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QUARTERLY UPDATE

SPIRE WHOLESALE ALTERNATIVE INCOME FUND NO. 1 (AUD) Q2 June 2016

Key Fund Details

APIR Code: SPI0001AU
Fund Manager / Trustee: Spire Capital Pty Ltd
Commencement: 9 November 2015
Fund Size: A\$8.58 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 30 June 2016 based upon underlying fund Partnership Statements dated 31 March 2016

Unit Price: (CUM)	\$1.0501
Distribution (cash):	\$0.0555
Unit Price (EX):	\$0.9946
1 month:	N/A
Rolling 3 months:	11.82%
Rolling 12 month:	N/A
Since Inception:	5.01%
Since inception (p.a):	5.01%

Quarterly Update

Positively affecting the Fund's 11.82% performance during Q2 2016 was distribution income received from the Fund's investments in RDS and KF12, together with a 1.8% increase in the market value of the Fund's investment in the underlying RDS portfolio and KF12.

Also contributing was the 3.5% fall in the value of the Australian Dollar (from USD 0.7692 to USD 0.7426) during the period.

Distribution Update

The Distribution Components for the financial year ending 30 June 2016 for the Fund are as follows:

Income Type	Distribution Amount	Distribution CPU
Tax Deferred Income	\$454,068	5.5558
Total	\$454,068	5.5558

As the US tax year ends on 31 December, only income received prior to 31 December 2015 is included in the Fund's downstream taxable income calculation. As this was minimal given the Fund's inception in November, the Fund's income was less than its establishment and operational expenses during this period. Income received from the Fund's investments in RDS and KF12 between 1 January and 30 June are therefore received and paid out to investors as Tax Deferred Income.

Investors and their advisors should therefore note that the tax liability for the Tax Deferred Income paid out this financial year will be incurred next financial year.

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



ROC Debt

ROC Debt Strategies Fund Manager, LLC

ROC Debt Funds
First Quarter Report - 2016

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 March 31, 2016.

We have completed fundraising as of the final closing in March 2016. As of March 31, 2016, we have secured \$331 million¹ in equity capital commitments between ROC|Debt Strategies and parallel vehicles established to invest alongside the Partnerships. Of this amount, \$132 million is committed directly to the Partnerships and \$199 million have been secured in parallel vehicles.

ROC|Debt Strategies’ initial ten investments have a gross asset value of \$384 million¹ and reflect the targeted portfolio composition. The Partnerships’ portion of this amount totalling \$136.5 million is detailed as follows:

- \$4.7 million investment in a Freddie Mac K-Series CMBS subordinated tranche (K716);
- \$7.7 million floating rate loan commitment secured against 6901 South Havana, a 136,988 square foot office building in Denver, CO;
- \$32.4 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;
- \$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);
- \$17.0 million floating rate commitment secured against Thunderbird Village, a 182-unit multifamily property in Vancouver, Washington; and
- \$11.8 million investment in a Freddie Mac K-Series CMBS subordinated tranche (KF14).

The Partnerships and parallel vehicles are in the process of closing three investments: an \$87 million Freddie Mac K-Series CMBS subordinated tranche (KF16); a \$59 million floating rate loan commitment secured against a multifamily portfolio in Orlando and Daytona Beach, FL; and a \$6.4 million floating rate loan secured against a commercial office property in Danbury, CT. (The asset summaries herein provide further detail on each of the current investments held by the Partnerships.) Together, our ten closed transactions and prospective pipeline investments currently project a gross 14% IRR, which we anticipate will manifest in strong quarterly distributions for our investors (in the 8-9% range).

ROC|Debt Strategies has made substantial progress since its inception in September 2014. As of May 2016, the Partnerships are approximately 86% deployed in a portfolio that is projected to deliver solid returns with carefully managed risk. Like all private equity style investment vehicles, the Partnerships’ performance approximates the J-Curve, wherein management fees and start-up costs in the early investment years result in returns which are anticipated to curve upward, and in most instances, wherein capital contributed is greater than the book value of portfolio investments. It is noteworthy that the J-Curve experienced in ROC|Debt Strategies is significantly less pronounced than the average private equity fund. The Partnerships to-date have achieved a 6.6% net IRR and a 1.06x multiple. Once the Partnerships are fully invested and non-current interest payment loan investments are realized, we expect returns to curve upward. Furthermore, the most recent distribution returned an annualized recurring interest yield of approximately 8.1%.



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, all current pay, and low default rate historically. From 2014 until 2016 year-to-date, we have been awarded six K-Series investments; four through a 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.

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,

A handwritten signature in blue ink, appearing to be "JC".

James Chung
Chief Investment Officer

¹ Figures are based on total original investment plus up-funding and some investments have been partially sold down, financed, or allocated with parallel vehicles to optimize capital deployment for the Partnerships.

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.