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MONTHLY UPDATE

SPIRE USA ROC III FUND (AUD)

March 2017

Key Fund Details

APIR Code:	ETL0460AU
Responsible Entity:	Equity Trustees Limited
Commencement:	February 2016 (NAV based Unit Pricing commenced 31 August 2016 following completion of capital raising)
Size:	A$70.71 million
Rating:	Highly Recommended (Zenith Investment Partners) - Original rating, now lapsed as closed
Application Status:	CLOSED

Fund Profile

The Fund acts as an Australian feeder fund into the assets of Bridge Multifamily & Commercial Office Fund III, LP ("Bridge MF III"). Bridge MF III is a US$1.1 billion (committed equity) value-add "buy, fix, sell" private equity real estate fund, investing in value-add US multifamily apartment communities and office buildings. The Fund has made a US$53 million capital commitment to Bridge MF III, which represents approximately 4.8% of Bridge MF III's total committed capital.

Ordinary Unit Issue Price and Performance (Net of Fees)

as at 31 March 2017 based upon underlying fund data as at 31 December 2016

Unit Price	1 month	3 months	6 months	1 year	3 years (% p.a)	Since Inception (% p.a)
$0.9316	3.76%	-2.42%	1.29%	N/A	N/A	-6.33%

Note on Performance Data:
During the capital raising period for the Fund, investors were issued units at different monthly Issue Prices. The Issue Price for each month was determined only by the value of the Australian Dollar (in US dollars), relative to the first issuance of units in February 2016 at $1.00. In February 2016, the Australian dollar was trading at US$0.7113. If in a month that units were issued, the Australian dollar was higher than this amount, then units were issued at an Issue Price less than $1.00 - so that the investor received more units in the Fund to reflect the stronger Australian dollar. And vice versa.

Therefore, individual investor performance will vary according to the Issue Price at which they were issued Units in the Fund.

Underlying Bridge MF III Investment / J-Curve Dashboard

As at 31 December 2016 (pre-US withholding tax)

Metric	Q2 2016	Q3 2016	Q4 2016
Fund's Committed Capital (USD) to Bridge MF III Program	9,000,000	53,000,000	53,000,000
Percentage of Committed Capital Called for investments	54.21%	39.14%	51.08%
Percentage of Committed Capital held as USD cash	45.79%	60.86%	48.92%
Internal Rate of Return (IRR) on Called Capital	NM	NM	7.2%
Equity Multiple on Called Capital	1.03x	0.99x	1.05x

Monthly Update

The Unit Price and Performance Data for March 2017 is the first month which incorporates the Q4 2016 underlying Bridge MF III USD denominated Net Asset Values and data, as at 31 December 2016. The receipt of this data lags due to the US tax year ending on 31 December and the audit process which must be completed prior to release of Q4 Partner Statements.

The following movements occurred during Q4, all of which had a positive impact on underlying Bridge MF III USD NAV, and are a direct result of the Bridge MF III Program's continued acquisition of assets, and continued execution of value-add strategies for earlier assets acquired:

- Called Capital as a percentage of Committed Capital increased from 39.14% at the end of Q3 to 51.08% at the end of Q4;
- Internal Rate of Return (IRR) on Called Capital increased from -19.0% at the end of Q3 to 7.2% at the end of Q4;
- Equity Multiple on Called Capital increased from 0.99x at the end of Q3 to 1.05x at the end of Q4.

Also positively affecting the Unit Price during the month of March was the 0.79% decrease in the value of the Australian dollar against the USD dollar from US$0.7688 to US$0.7628. The Fund does not hedge currency exposure.

Below is a copy of the Investor Letter from the US manager Bridge Investment Group, which accompanied the Q4 Partner Statement.

Q4 Investor Letter

Please note all dollar amounts and returns are US Dollar denominated.

