



Spire Bridge US Seniors Housing Fund III (AUD) Factsheet

Overview

Spire Capital Pty Ltd ("Spire") continues to have conviction in the US "for rent" seniors housing market, given its consistent income growth and long-term capital appreciation that is able to generate attractive risk adjusted returns. The market experienced a number of challenges throughout COVID-19, with its occupancy being severely impacted, before an emerging recovery kicking off throughout 2022. Since the early 2021 low, Bridge's Seniors Housing portfolios totalled an occupancy increase of roughly 6% over the span of a year¹. This recovery has highlighted the proven resilience of the sector, as well as an opportunity to take advantage of the improving fundamentals. The Spire Bridge US Seniors Housing Fund III (AUD) Hedged ('SBSHFIII' or "the Fund") provides an opportunity to capitalise on the continuing demand for healthcare real estate, driven by an ageing population, the expanding spectrum of available medical care and a fragmented aged care industry. By partnering with Bridge Investment Group ("Bridge"), Spire seeks to leverage upon their national reach, local expertise and forward integrated operations in order to provide attractive returns with a low risk profile.



As the USA progresses through the COVID-19 crisis, Bridge seniors housing occupancy rates have seen consistent acceleration, driven by the demand for essential health and wellness services. Spire returns to partner with Bridge to leverage from their deep industry experience and expertise, value-add strategy and in house synergies to best capture the emerging and enduring trends in the US seniors housing space.

The Spire Bridge US Seniors Housing Fund III (AUD) Hedged is an Australian unlisted unit trust that feeds into the Bridge Seniors Housing Fund III LP ("the Underlying Fund" or "Seniors III"). The Investment Manager for the Underlying Fund is Bridge Seniors Housing Fund Manager LLC, an affiliate of Bridge Investment Group LLC. The Key Target Metrics are as follows:

- Min 10-12% Net IRR
- 1.8x Net Equity Multiple
- To be achieved via a 5 year 'buy, fix, sell' business plan

Source: 1 Bridge Seniors historical operating data as of March 2022.

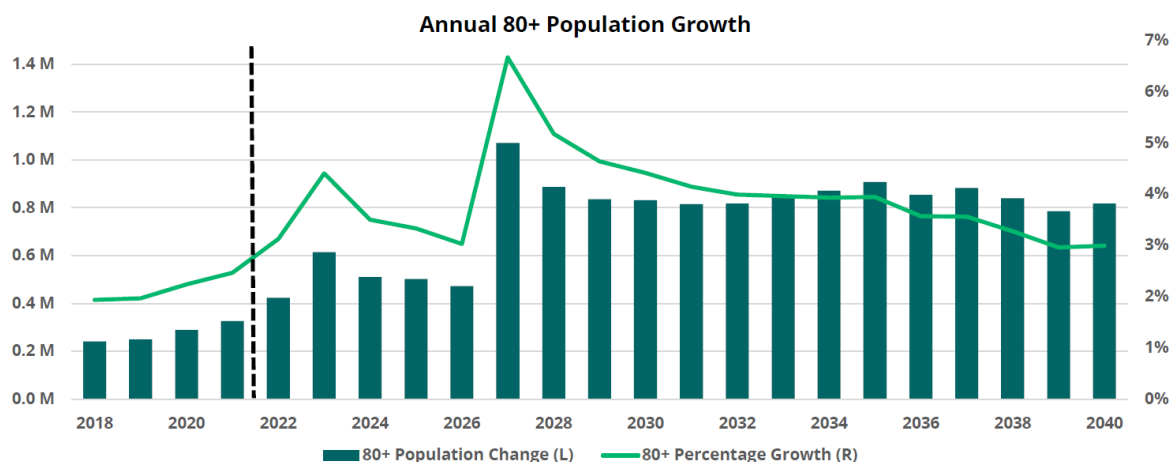


Sector Overview - US Seniors Housing

As the US population ages, demand for Aged Care accommodation, or Seniors Housing as it is known in the US, is expected to rise significantly.

