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## MONTHLY UPDATE

### SPIRE USA ROC SENIORS HOUSING AND MEDICAL PROPERTIES FUND (AUD) August 2016

#### Key Fund Details

<b>APIR Code:</b>	ETL0412AU
<b>Responsible Entity:</b>	Equity Trustees Limited
<b>Commencement:</b>	20 May 2014
<b>Fund Size:</b>	A\$66.99 million
<b>Rating:</b>	Highly Recommended (Zenith Investment Partners)
<b>Application Status:</b>	CLOSED

#### Ordinary Unit Price and Performance (Net of Fees)

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

<b>Unit Price (Cum):</b>	<b>\$1.1500</b>
1 month:	0.59%
Rolling 3 months:	-4.28%
Rolling 6 month:	-4.33%
Rolling 12 month:	N/A
Since Inception:	15.50%
Since inception (p.a):	6.86%

#### Fund Profile

The Fund acts as an Australian feeder fund into the assets of ROC Seniors Housing & Medical Properties Fund LP ("ROC Seniors"). ROC Seniors 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 ROC Seniors, of which 63.4% has now been called and invested, and owns a 6.91% share of a diversified current portfolio of (as at 30 June 2016) of 50 separate seniors housing assets across the US, comprising 6,130 rental units. This initial portfolio has been acquired for approximately US\$1.5 billion.

#### 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 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.

Negatively affecting the Unit Price was the 0.72% decrease in the collective value of the Fund's US dollar denominated investments in the ROC Seniors Housing Portfolio during Q2 (i.e from 31 March to 30 June 2016), as a result of US

GAAP accounting rules which necessitate the valuation for the first 6 months of newly acquired assets at cost less due diligence and acquisition expenses. As the Fund's deployed capital rose a significant 54.3% during Q2, from 41.1% to 63.4% of Committed Capital, this means that the overall portfolio value is currently affected by the US GAAP accounting drag.

However, as would be expected, assets which have been owned for greater than 6 months have generally seen growth in Net Operating Income and values in line with their pro-forma projections. As a result Spire remains satisfied that the portfolio is performing in line with its expectations at this relatively early stage, albeit a couple of assets have been adversely affected by delays in the completion of capital expenditure works and therefore lease-up. We are satisfied with the explanations and plans to address the resolvable issues which have been provided by Bridge IGP in each case. A summary of the individual asset performance for assets owned greater than 6 months is shown on page 3.

### Investor Letter

Please see below the Q2 Investor Letter from ROC Seniors CEO, Mr Robb Chapin. Please note all dollar amounts are in US Dollars.

Dear Partner,

Thank you for your support of ROC|Seniors Housing & Medical Properties Funds ("ROC|Seniors Housing" or the "Partnerships"). We are pleased to share with you the ROC|Seniors Housing Quarterly Report for the quarter ending June 30th, 2016. In this letter, we provide our views on the seniors housing and medical properties market; and an update on the Partnerships' investment activities to date.

Occupancy in the U.S. seniors housing market ended Q2 at 89.7%, slightly down from 90.1% in Q1. While 2016 has seen a rise in new units coming online, absorption has held a positive trend through Q2. A recovering housing market and strengthening economy have acted as short-term demand drivers for positive absorption, and the unprecedented long-term demographic trends not only lend confidence to stable occupancy growth, but will necessitate additional units as the population age accelerates over the next 30 years.

Rate growth held at a historically stable rate of 3% annualized during the quarter, a rate that has not been achieved since prior to the recession. We continue to source highly accretive investments which are largely "off market" and believe the current environment is favorable for investing capital in the seniors housing and medical properties sectors.

As of June 2016, the Partnerships have invested 64.1% (or \$371 million) of its available equity into 50 seniors housing assets (6,130 units), representing approximately \$1.5 billion of gross asset value.

During the quarter ending June 30, 2016, ROC|Seniors Housing acquired 7 assets (878 units) representing approximately US\$245 million of gross asset value, including the:

- \$35 million acquisition of The Windham, a seniors housing community consisting of 200 units of independent living and assisted living in Fresno, CA;
- \$32 million new construction investment in Chesterfield, a 91 unit assisted living and memory care community in St. Louis, MO that will be built over the next 12 months;
- \$60 million acquisition of the CPAC East portfolio, a two property portfolio consisting of 185 units of assisted living and memory care in Rochester and Poughkeepsie, NY;
- \$118 million acquisition of the CPAC West portfolio, a three property portfolio consisting of 402 units of assisted living and memory care in Phoenix, AZ and Sacramento, CA.

