

**Spire Wholesale Alternative Income
Fund No. 1 (AUD)**

ABN 56 473 015 393

**Special purpose financial report
For the period 23 November 2015 to
30 June 2016**

Spire Wholesale Alternative Income Fund No. 1 (AUD)

ABN 56 473 015 393

Special purpose financial report For the period 23 November 2015 to 30 June 2016

Contents

Trust Particulars

Directors' report

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Directors' declaration

Independent auditor's report to the unit holders of Spire Wholesale Alternative Income Fund No. 1 (AUD)

This special purpose financial report covers Spire Wholesale Alternative Income Fund No. 1 (AUD) as an individual entity.

The Trustee of Spire Wholesale Alternative Income Fund No. 1 (AUD) is Spire Capital Pty Ltd (ABN 21 141 096 120) (AFSL 344365).

The Trustee's registered office is:

Level 14
25 Bligh Street
Sydney, NSW 2000

**Spire Wholesale Alternative Income Fund No. 1 (AUD)
Trust Particulars**

TRUSTEE	Spire Capital Pty Ltd ABN 21 141 096 120
REGISTERED OFFICE	Level 14 25 Bligh Street Sydney, NSW 2000
DIRECTORS OF THE TRUSTEE	Matthew Cook Dale Holmes
INVESTMENT MANAGER OF THE TRUST	Spire Capital Pty Ltd Level 14 25 Bligh Street Sydney, NSW 2000
ADMINISTRATOR OF THE TRUST	White Outsourcing Pty Limited Level 4 99 Bathurst Street Sydney, NSW 2000
AUDITOR OF THE TRUST	Deloitte Touche Tohmatsu 550 Bourke Street Melbourne, VIC 3000

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Directors' report
For the period 23 November 2015 to 30 June 2016

Directors' report

The directors of Spire Capital Pty Ltd, the Trustee of Spire Wholesale Alternative Income Fund No. 1 (AUD) (the "Trust"), present their report together with the financial statements of the Trust for the period 23 November 2015 to 30 June 2016.

Principal activities

The Trust was constituted on 10 November 2015 and commenced operations on 23 November 2015.

In accordance with the Information Memorandum dated 9 November 2015 and the provisions of the Trust Deed dated 11 November 2015, the Trust is a feeder fund to ROC Debt Australian Feeder (USD) LP ("RDS") and ROC Debt Strategies KF12 Australian Feeder (USD) LP ("KF12") (the "Underlying Funds"), both unlisted foreign hybrid limited partnerships. The Underlying Funds hold interests in Bridge's ROC I Debt Strategies Fund, LP and in ROC Debt Strategies KF12, LLC which invest in US dollar denominated subordinated commercial loans and loan pools backed by US multifamily, seniors housing and other US domiciled commercial property. It is expected that the Trust will hold 25% - 50% of its investment in KF12 and 50% - 75% in RDS.

The Trust is an unlisted, unregistered and illiquid close-ended Australian wholesale managed investment scheme. The Trust will have 7-year term that may be extended by up to two consecutive one-year periods.

The Trust did not have any employees during the period.

There were no significant changes in the nature of the Trust's activities during the period.

The various service providers of the Trust are detailed below:

Service	Provider
Investment Manager and Trustee	Spire Capital Pty Ltd
Custodian	Spire Capital Pty Ltd
Investment Advisor	Bridge Investment Group Partners, LLC
Statutory Auditor	Deloitte Touche Tohmatsu
Administrator and Registrar	White Outsourcing Pty Limited

Directors

The following persons held office as directors of Spire Capital Pty Ltd during the period or since the end of the period and up to the date of this report:

Matthew Cook
Dale Holmes

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Directors' report
For the period 23 November 2015 to 30 June 2016
(continued)

Review and results of operations

During the period, the Trust invested in accordance with the Information Memorandum and the provisions of the Trust Deed.

The Trust's performance was 0.09% for the period ended 30 June 2016. The Trust does not operate against a benchmark.

The performance of the Trust, as represented by the results of its operations, was as follows:

	For the period 23 November 2015 to 30 June 2016
Operating gain before finance costs attributable to unit holders (\$)	<u>7,730</u>
<i>Distributions</i>	
Distributions payable	454,068
Distributions (cents per unit)	5.5558

Significant changes in state of affairs

The Trust received capital call notices of US\$2,825,000 each for RDS and KF12 on 3 December 2015. Both capital call notices were subsequently paid on 4 December 2015.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Trust that occurred during the financial period.