Dear Partner,
Thank you for your continued support of Bridge Multifamily & Commercial Office Fund III LP ("Bridge Multifamily III Funds" or the "Partnerships"). We are pleased to share with you the Quarterly Report of the Partnerships for the period ending December 31, 2016. In this letter, we provide (i) our views on the multifamily and commercial office markets; and (ii) an update on the Partnerships' investment activities to date; (iii) an update on the funds' operating activities.

In February 2017, Bridge Investment Group, formerly known as Bridge Investment Group Holdings LLC, introduced the company's new name and logo. The new branding was motivated by a desire to unify how stakeholders view us and to simplify our organization in a cohesive way. Bridge is taking this opportunity to strengthen its identity with an energetic and elevated logo that builds upon its owner/operator heritage. As part of this initiative, the name of ROC|Multifamily & Commercial Office Fund III LP has changed to Bridge Multifamily & Commercial Office Fund III LP. *(Note: There is no change to the name of the Australian feeder fund).*

VIEWS ON THE MULTIFAMILY AND COMMERCIAL OFFICE MARKETS

Events in the fourth quarter of 2016 generated a meaningful shift in investor outlook, as the national election delivered political party alignment in the executive and legislative branches with new expectations of financial deregulation and fiscal stimulus in 2017 and beyond. The immediate effects of this change in outlook led to a rise in the 10-year Treasury yield from 1.8% before the November elections to 2.5%. Due to a tightening labor market and strengthening economy, with inflationary expectations approaching the 2% target rate, the Federal Reserve chose to raise its target Fed Funds Rate in both December of 2016 and in March of 2017. Although interest rates have risen in recent months, spreads have retreated, thereby mitigating much of this interest rate increase. As a result, cap rates did not follow suit, increasing slightly in Q4 due to the election results, but settling right back in Q1 across both multifamily and office markets nationally. These flat cap rates in the face of rising interest rates are indicative of strong and growing investor demand for real estate assets, especially in the high-growth markets in which Bridge operates.
Fourth quarters historically have slower rent growth than other quarters, and Q4 of 2016 was no different in this regard. Multifamily rent growth in Q4 2016 was 0.3% for all classes and 0.5% for Class B/C assets, which was slower than the 1.0% pace in Q3 (Source: Reis, Inc.). Year-over-year, effective rents grew by 3.6% - a strong year historically for the

U.S. multifamily market. Occupancy held firm at 95.8% nationally, with Class B/C assets increasing in occupancy by 10 bps relative to Q3. This tight multifamily market is indicative of strong demand fundamentals, along with home ownership in the United States decreasing year-over-year from 63.8% to 63.7% in Q4 2016. New households are continuing to choose rentership in greater numbers. Bridge's multifamily strategy of investing in Class B suburban multifamily assets has been the beneficiary of these trends, and we expect this trend to continue going forward. Our 2017 outlook is that, although affordable and moderate income renter demand will continue to strengthen, new multifamily completions will reach a cycle peak, causing a marked softness in the luxury Class A space with the potential for a smaller trickle-down effect on the Class B space in submarkets that are being overbuilt or experiencing economic challenges. Bridge's ability to create alpha through its value-add platform will allow Bridge to deliver solid returns to investors during periods when market beta may not be as strong as other years.

The U.S. commercial office market also performed well in Q4 2016, with 0.7% rent growth quarter-over-quarter and 3.2% rent growth year-over year (Source: CoStar Analytics). Occupancy remained flat during the quarter at 89.6% but is 30 bps higher than Q4 of 2015. We continue to see strengthening fundamentals in the office market given very low new deliveries of office space in 2016 compared to historical standards. These low completions are due to rising construction costs and subdued rent levels that do not yet justify development in many regions of the country – yet they come at a time when office-using employment growth is increasing at a rate of 2.3% per year. Collectively, completions in San Francisco, San Jose, Dallas/Fort Worth, Seattle, and Houston account for more than one third of the new square footage scheduled for delivery in 2017. Other metros will face minimal pressure from new supply. Furthermore, a disproportionate amount of new construction is centered in a metro's CBD (Central Business District), and yet the vast majority of new net absorption (80%) is occurring in suburban areas. With continued office using employment growth projected and meager new completions, fundamentals are expected to be strong in U.S. commercial office in 2017, particularly in non-Gateway, prime suburban markets in which Bridge invests.