ROC|Seniors Housing continues to cultivate a robust pipeline with 3 seniors housing assets (290 units) set to close at the end of Q3 and beginning of Q4, representing approximately \$70 million of gross asset. Each of these seniors housing communities is situated in a market that benefits from compelling supply-demand demographics, high barriers to entry and projected growth in its ageing population. Together with the Partnerships' existing 50 assets, these assets will further highlight our teams' extraordinary industry expertise, in-depth relationships and creative capital platform solutions all of which translates into excellent value creation for ROC|Seniors Housing.

Given the outstanding investments described above, coupled with our vibrant pipeline of new acquisitions, ROC|Seniors Housing anticipates a steady draw down of your capital commitment of approximately 90% to 95% over the next two to three quarters. This forecast is well ahead of the Partnership's four year investment window.

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

Respectfully yours,



Robb Chapin  
Chief Executive Officer

### Asset Performance Summary - Assets owned > 6 months

Please note all dollar amounts are in US Dollars. Investment at Cost amounts are equity 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. A copy of the Q2 Partners Statement from which the below data is sourced is available to investors or their advisor on request.

#### RSH I Funds<sup>1</sup>

January 13, 2014 through June 30, 2016

#### Investment Performance Summary

Investment	Location	Type	Valuation Method <sup>2</sup>	Date Acquired	Investment at Cost	Return Multiple <sup>3</sup>	IRR <sup>4</sup>
<b>Individual Seniors Housing Investments</b>							
Peregrine of Holcomb Bridge	Norcross, GA	Seniors Housing	D	Feb-14	2,745,000	1.06x	2.0%
Maristone of Franklin	Franklin, TN	Seniors Housing	D	Apr-14	2,751,000	1.28x	10.5%
Maristone of Providence	Mt. Juliet, TN	Seniors Housing	D	Apr-14	2,523,000	1.58x	20.7%
The Reserve at North Dallas	Dallas, TX	Seniors Housing	D	May-14	13,576,954	1.15x	6.6%
Riverpoint of Kerrville	Kerrville, TX	Seniors Housing	D	Nov-14	2,286,000	2.08x	53.2%
Thunderbird Senior Living	Glendale, AZ	Seniors Housing	D	Dec-14	8,503,828	1.36x	24.3%
Spring Village of Galloway	Galloway, NJ	Seniors Housing	D	Jan-15	6,222,000	1.66x	44.0%
The Landing of Canton	Canton, OH	Seniors Housing	D	Feb-15	3,516,000	1.36x	24.8%
Courtyard at Jamestown	Provo, UT	Seniors Housing	D	Feb-15	6,558,985	1.07x	5.5%
Wydemere CCRC	Wheaton, IL	Seniors Housing	D	Feb-15	17,332,821	1.38x	29.4%
Jacaranda Trace	Venice, FL	Seniors Housing	D	Jul-15	17,463,673	1.02x	2.2%
De Palma Terrace	Placentia, CA	Seniors Housing	D	Aug-15	3,684,048	1.02x	2.1%
The Sheridan at Laumeier Park (Sunset Hills)	Sunset Hills, MO	Seniors Housing	D	Nov-15	7,276,720	1.09x	23.5%
Newcastle Place	Mequon, WI	Seniors Housing	D	Dec-15	24,269,909	1.12x	24.1%
<b>Orchard Park Portfolio</b>							
Orchard Park of Kyle	Kyle, TX	Seniors Housing	D	Apr-15	6,356,738	1.84x	65.4%
Orchard Park of Victory Lakes	League City, TX	Seniors Housing	D	Apr-15	6,149,177	1.29x	22.4%
Orchard Park of Odessa	Odessa, TX	Seniors Housing	D	Apr-15	5,698,926	0.73x	-22.4%
Orchard Park of Southfork	Manvel, TX	Seniors Housing	D	Apr-15	5,879,339	1.24x	19.0%
<b>Total Orchard Park Portfolio<sup>5</sup></b>					<b>24,084,180</b>	<b>1.29x</b>	<b>22.9%</b>