Matters subsequent to the end of the financial period

The Trust received a capital call notice of US\$361,511 for RDS on 8 July 2016. The capital call notice was subsequently paid on 14 July 2016.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may have a significant affect on:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the Information Memorandum and the provisions of the Trust Deed.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to the officers of Spire Capital Pty Ltd. So long as the officers of Spire Capital Pty Ltd act in accordance with the Trust Deed and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnification of auditor

The auditor of the Trust is in no way indemnified out of the assets of the Trust.

(continued)

The movement in units on issue in the Trust during the period is disclosed in Note 6 to the financial statements.

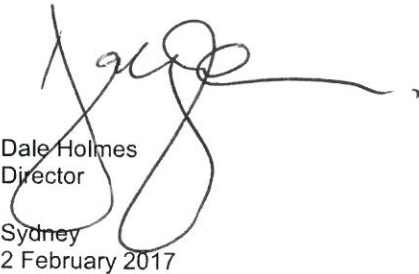
The value of the Trust's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

The operations of the Trust are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

This report is made in accordance with a resolution of the directors of Spire Capital Pty Ltd.

A handwritten signature in black ink, appearing to be 'Ma' with a long horizontal stroke extending to the right.

Matthew Cook
Director

A handwritten signature in black ink, appearing to be 'Dale Holmes' with a long horizontal stroke extending to the right.

Dale Holmes
Director

Sydney
2 February 2017

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Statement of comprehensive income
For the period 23 November 2015 to 30 June 2016

Statement of comprehensive income

	Notes	For the period 23 November 2015 to 30 June 2016 \$
Investment income		
Interest income		3,650
Partnership distributions		189,084
Net gains/(losses) on financial instruments held at fair value through profit or loss	3	24,249
Net foreign exchange gain/(loss)		(79,696)
Other income		81,467
Total investment income		<u>218,754</u>
Expenses		
Management fees		13,566
Administration fees		23,050
Fees and commission expense		74,301
Remuneration of auditor	12	68,900
Expense reimbursement fees		1,921
Other expenses		29,286
Total expenses		<u>211,024</u>
Operating profit/(loss)		<u>7,730</u>
Finance costs attributable to unit holders		
Distributions to unit holders	7	(454,068)
Decrease in net assets attributable to unit holders		446,338
Profit/(loss) for the period		-
Other comprehensive income		-
Total comprehensive income for the period		<u>-</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Statement of financial position
As at 30 June 2016

Statement of financial position

	Notes	As at 30 June 2016 \$
Assets		
Cash and cash equivalents	8	1,119,783
Receivables	10	90,624
Financial assets held at fair value through profit or loss	4	<u>7,070,901</u>
Total assets		<u>8,281,308</u>
Liabilities		
Distributions payable	7	454,068
Payables	11	<u>100,730</u>
Total liabilities (excluding net assets attributable to unit holders)		<u>554,798</u>
Net assets attributable to unit holders - liability		<u>7,726,510</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Statement of changes in equity
For the period 23 November 2015 to 30 June 2016

Statement of changes in equity

	For the period 23 November 2015 to 30 June 2016 \$
Total equity at the beginning of the period	-
Profit/(loss) for the period	-
Other comprehensive income	-
Total comprehensive income for the period	-
Transactions with owners in their capacity as owners	-
Total equity at the end of the period	-

Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or the end of the period.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Statement of cash flows
For the period 23 November 2015 to 30 June 2016

Statement of cash flows

	Notes	For the period 23 November 2015 to 30 June 2016 \$
Cash flows from operating activities		
Return of capital received		635,810
Purchase of financial assets held at fair value through profit or loss		(7,682,462)
Interest income received		3,650
Partnership distributions received		189,084
Management fees paid		(13,566)
Expense reimbursement fees paid		(1,921)
Other expenses paid		<u>(103,964)</u>
Net cash outflow from operating activities	9(a)	<u>(6,973,369)</u>
Cash flows from financing activities		
Proceeds from applications by unit holders		<u>8,172,848</u>
Net cash inflow from financing activities		<u>8,172,848</u>
Net increase in cash and cash equivalents		1,199,479
Cash and cash equivalents at the beginning of the period		-
Effects of exchange rate changes on cash and cash equivalents		<u>(79,696)</u>
Cash and cash equivalents at the end of the period	8	<u>1,119,783</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Contents

