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MONTHLY UPDATE

SPIRE USA ROC III FUND (AUD)
November 2016

Key Fund Details

APIR Code:	ETL0460AU
Responsible Entity:	Equity Trustees Limited
Commencement:	February 2016
Fund Size:	A$71.041 million
Rating:	Highly Recommended (Zenith Investment Partners)
Application Status:	CLOSED

Ordinary Unit Issue Price and Performance (Net of Fees)
as at 30 November 2016 based upon underlying fund data as at 30 September 2016

Unit Price (Cum):	**$0.9362**
1 month:	1.29%
Rolling 3 months:	-0.15%
Rolling 6 month:	N/A
Rolling 12 month:	N/A
FYTD:	-6.38%
Since Inception:	-6.38%

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, not the original $1.00 Issue Price on which the Fund's performance (left) is based.

Fund Profile
The Fund acts as an Australian feeder fund into the assets of ROC Multifamily & Commercial Office Fund III, LP ("ROC III"). ROC III is a US$1.1 billion (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 ROC III, which represents approximately 4.8% of ROC III's total committed capital.

Monthly Update

Negatively affecting the Unit Price during the month of November was the 1.59% decrease during Q3 in the US dollar value of the Fund's investment in the underlying ROC III program, due to transactional costs incurred in the purchase of new portfolio assets. The November unit price is the first month in which Q3 underlying data, for the quarter ending 30 September 2016, has been used in calculating unit price.

Positively affecting the Unit Price during the month of November was the 2.9% decrease in the value of the Australian dollar against the USD dollar from US$0.7609 to US$0.7388. The Fund does not hedge currency exposure. On the following pages is an update from the joint Chief Investment Officer for the ROC III Program, Messrs Danual Stanger and Jonathan Slager from Bridge Investment Group Partners, LLC. A copy of the ROC III Program's Asset Summaries, which provides a one-page summary of each asset is available to investors and their advisors upon request.

Letter from the Investment Manager (all amounts and projected returns in US Dollars)

Dear Partner,

Thank you for your continued support of ROC|Multifamily & Commercial Office Fund III (“ROC Multifamily & Office III Funds” or the “Partnerships”). We are pleased to share with you the Quarterly Report of the Partnerships for the period ending September 30, 2016. In this letter, we provide an update on the progress of the Partnerships' fundraising activities; and an update on the Partnerships’ investment activities to date.

VIEWS ON THE MULTIFAMILY AND COMMERCIAL OFFICE MARKETS

In the third quarter of 2016, the national multifamily market continued to move in a positive direction, with rent growth of 1.0% (4.0% annual pace) in both Class A and Class B space. “Bridge Target Markets” experienced an even greater rent growth than the national average during the quarter, while vacancy rates remained at historically low levels of 3.0% for Class B space. Despite the positive results year to date, the increased rate of deliveries in the multifamily market, particularly in the Class A space, is likely to moderate the year end rent growth numbers compared with the historically high rent growth that we experienced in 2015. While we do anticipate a reduction in the rate of increase in market rent growth, we remain very optimistic about our market niche as owners of Class B value-add multifamily assets in high growth markets throughout the United States. As expected, our value-add investments continue to provide outsized rent growth which mutes the impact of potentially more moderate market rent increases as new supply is absorbed.

Furthermore, we believe the demographics continue to favor the multifamily marketspace, and should remain somewhat insulated from the new deliveries hitting the market due to accelerated renter household formation from seniors’, millennials’, and immigrants’ who continue to increase demand for quality housing at less-than-luxury rent levels. Finally, continued decreases in the rate of home ownership, along with continued moderate levels of affordable single family development, further bolster our investment thesis.

The U.S. commercial office market enjoyed another strong quarter in Q3 due to continuing office-using employment growth throughout the country. Real GDP growth grew at an annual rate of 2.9%, making it the strongest quarter of GDP growth since Q3 of 2014. At the industry level, creative and digital content and services remain the leaders in leasing growth, and although the gateway markets continue to have strong leasing activity, secondary markets such as Seattle, Atlanta, and Dallas also experienced very strong leasing and absorption during the quarter. Overall, rents grew by 0.7% (2.8% annual pace) during the quarter for Class B space, according to CoStar Analytics, outpacing Class A space’s 0.6% (2.4% annual pace) rent growth. These growth rates are projected to remain at these levels for the near to medium term. Despite the headwind provided by political uncertainty, we are encouraged to see job growth and leasing activity remain steady. Construction in most markets, although growing slightly, remains well below historical averages due to rents remaining far below “replacement rents” in most submarkets. In fact – in the markets that Bridge actively targets for office assets, completions as a % of inventory are at only 0.4% in 2016, much lower than the 2.2% average during the 2000’s and much lower than the current national average of 1.1%. These conditions continue to support our investment thesis of finding great office assets in markets with significant office-using employment growth that will require significant tightening and rent growth before any meaningful amount of new supply can enter the market.

FUNDRAISING ACTIVITY UPDATE

As you are aware in the third quarter we completed the final closing on Fund III with a total of $958 million inside the Partnerships (including the Co-Investment vehicle), with another $149 million of JV and co-invested capital. This brings the total capital for Fund III to over $1.1 billion. The debt markets, although becoming more conservative from an underwriting perspective, continue to provide attractive finance options for our assets, and our relationships with Freddie Mac and Fannie Mae, are enhancing the results for our partners.

INVESTMENT ACTIVITY UPDATE

As of September 30, 2016, ROC Multifamily & Office III Funds had called 38.8% of the Partnerships’ available capital and has made 32 investments in high growth cities in Arizona, Texas, Florida, Georgia, Maryland, Colorado, North Carolina and California.

The 32 investments owned by ROC Multifamily & Office III as of the end of Q3, have a total capital allocation of $1.8 billion, and are projected to yield an average three year cash-on-cash return of 9.8%, an asset-level 19.2% IRR and a 1.92x multiple on invested equity. During the quarter ending September 30, 2016, the Partnerships acquired seven assets including:

- The Preserve at Lakeland Hills, a 432 unit apartment community in Lakeland Hills, Florida
- Circa & Ecco, a 608 unit apartment community in Atlanta, Georgia
- Mission Capital Crossing a 356 unit apartment community in Raleigh, North Carolina
- Ashford at Woodlake, a 534 unit apartment community in Silver Springs, Maryland
- Creekwood Apartments, a 309 unit apartment community in Hayward, California
- Ridgeview Apartments, a 320 unit apartment community in Moreno Valley, California

Subsequent to the quarter ending September 30, 2016, we have acquired or have under contract 8 additional assets totaling $358 million in purchase price and projected to utilize $147 million of Partnerships equity. As a result, we expect to be 66.7% allocated by year end, with the next capital call planned for early first quarter of 2017.

All 40 investments currently owned or under contract by the Partnerships have a total capitalization price approximating $2.26 billion including budgeted capex, and are projected to yield an average three year cash-on-cash return of 10.0%, a 19.2% gross IRR, and a 1.92x multiple on invested equity. We believe that these projections reflect the strong financial metrics of the properties we acquire, the exceptional “value add” capabilities of our asset and property management teams, and the attractive risk-adjusted returns that ROC Multifamily & Office III expects to deliver. While the pace of deployment will slow in the first quarter of 2017 due to the coming holiday season, we continue to remain optimistic about our ability to find attractive opportunities for deployment of the remaining capital by the end of 2017.

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

If you have any questions regarding ROC Multifamily & Office III or your investment, please do not hesitate to contact us.

With Best Regards,

Danuel Stanger & Jonathan Slager
Co-Chief Investment Officers

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.