INVESTMENT ACTIVITY UPDATE

As of December 31, 2016, Bridge Multifamily III Funds had called approximately 51% of the Partnerships' available capital and had made 37 investments in high growth cities in Arizona, Texas, Florida, Georgia, Maryland, Colorado, North Carolina and California. The 37 investments owned by Bridge Multifamily III as of the end of Q4, have a total capital allocation of $2.0 billion, and are projected to yield an average three-year cash-on-cash return of 9.4%, an asset-level 19.4% IRR and a 1.95x multiple on invested equity. During the quarter ending December 31, 2016, the Partnerships acquired three assets including:

- *Promenade at Berkeley Apartments, a 356-unit apartment community in Duluth, Georgia*
- *Park at Windward Office Building, a 202,233 square foot office building in Atlanta, Georgia*
- *3200 North Central Avenue Office Building, a 344,303 square foot office building in Phoenix, Arizona*

As of December 31, 2016, we had under contract four additional assets totalling $173 million in purchase price and projected to utilize $51 million of Partnerships equity. As a result, we were 68% allocated by the end of the year.

All 44 investments currently owned or under contract by the Partnerships have a total capitalization price approximating $2.26 billion including budgeted capex. With these acquisitions, we will have completed the majority of our commercial office acquisitions, which we typically target earlier in the Fund in order to provide some earlier profit realizations to our investors. The asset team has done an excellent job in accelerating performance objectives at these assets, and as such, we anticipate bringing some of our commercial office assets to market by the end of 2017, or early in 2018.

We believe this portfolio reflects the strong financial metrics we anticipated in our offering documents, and the exceptional "value add" capabilities of our asset and property management teams, along with the attractive risk-adjusted returns that Bridge Multifamily III expects to deliver. While the pace of deployment will slow in the second quarter of 2017 due to the challenges associated with the recent election cycle, we continue to remain optimistic about our ability to find attractive opportunities for deployment of the remaining capital by the end of 2017

OPERATIONAL UPDATE

As of the end of 2016 the Partnerships multifamily portfolio had achieved a 1% positive NOI (Net Operating Income) variance to original pro forma, due largely to operating expense savings often occurring early in our ownership. Our 2017 budgeted projections for the portfolio are within 1% of pro forma on revenue and about 2.8% favorable on expenses putting us right on projection for 2017 NOI. The multifamily portfolio is 90.6% leased reflecting the fact that we are still in the repositioning mode, with extensive renovations still underway.

The office portfolio performed well in 2016, with NOI exceeding budget by 5.4%. The portfolio is 81.6% leased as of December 2016, with a number of leases currently being negotiated. Recurring cash flow from the combined portfolio continues to be strong at approximately 9% on the assets owned long enough to start distributions.

In summary, while we have a few assets that are presenting challenges, and much work remaining, we have many outperformers, and are feeling good about our commercial and multifamily investment operations as a whole, along with the specific markets we are targeting and in which we are operating.

Finally, we had tremendous attendance at our LP Annual meeting in Park City, which featured presentations by numerous Bridge executives, each of our CIOs and a keynote speech by David Brickman Executive Vice President and Head of Multifamily at Freddie Mac. Among his comments, David characterized Bridge as “one of the most important counterparties” to their business. We want to thank all who were able to attend.

We appreciate your support as our Partner and are extremely gratified by the progress we have been able to achieve to date in the Bridge Multifamily III Funds. We look forward to continued success.

If you have any questions regarding Bridge Multifamily III or your investment, please do not hesitate to contact us or our Australian partner Spire Capital.

With Best Regards,

Danuel Stanger & Jonathan Slager
Co-Chief Investment Officers
Bridge Multifamily III Fund

Note: A complete copy of the Q4 Bridge MF III Asset Summaries is available to investors and their advisers on request to Spire.

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$6.7 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.

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.

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