- 1 General information
- 2 Summary of significant accounting policies
- 3 Net gains/(losses) on financial instruments held at fair value through profit or loss
- 4 Financial assets held at fair value through profit or loss
- 5 Structured entities
- 6 Net assets attributable to unit holders
- 7 Distributions to unit holders
- 8 Cash and cash equivalents
- 9 Reconciliation of profit/(loss) to net cash outflow from operating activities
- 10 Receivables
- 11 Payables
- 12 Remuneration of auditor
- 13 Events occurring after the reporting period
- 14 Contingent assets and liabilities and commitments

1 General information

These special purpose financial statements cover Spire Wholesale Alternative Income Fund No. 1 (AUD) (the "Trust") as an individual entity. The Trust was constituted on 10 November 2015 and commenced operations on 23 November 2015. The Trust will terminate on 9 November 2022 unless terminated earlier in accordance with the provisions of the Trust Deed.

The Trustee of the Trust is Spire Capital Pty Ltd (ABN 21 141 096 120) (AFSL 344365) (the "Trustee"). The Trustee's registered office is Level 14, 25 Bligh Street, Sydney, NSW 2000. The financial statements are presented in Australian dollars unless otherwise noted.

In accordance with the Information Memorandum dated 9 November 2015 and the provisions of the Trust Deed dated 11 November 2015, the Trust is a feeder fund to ROC Debt Australian Feeder (USD) LP ("RDS") and ROC Debt Strategies KF12 Australian Feeder (USD) LP ("KF12") (the "Underlying Funds"), both unlisted foreign hybrid limited partnerships. The Underlying Funds hold interests in Bridge's ROC I Debt Strategies Fund, LP and in ROC Debt Strategies KF12, LLC which invest in US dollar denominated subordinated commercial loans and loan pools backed by US multifamily, seniors housing and other US domiciled commercial property. It is expected that the Trust will hold 25% - 50% of its investment in KF12 and 50% - 75% in RDS.

The Trust is an unlisted, unregistered and illiquid close-ended Australian wholesale managed investment scheme. The Trust will have 7-year term that may be extended by up to two consecutive one-year periods if required.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Trustee have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated in the following text.

(a) Basis of preparation

The Trust is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Trust Deed.

The financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), and the following disclosure requirements:

- AASB 101 *Presentation of Financial Statements*;
- AASB 107 *Statement of Cash Flows*;
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- AASB 1048 *Interpretation and Application of Standards*; and
- AASB 1054 *Australian Additional Disclosures*

The Trust is a for-profit entity for the purposes of preparing the financial statements.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been early adopted by the Trust. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

- AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Trust's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Trust does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Trust's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Trust. The Trust has not yet decided when to adopt AASB 9.

- AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Trust's main sources of income are interest, rebate, distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Trust's accounting policies or the amounts recognised in the financial statements. The Trust has not yet decided when to adopt AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the Trust in the current or future reporting periods and on foreseeable future transactions.

(b) Financial instruments

(i) Classification

The Trust's investments are classified as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in foreign hybrid limited partnerships based in Canada.

Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy as outlined in the Information Memorandum. The Trust's policy is for the Investment Manager to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition and derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Trust has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or liabilities held at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Trust has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Net assets attributable to unit holders

The Trust is an unlisted, unregistered and illiquid close-ended wholesale managed investment scheme and is not subject to redemptions and further applications after the offer period closes.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading these securities represent the Trust's main income generating activity.

(e) Investment income

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income on an accruals basis.

Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b).

Partnership distributions are recognised on an entitlements basis.

2 Summary of significant accounting policies (continued)

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

Trust establishment costs are expensed in the statement of comprehensive income.

(g) Income tax

Under current legislation, the Trust is not subject to income tax as unit holders are presently entitled to the income of the Trust. The benefits of any imputation credits and foreign tax paid are passed on to unit holders.

