplace for the foreseeable future.

We find the commercial office market opportunity similarly attractive. Sustained job growth across the U.S. is fueling business confidence and strengthening tenant demand across central business districts (CBDs) and more so in suburban markets. Vacancy rates are decreasing in most markets while average asking rents are approaching, or are in excess of their pre-recession peak. Generally, in most of the markets in which we are investing, there has been very limited new supply and we believe this bodes well for continued investment in these types of commercial office assets. Submarkets with rents necessary to support new construction remain limited to a few select markets mostly in CBD's and mostly in submarkets where we are not likely to invest.

Within this environment, we are pleased with the “value add” execution achieved to date in the ROC II portfolio. Of the 55 assets remaining in ROC II, 27 have substantially completed planned rehab and are at or near stabilization. The other 28 assets are progressing well through planned rehab and leaseup.

We believe our experience through many cycles over 30 years, and our differentiated “value add” strategy have enabled us to adroitly select the assets and submarkets where we can achieve outsized returns.

As of September 30, 2015, ROC II has 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 28.1% net IRR and a 1.57x net multiple on invested equity to date.¹ Of ROC II’s 62 investments, seven investments have been realized – returning a 20.6% net IRR and a 1.23x net multiple on invested equity. We remain optimistic about ROC II’s remaining unrealized investments and look forward to sharing with you the results of those investments once they are realized in the coming quarters.

As of the period ending September 30, 2015, there are two pending dispositions in the Partnership scheduled to close before the end of the year:

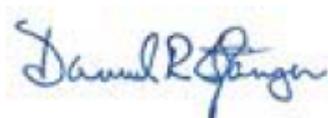
- the \$22.6 million disposition of Silver Shadow Apartments, a 200 unit multifamily housing community in Las Vegas, NV, which represents an estimated 32.8% net IRR and a 1.50x net multiple on invested equity to the Partnerships (this disposition took place a couple days prior to the delivery of this package after quarter-end); and
- the \$20.6 million disposition of Stratford Apartments, a 269 unit multifamily housing community in San Antonio, TX, which represents an estimated 16.3% net IRR and a 1.49x net multiple on invested equity to the Partnerships.

The gross IRR of Silver Shadow Apartments was nearly twice what was projected in the original pro forma, and the contracted sale price of Stratford Apartments exceeds the disposition price of \$19.8 million that was originally projected in the year 2017 of the acquisition pro forma. In addition to the aforementioned, there are five pending dispositions of the Partnerships currently being actively marketed to be sold, including:

- Gran Park at the Avenues Office Buildings, a commercial office complex comprised of three buildings and 241,277 ft² in Jacksonville, FL;
- Landing at Dashpoint (Forest Cove) Apartments, a 388 unit multifamily housing community in Federal Way, WA;
- La Entrada Apartments, a 216 unit multifamily housing community in Albuquerque, NM;
- Monterra Apartments, a 312 unit multifamily housing community in Albuquerque, NM; and
- Sonoma Pointe (The Ritz) Apartments, a 198 unit multifamily housing community in Las Vegas, NV.

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,

A handwritten signature in blue ink that reads "Danuel R. Stanger".

Danuel Stanger
Chief Investment Officer
Bridge Investment Group Partners

¹ These unrealized return figures do not include cost of sale or debt prepayment penalties per US GAAP.

Equity Trustees Limited ("EQT"), 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 information purposes only. It does not contain investment recommendations nor provide investment advice. Neither EQT 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. 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"). However, as at the date of this Monthly Update the Fund is no longer accepting new applications to invest.