The prime demographic cohort is poised to surge in the coming years as the 'Silver Tsunami' reaches shore. The first phase of the Silver Tsunami will begin in 2023 as 600 000 people will turn 80 years old¹. Spire and Bridge believe a deeper, more enduring second phase will follow, beginning in 2027 when an average of 860 000 people per year will age into the prime Seniors Housing demographic, with sustained annual growth expected to last more than a decade¹.

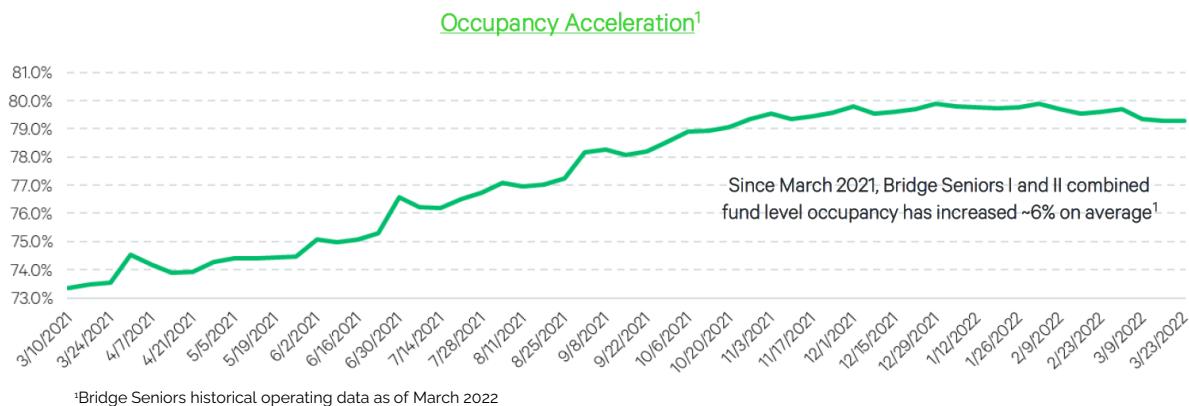
A Demographic Swell on the Horizon



Source: ¹US Census Bureau, Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2016 to 2060. US Census Bureau, Population Division Washington, DC

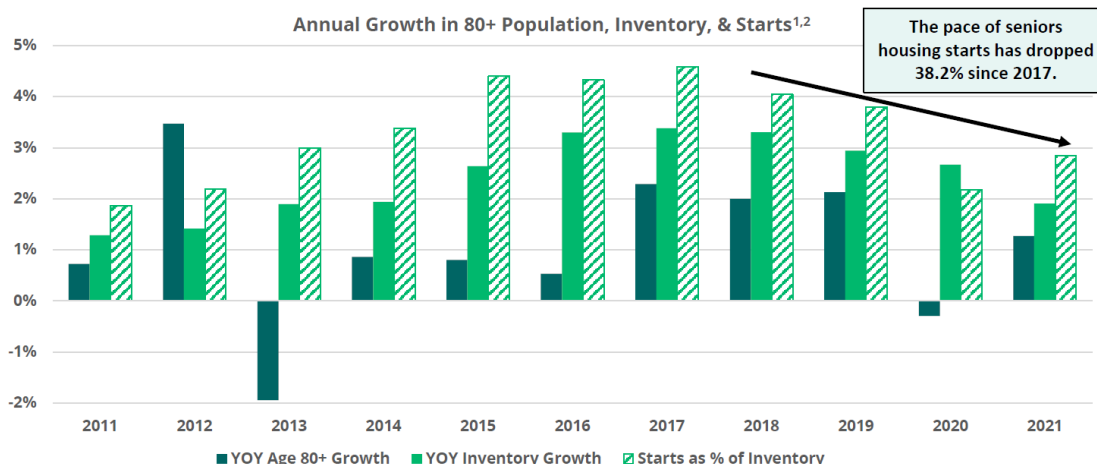
Occupancy within Seniors Housing assets has already seen a marked acceleration as a result of the ability of these properties to provide key essentials for aged care residents. Seniors Housing assets are commonly known for their distinguished physical environment, with ergonomic housing, easy transport and favourable safety measures. Secondly, they provide residents with significant socioeconomic benefits, such as community & social engagement, health and nutrition benefits, and the financial stability of the economic models available for residents. Finally, the health behaviours residents uptake when onsite commonly resemble a lifestyle of healthy exercise, dieting, good hygiene and regular medical attention.

