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QUARTERLY UPDATE

SPIRE WHOLESALE ALTERNATIVE INCOME FUND NO. 1 (AUD) Q1 March 2016

Key Fund Details

APIR Code: SPI0001AU
Fund Manager / Trustee: Spire Capital Pty Ltd
Commencement: 9 November 2015
Fund Size: A\$7.67 million
Application Status: CLOSED

Fund Profile

Spire Wholesale Alternative Income Fund No.1 (AUD) ("SWAIF" or "Fund") acts as an Australian feeder fund into the USD denominated assets of two private debt strategies managed by Bridge Investment Group Partners, LLC; namely ROC Debt Strategies Fund, LP ("RDS") and ROC Debt Strategies KF12, LLC ("KF12 LLC").

RDS invests in a pool of US Dollar denominated first mortgage or mezzanine loans or preferred equity, secured by US multifamily apartment or seniors housing communities or commercial office properties.

KF12 LLC invests in the US Dollar denominated Class C Certificates of a specific December 2015 Freddie Mac Multifamily loan securitisation program known as K-F12. The Class C Certificates have been acquired at an unleveraged gross yield of 10.65% p.a. over LIBOR and represent the subordinate US\$104 million tranche of the securitisation of a US\$1.388 billion pool of Freddie Mac originated loans. These loans are secured by a portfolio of 79 stabilised multifamily apartment and seniors housing communities throughout the US, which had at acquisition an average occupancy at of 94.7% and an average Loan to Value Ratio of 72.4%.

SWAIF is co-invested in KF12 LLC, holding a 2.72% pari passu interest alongside US based private equity and private credit investor Portfolio Advisors (79.84%) and RDS (17.44%).

The Fund does not hedge its US Dollar currency exposure.

Manager Profiles

The US Investment Manager is Bridge Investment Group Partners, LLC. Bridge IGP has over 25 years experience in successful investment in US value-add real estate and a platform of over 1,000 employees. As at 31 December 2015 Bridge IGP had US\$4.7 billion in AUM across US private real estate and private debt strategies.

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.



Ordinary Unit Price and Performance (Net of Fees)

as at 31 March 2016 based upon underlying fund Partnership Statements dated 31 December 2015

Unit Price:	\$0.9391
1 month:	N/A
Rolling 3 months:	-5.1989%
Rolling 6 month:	N/A
Rolling 12 month:	N/A
FYTD:	N/A
Since Inception:	-6.09%
Since inception (p.a):	-6.09%

Quarterly Update

Negatively affecting the Fund's -5.2% performance during Q1 2015 was the 5.732% appreciation in the value of the Australian Dollar (from USD 0.72755 to USD 0.76925) during the period. As the underlying investments are US Dollar denominated and the Fund does not hedge its currency exposure, a rise in the value of the Australian Dollar will negatively affect performance.

Positively affecting performance was distribution income received from the Fund's investment in KF12, which is paid monthly.

No cash distributions have yet been received from the Fund's investment in RDS. These distributions are pending RDS' re-balancing of Additional Amounts and Distribution entitlements following the Final Close of RDS, which occurred in March. We are advised that these rebalancing statements and accompanying distributions will be provided to the Fund shortly.

A copy of RDS' Fourth Quarter Report by Bridge IGP Debt Strategies Chief Investment Officer follows. Please note all dollar amounts and returns are in US Dollars.

A copy of RDS' Asset Summaries for Q4 2015 accompanies this report as a separate document.

For further information please contact Spire Capital on +612 9377 0755 or via email info@spirecapital.com.au

Spire Capital Pty Ltd ("Spire"), ABN 21 141 096 120 and Australian Financial Services Licence Number 344365 is the Investment Manager and Trustee 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. 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 Quarterly Update. We strongly encourage you to obtain detailed professional advice and read the Information Memorandum in full before making an investment decision.