<b>Meridian Portfolio</b>							
Meridian of West Hills	West Hills, CA	Seniors Housing	D	Apr-15	6,999,739	0.95x	-4.8%
Meridian of Cheviot Hills	Los Angeles, CA	Seniors Housing	D	Apr-15	6,062,122	1.00x	0.0%
Meridian of Anaheim	Anaheim, CA	Seniors Housing	D	Apr-15	4,783,503	0.88x	-10.2%
Meridian of Lompoc	Lompoc, CA	Seniors Housing	D	Apr-15	2,944,423	1.19x	16.2%
Meridian at Heritage Place	Fayetteville, NC	Seniors Housing	D	Apr-15	6,549,523	1.69x	56.9%
Meridian at Harvest Home	Tomball, TX	Seniors Housing	D	Apr-15	2,221,775	1.29x	25.7%
Meridian Glendale	Toledo, OH	Seniors Housing	D	Apr-15	436,266	4.13x	267.5%
Meridian at Colonial Place	Elkins, WV	Seniors Housing	D	Apr-15	3,049,757	1.63x	55.0%
Meridian Gardens of Riverside	Riverside, CA	Seniors Housing	D	Apr-15	4,750,885	1.59x	48.2%
Meridian of Riverside	Riverside, CA	Seniors Housing	D	Apr-15	5,962,331	0.91x	-7.7%
Meridian of Mustang	Mustang, OK	Seniors Housing	D	Apr-15	1,402,415	1.19x	16.2%
Meridian of Culver Village	Culver City, CA	Seniors Housing	D	Apr-15	5,010,579	0.97x	-2.7%
Meridian at Emerald Square	Oklahoma City, OK	Seniors Housing	D	Apr-15	322,496	3.35x	194.9%
<b>Total Meridian Portfolio<sup>5</sup></b>					<b>50,495,814</b>	<b>1.22x</b>	<b>19.0%</b>
<b>Meridian Six Pack Portfolio</b>							
Meridian at Crown Cove	Corona Del Mar, CA	Seniors Housing	D	Nov-15	7,286,990	1.25x	43.1%
Meridian at Whittier Place	Whittier, CA	Seniors Housing	D	Nov-15	5,710,575	0.86x	-21.7%
Baincross at Riverside	Riverside, CA	Seniors Housing	D	Nov-15	11,781,537	0.51x	-65.2%
Meridian at Regent Street	West Bloomfield, MI	Seniors Housing	D	Nov-15	6,864,009	0.59x	-57.3%
Meridian at Chestnut Hill	Philadelphia, PA	Seniors Housing	D	Nov-15	7,727,962	0.66x	-50.2%
The Residence at Thomas Circle	Washington, DC	Seniors Housing	D	Nov-15	12,906,520	1.73x	142.1%
<b>Total Meridian Six Pack Portfolio<sup>5</sup></b>					<b>52,277,593</b>	<b>0.99x</b>	<b>-2.1%</b>
<b>Kaplan 4 Portfolio</b>							
Bear Creek	Windsor, NJ	Seniors Housing	D	Dec-15	9,725,701	1.12x	25.2%
Summer Breeze	Savannah, GA	Seniors Housing	D	Dec-15	4,850,345	1.15x	31.1%
State Street	Dover, DE	Seniors Housing	D	Dec-15	8,203,089	1.01x	2.7%
Northminster	Jefferson, GA	Seniors Housing	D	Dec-15	5,033,347	1.03x	6.3%
<b>Total Kaplan 4 Portfolio<sup>5</sup></b>					<b>27,812,482</b>	<b>1.08x</b>	<b>15.9%</b>

Notes:

- RSH I Funds consists of ROC|Seniors Housing & Medical Properties Fund LP, ROC|Seniors Housing & Medical Properties Fund A LP, ROC|Seniors Housing & Medical Properties Fund B LP, and ROC|Seniors Housing & Medical Properties Fund International Master LP.
- Value Method (G&D) Income Approach - Discounted Cash Flow and/or direct capitalization of annual income supported by third party sources.
- Return Multiple is Implied Value divided by Total Investment. Total Net Return Multiples have been adjusted to 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").
- Due to purchase price allocations, the deal-by-deal performance indicated above may be less relevant than the combined G&D and Return Multiple shown in the portfolio total.
- 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.



## 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.

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

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