From late 2021, occupancy levels have seen a notable rise for the aforementioned reasons.



Coupled with favourable demand-side dynamics, the market for Seniors Housing assets has seen a substantial pull-back in supply-side inventory and starts. Prior to and until 2017, market timers sought to match the imminent wave of seniors reaching the age of 75+ with a ready supply of Seniors Housing Assets. A misjudgment of timing proved these market-timers incorrect, as the prime age for seniors seeking aged care living was revealed to be 80+ years old. Since 2017, new Seniors Housing development as a percent of inventory has declined by 38 percent in 2021¹. Now, with hardening debt markets, Spire and Bridge anticipate new supply to be muted, just as the surge of the 80+ age cohort emerges.

Receding Mismatch of Supply & Demand



¹The National Investment Center for Seniors Housing Care ("NIC") as of Q1 2022 ²U.S. Census Bureau, American Community Survey 1-Year Estimates (years 2011-2019) and 5 Year-Estimates (2020). Note 80+ population growth in 2021 is estimated based on the preceding three-year CAGR.

Investment Opportunity

The Fund will seek to invest in for-rent private pay seniors housing communities where residents can age-in-place. Bridge Investment Group will strategically assemble a blended portfolio of income-generating and value-add assets, whilst incorporating their Senior Living Operating Model. This will focus primarily on investments where Bridge can leverage its forward integration in an effort to provide an improved resident experience and better financial performance. The Fund strategy will involve capitalising on repositioned, stabilized assets through targeted sales to core/core plus buyers, providing several exit options and seeking to optimise a portfolio premium upon exit.

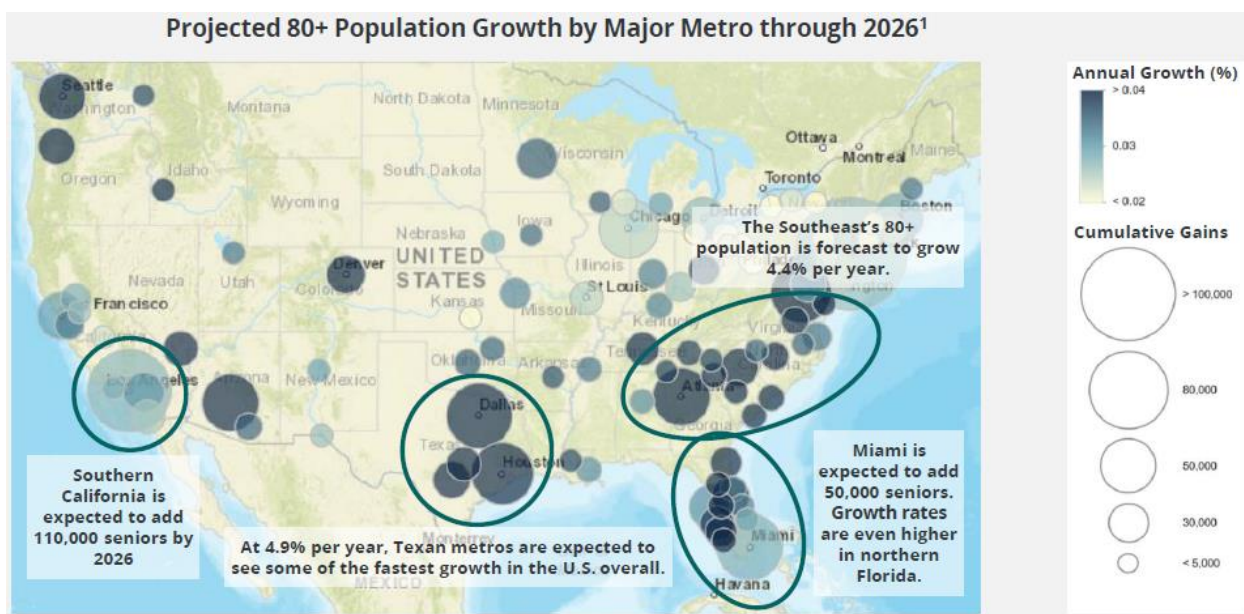
	Income and Growth	Moderate Value-Add	Heavy Value-Add & Development
Role in Portfolio	Cash Flow & Appreciation	Cash Flow and Capital Appreciation	Capital Appreciation
Target IRR ²	14-16% Gross Deal IRR 10-12% Net IRR	16%-17% Gross Deal IRR 12-13% Net IRR	17-20% Gross Deal IRR 13-16% Net IRR
Average Hold Period ³	5-7 Years	4-6 Years	3-5 Years
Strategy ⁴	<ul style="list-style-type: none"> Acquire Class A assets that are stable or near stable to generate immediate cash flow for the portfolio Target NOI growth through occupancy gains, mark to market rent, and operational efficiencies 	<ul style="list-style-type: none"> Acquire assets requiring moderate operational and/or physical plant improvements to become Class A Identify assets where the resident experience can be improved to drive occupancy and grow rents Properties typically stabilized in 12-24 months 	<ul style="list-style-type: none"> Acquire older vintage assets requiring more significant operational turnaround of the physical plant to reposition into Class A asset Introduce enhanced resident experience to drive leasing activity and rental growth Properties typically stabilize in 24-36 months May pursue development opportunities on incremental / opportunistic basis which are build-to-core