ROC Debt

ROC Debt Strategies Fund Manager, LLC

ROC Debt Funds
Fourth Quarter Report - 2015

Dear Partner,

Thank you for your continued support of the ROC|Debt Strategies Funds (“ROC|Debt Strategies” or the “Partnerships”). We are pleased to share with you the Quarterly Report for the period ending December 31, 2015.

As of December 31, 2015, the Partnerships have secured \$165 million in equity capital commitments between the main fund and parallel vehicles that we established to invest alongside the fund. ROC|Debt Strategies’ initial eight investments have a gross asset value of \$107 million¹ and reflect the fund’s targeted portfolio composition:

- ~\$4.7 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K716);
- ~\$13.3 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K1501);
- ~\$17.8 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K719);
- ~\$18.2 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF12);
- ~\$7.7 million floating rate loan commitment secured against 6901 South Havana, a 136,988 square foot office building in Denver, CO;
- ~\$31.4 million floating rate loan commitment secured against 1500 CityWest, a 192,313 square foot office building in Houston, TX;
- ~\$11.5 million mezzanine loan secured against a portfolio of 13 multifamily properties (2,199 total units) located in various MSAs in Florida;
- ~\$2.1 million preferred equity investment against Antero Apartments, a 528 unit multifamily property in Colorado Springs, CO.

The Partnerships recently closed on a \$110 million Freddie Mac K-Series CMBS subordinated tranche (KF14) and on a \$17 million floating rate loan commitment secured against a multifamily property in Vancouver, Washington, and is in the process of closing two additional transactions that complement ROC|Debt Strategies’ existing portfolio. These include a \$10 million mezzanine loan on a multifamily portfolio in North Florida and a \$90 million Freddie Mac K-Series CMBS subordinated tranche (KF16)(The asset summaries herein provide further detail on each of the current investments held by the Partnerships.) Together, our eight closed transactions and prospective pipeline investments currently project a gross 14% IRR, which we anticipate will manifest in strong quarterly distributions for our investors.

ROC|Debt Strategies has made substantial progress since its inception in September 2014. Distributions paid to investors by the Partnerships through December 31, 2015, represent an annualized yield of approximately 8.2%. The distribution yield has declined slightly recently as a result of new investments that are well within the Partnerships’ target of returns, but whose income will pay interest at the end of the investment rather than through quarterly interest payments. Like all private equity-style investment vehicles, the fund’s performance approximates the J-Curve, wherein management fees and start-up costs in the early investment years result in capital contributed to be greater than the book value of portfolio investments. Once the fund is fully invested and noncurrent interest payment loan investments are realized, we expect returns to rise steeply.

We have completed fundraising as of the final closing in March 2016. The fund is about 95% deployed and projected to deliver a 14% gross IRR with significant current yield (in the 8-9% range) and carefully managed risk. Our portfolio stands at 10 investments with two additional investments in our pipeline. We recently completed the purchase of two Freddie Mac K Series investments: K-F12 at L+1065 and K-F14 at L+1115 after extensive due diligence and management of the underlying collateral, and have closed on several attractive first mortgage and mezzanine loans as well.

As a “preferred purchaser” with Freddie Mac, Bridge is regularly awarded exclusive opportunities to purchase K-Series CMBS subordinated tranches, which represent some of the most attractive fixed income alternatives in the market today: 5-10 year tenor and low default rate historically. From 2014 until 2016 year to date, we have been awarded six K-Series investments; four through direct negotiation and two through a limited auction. Significant portions of the K-Series portfolios are in markets where Bridge owns and operates multifamily properties, so our teams are fully-equipped to diligence the portfolio and manage the assets if necessary. Our strong 20+ year relationship with Freddie Mac continues to bear fruit: we were just awarded K-F16, a \$90mm K-Series CMBS subordinated tranche at L+1125, on a negotiated basis, which will be the one of the final investments of the Fund.

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

With Best Regards,

James Chung
Chief Investment Officer