(h) Distributions

The Trust distributes its distributable income in accordance with the Trust Deed, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Trust does not isolate that portion of unrealised gains or losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign rates. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(k) Receivables

Receivables may include amounts for interest, rebates and partnership distributions. Partnership distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a monthly basis. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(l) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

As the Trust has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

2 Summary of significant accounting policies (continued)

(m) Applications and redemptions

The Trust is an illiquid close-ended unlisted registered Australian managed investment scheme and is not subject to redemptions and further applications after the offer period closes.

However, it is anticipated that from Year 4, the Trust will receive returns of capital via the maturity or refinancing of underlying loans. The return of capital will in turn be returned to investors.

(n) Goods and Services Tax (GST)

The investment portfolio composition is 100% offshore investments. All expenses will incur GST at 10% but will be entitled to a reduced input tax credit rate of at least 55%.

(o) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(p) Comparative period

The Trust was constituted on 10 November 2015 and commenced operations on 23 November 2015. The reporting period covers the period 23 November 2015 to 30 June 2016 hence there is no comparative information.

3 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets held at fair value through profit or loss:

	For the period 23 November 2015 to 30 June 2016 \$
Financial assets	
Net gain/(loss) on financial assets designated as at fair value through profit or loss	24,249
Net gains/(losses) on financial assets held at fair value through profit or loss	24,249
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	24,249
Total net gains/(losses) on financial instruments held at fair value through profit or loss	24,249

4 Financial assets held at fair value through profit or loss

	As at 30 June 2016 \$
Designated at fair value through profit or loss	
Unlisted foreign hybrid partnerships	7,070,901
Total designated at fair value through profit or loss	7,070,901
Total financial assets held at fair value through profit or loss	7,070,901

5 Structured entities

A structured entity is an entity that has been designed so that the voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangement.

The Trust considers its investment in foreign partnerships to be a structured entity. The Trust invests in the foreign partnerships for the purpose of capital appreciation and earning investment income.

The exposure to investments in the foreign partnerships are disclosed in the following table:

	Fair value of investment 2016 \$
ROC Debt KF12 Australian Feeder	3,810,674
ROC Debt Australian Feeder (USD) LP	3,260,227
Total foreign partnerships	7,070,901

5 Structured entities (continued)

The fair value of the investment in the foreign partnerships is included in the financial assets held at fair value through profit or loss in the statement of financial position.

The Trust's maximum exposure to loss from its interest in the foreign partnership is equal to the fair value of its investment as there are no off-balance sheet exposures relating to the foreign partnerships. Once the Trust has disposed of its units in the foreign partnerships, it ceases to be exposed to any risk from those partnerships.

During the period ended 30 June 2016, total gains realised on the foreign partnerships was \$24,249. The Trust also earned partnership distribution income of \$189,084 as a result of its interest in the foreign partnerships.

6 Net assets attributable to unit holders

Movements in the number of units and net assets attributable to unit holders during the period were as follows:

	For the period 23 November 2015 30 June 2016	For the period 23 November 2015 30 June 2016
Ordinary Class	Units	\$
Opening balance	-	-
Applications	8,172,848	8,172,848
Decrease in net assets attributable to unit holders	-	(446,338)
Closing balance	8,172,848	7,726,510

As stipulated within the Trust Deed, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust.

The Trust operates on a forward pricing model, which means that applications to invest are processed at an Issue Price which is calculated after the Application has been received and accepted. A variable buy spread will then be applied to equalise investors for different AUD/USD exchange rates that apply at the end of each month during the Offer Period. The application of the variable buy spread will determine the number of units that are received. If any units are issued following the expiration of the offering period, then these shall be issued based on NAV.

Applications into the Trust are accepted monthly and are converted into Ordinary Class units on the first business day of the following month.

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Notes to the financial statements
For the period 23 November 2015 to 30 June 2016
(continued)

7 Distributions to unit holders

The distributions declared during the period were as follows:

Ordinary Class	For the period 23 November 2015 to 30 June 2016 \$	For the period 23 November 2015 to 30 June 2016 CPU
Distributions		
Distributions payable		
30 June	<u>454,068</u>	<u>5.5558</u>
Total distributions	<u>454,068</u>	<u>5.5558</u>

8 Cash and cash equivalents

	As at 30 June 2016 \$
Cash at bank	<u>1,119,783</u>
Total cash and cash equivalents	<u>1,119,783</u>

These accounts are earning a floating interest rate of between 0% and 0.05% as at 30 June 2016.