¹Asset allocation percentages, target returns and average hold period figures are all estimates, subject to change at the discretion of Bridge Seniors Housing Fund III GP LLC (the "General Partner") and/or based on factors that are outside the General Partner's control. ²Target returns are provided to illustrate the types of deals expected to be underwritten by the General Partner. Prospective investors should bear in mind that no assurance can be given that the Fund will achieve its investment objectives or its target returns or that investor capital will not be lost. See risk factors in the PPM. ³Prospective investors should refer to the PPM and Limited Partnership Agreement ("LPA") for investment scope, limits and risks. ⁴The allocation strategies presented herein are based on the General Partner's ability to source and acquire assets that coincide with our investment criteria and asset management plan and may be impacted by market conditions and other factors outside of the General Partner's control. The allocation strategies presented herein are subject to change.

Bridge will execute a disciplined, demographic and demand-driven market selection. Specifically, Bridge's market criteria will consist of:

- Targeting markets where demographics and demand drivers support occupancy, rent growth, & contain competitive barriers
- Top-down market analysis to understand key market drivers and criteria for age and income qualified seniors
- Targeting markets where the current Bridge Senior Living operating footprint aligns with the fastest pace of seniors' population growth as Bridge Seniors Living is expected to operate 50%+ of Bridge Seniors Fund III investments



¹Esri Business Analyst: Esri Demographics as of April 2022.

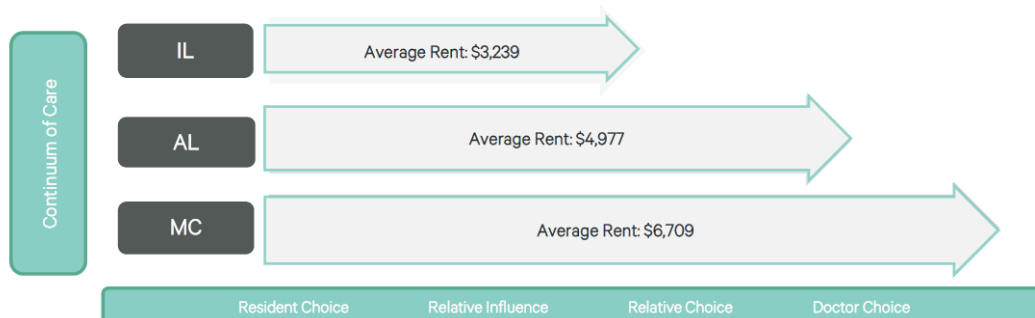
Bridge's operating expertise and forward integration model will drive asset selection. A deep understanding of customer preferences allows Bridge to select assets where they believe a leasing advantage exists that ultimately translates into sustained NOI growth. By incorporating customised operating plans based on building size, program, and care levels into Bridge's investment underwriting, in combination with Bridge's labor model and tracking tools, this uniquely positions Bridge to deliver a top resident experience that will drive an attractive margin. Bridge will also leverage their direct operating experience in target markets, as their Seniors Living capability currently operates in 30 markets, and their leadership team has a history of operating in over 150 markets.

The For Rent Private Pay Sector includes communities that provide enriched service and care typically categorized and defined as Active Adult, Independent Living ("IL"), Assisted Living ("AL"), and Memory Care ("MC") ¹. The private pay sector differs from government subsidised housing in that Bridge's communities target the mass affluent. Bridge estimates that over 90% of the revenues will be generated from private pay sources. Rents received typically come from home sales, social security and pensions. Bridge Seniors focuses predominately on IL, AL and MC.



Illustrating Typical Services & Costs at Various Levels of Care²

Shelter Activities Transport Culinary Basic Care Services ADL Care Services Memory Care



¹The General Partner expects Active Adult, IL, AL, and MC Seniors Housing communities to comprise in excess of 95% of the value of the Fund's final portfolio, subject to the General Partner's discretion, which may change. The balance may include other healthcare related properties. ²NIC Investment Guide Sixth Edition, data as of Q4 2019. Chart is for illustration purposes only to distinguish between levels of care within seniors housing and not as a guarantee of future results.

WHY BUILD CLASS A PORTFOLIO?	ASSET CRITERIA	
<i>Market and product quality are mitigants to the risks inherent (e.g., occupancy & labor considerations) to Seniors Housing</i>	<i>Meet customer needs for occupancy and pricing power; Scale for operating efficiencies</i>	
<ul style="list-style-type: none"> • Today's customer has high standards • Better defense to threat of new competition • Rent levels support staffing and wages • Attract better employees, deliver better care • Avoid functional obsolescence, inability to exit 	Vintage	2015 and newer
	Units	Over 100 units/property
	Services	Full care continuum (age-in-place)
	Rent	Rent + Care above \$5,000/month
	Amenities	Full amenities w/activity programming



Fund Pipeline - Summary and Seed Assets Overview¹

- The General Partner has visibility into a pipeline representing \$208mm of equity and nearly \$610mm of total capitalization
- Majority of deal flow is being sourced off-market through longstanding industry relationships Bridge has built over the last several decades
- Target proforma IRR of 16.2% and 2.0x multiple.² Bridge Seniors III targets 11-13% net IRR²
- Bridge Senior Living slated to operate the majority of the pipeline communities.



Deal Pipeline	Thrive Portfolio	Confidential Deal B	Confidential Deal C	Confidential Deal D	Confidential Deal E	Confidential Deal F	Confidential Deal G	Total Pipeline
Market(s)	Various GA	Orlando, FL	Various	Orlando, FL	Washington, DC	Charlotte, NC	Phoenix, AZ	
# of Properties	2	1	3	1	1	1	4	13
# of Units	231	116	416	186	143	88	413	1,593
Asset Type ³	IL/AL/MC	IL/AL/MC	IL/AL/MC	IL/AL/MC	AL/MC	AL/MC	IL/AL/MC	
Strategy & Capital								
Investment Type	Light VA	Light VA	Light VA	Income	Light VA	Light VA	Light VA	
Capitalization (\$mm)	\$82	\$48	\$152	\$80	\$58	\$36	\$154	\$610
Equity (\$mm)	\$29	\$17	\$55	\$26	\$20	\$13	\$49	\$208
Returns								
COC (3 YR AVG)	7.5%	7.5%	7.3%	7.0%	7.3%	7.3%	7.3%	7.3%
Target Gross Proforma IRR ²	15-17%	17-19%	15-17%	14-16%	15-17%	17-19%	15-17%	16.2%
Target Multiple ²	1.9-2.1x	2.0-2.2x	1.9-2.1x	1.9-2.1x	1.9-2.1x	2.0-2.2x	1.9-2.1x	2.0x

¹No assurance can be given that Bridge Seniors III will be successful in acquiring the assets described herein on the terms presented. Each of the properties listed is in various stages of negotiation and due diligence; however, none of the properties listed above are under contract to be acquired by Bridge Seniors III at this time. ²The target returns described herein are based on projections and forecasts. Such projections and forecasts are based on current information and data available to the General Partner and are based on models prepared by, and assumptions made by, members of the Bridge Seniors Housing Fund Manager team. Forecasts and projections are inherently limited and should not be relied upon as a guarantee of future performance. There can be no assurance that forecasts or projections made will be achieved by the Fund (due to market conditions or other factors). Actual returns and investment performance may differ significantly from those projected herein. ³Asset Type Key: IL – Independent Living, AL – Assisted Living, MC – Memory Care, SNF – Skilled Nursing Facility.