Spire Wholesale Alternative Income Fund No. 1 (AUD)
Notes to the financial statements
For the period 23 November 2015 to 30 June 2016
(continued)

9 Reconciliation of profit/(loss) to net cash outflow from operating activities

(a) Reconciliation of profit/(loss) to net cash outflow from operating activities

	For the period 23 November 2015 to 30 June 2016 \$
Profit/(loss) for the period	-
Decrease in net assets attributable to unit holders	(446,338)
Distributions to unit holders	454,068
Return of capital received	635,810
Purchase of financial assets held at fair value through profit or loss	(7,682,462)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(24,249)
Effects of foreign currency exchange rate changes on cash and cash equivalents	79,696
Net change in receivables	(90,624)
Net change in payables	100,730
Net cash outflow from operating activities	(6,973,369)

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

10 Receivables

	As at 30 June 2016 \$
GST receivable	9,157
Establishment costs rebate receivable	17,300
Rebate income receivable	64,167
Total receivables	90,624

11 Payables

	As at 30 June 2016 \$
Audit and tax fees payable	75,790
Expense recovery payable	24,940
Total payables	100,730

12 Remuneration of auditor

During the period the following fees were paid or payable for services provided by the auditor of the Trust:

	For the period 23 November 2015 to 30 June 2016 \$
Deloitte Touche Tohmatsu	
<i>Audit and other assurance services</i>	
Audit of financial statements	30,000
Total remuneration of audit and other assurance services	30,000
 <i>Taxation services</i>	
Tax compliance services	7,900
Other tax services	31,000
Total remuneration for taxation services	38,900
 Total remuneration of Deloitte Touche Tohmatsu	 68,900

Fees are stated net of GST. For the period ended 30 June 2016, the remuneration to auditors is paid directly by the Trust.

13 Events occurring after the reporting period

The Trust received a capital call notice of US\$361,511 on 8 July 2016. The capital call notice was subsequently paid on 14 July 2016.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust as disclosed in the statement of financial position as at 30 June 2016 or on the results and cash flows of the Trust for the period ended on that date.

14 Contingent assets and liabilities and commitments

At the end of the period, the Trust had commitments of US\$2,825,000 to RDS and US\$2,825,000 to KF12.

As at 30 June 2016, the total paid up commitment amount was US\$2,441,915 to RDS and US\$2,825,000 to KF12. Therefore, the outstanding commitment at 30 June 2016 was US\$383,085 to RDS and US\$0 to KF12.

As stated in Note 2(a) of the financial statements, the Trust is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Trust Deed.

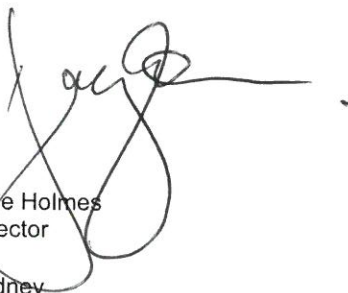
In the opinion of the directors of the Trustee:

- (a) the financial statements and notes set out on pages 6 to 20:
 - (i) comply with Australian Accounting Standards and other mandatory professional reporting requirements, to the extent outlined in Note 2 to the financial statements; and
 - (ii) give a true and fair view of the Trust's financial position as at 30 June 2016 and of its performance for the financial period ended on that date.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Spire Capital Pty Ltd.



Matthew Cook
Director



Dale Holmes
Director

Sydney
2 February 2017

Independent Auditor's Report to the Unit Holders of Spire Wholesale Alternative Income Fund No. 1 (AUD)

We have audited the accompanying financial report, being a special purpose financial report, of Spire Wholesale Alternative Income Fund No. 1 (AUD) (the "Trust"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the period 23 November 2015 to 30 June 2016, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Trustee of the Trust (the "Directors") are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 2, is appropriate to meet the financial reporting requirements of the Trust Deed and is appropriate to meet the needs of the unit holders. Directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Trust as at 30 June 2016 and its financial performance for the period 23 November 2015 to 30 June 2016 in accordance with the financial reporting requirements of the Trust Deed as described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Directors to meet the financial reporting requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton
Partner
Chartered Accountants

Melbourne, 2 February 2017