Seed Asset Overview – MorningStar of Pasadena

Market: Pasadena, CA

Unit Mix: Phase I: 116 Assisted Living, 28 Memory Care; Phase II: 76 Independent Living Expansion

Deal Profile: Heavy Value-Add

Close Date: December 16, 2020

Background:

- Off market acquisition of urban/infill seniors housing community comprised of an existing 143 unit 2003 vintage AL building ("Phase I), and 0.5 acre of land entitled for a 76 unit IL expansion ("Phase II")
- Acquired at 20% below replacement cost from a mom & pop seller motivated by estate planning
- Well located asset in a significantly underserved, high barrier to entry submarket of Los Angeles (newest property within 6-mile radius)
- Phase I has historically performed consistently well and benefits from a strong reputation in market

Value Creation Opportunities:

- Management Transition: Fully transitioned management at close from mom and pop operator to one of the industry's leading operators, MorningStar creating efficiencies and expense savings through better utilization of technology and improved buying power with suppliers
- Renovate Existing Building: Former owner failed to contemporize the look and feel of the otherwise modern structure Bridge has already started a \$6.7 mm renovation to refresh the product to match the desires of an affluent consumer base. Unit renovations have already led to rent increases and cash flow
- Redefine Campus as an "Age in Place" Community: by 1) converting 24 AL units to 28 MC units and 2) developing 76 units of IL on adjacent land.
 - MC Conversion: Serves excess need for MC in market Higher RevPOR improves NOI per converted unit



- Phase II IL Expansion: Zero "Class A" IL units within five miles of the site due to high barriers
- Creates a "Continuum of Care": Allowing residents to "Age in Place Attractive characteristic to residents/adult children Diversification of demand and resulting resident continuity desired by capital markets.

MorningStar of Pasadena ¹			
Total Capitalization:	\$122,700,000	Est. Occupancy at Close:	72%
Total BSH Equity Investment:	\$42,500,000	Stabilized Cap Rate ² :	7.5%
Location:	Los Angeles MSA	Target Gross IRR to Fund:	19.0%
Age of Construction:	2003 / 2024 (Phase II)	Target Gross Multiple to Fund:	2.0x
Asset Size:	220 units	Target 5-Year CoC:	10.0%

¹ Prospective investors should bear in mind that the Fund may not achieve its objectives and may sustain substantial losses These target returns are gross and do not reflect fees and expenses, including management fees, carried interest, taxes, and other fund level costs and expenses that could be material and would reduce such returns Please see the Notice to Prospective Investors at the end of this overview and the risk factors and other disclosures contained within the PPM 2 Underwritten unlevered yield on cost in year five.

PHASE I - BEFORE & RENDERINGS
RE-PURPOSE: SITTING AREA INTO A BISTRO



REPRESENTATIVE COMMON AREA DECOR REFRESH



Seed Asset Overview – Fleming Farms

Market: Alabama

Unit Mix: 118 Independent Living, 33 Assisted Living, 32 Memory Care

Deal Profile: Growth

Close Date: December 17, 2021

Background

- Newly constructed Class "A" full continuum IL/AL/MC community operated by Bridge Senior Living in a thriving Alabama MSA
- The 183-unit community opened in Q 4 2020 and leased at a notable pace to 84.7% as of October 11, 2021 generating \$3.5 mm+ of annualized NOI
- The community is situated in the most affluent pocket of wealth in the overall MSA with a rapidly aging demographic projected to grow at 2.5x the national average
- Median home value of 318k within a 2-mile radius which is 35% above the US national average; age and income qualified seniors population within the 10-mile radius will grow by 5% annually over the next 5 years.

Investment Rationale:

- Development Like Return Opportunity with Mitigated Risk: \$3.5M of in place income and underwriting near development like returns
- Class "A" Institutional Product: Community is well positioned as a high end, full continuum product in an affluent submarket with mostly older vintage competitors. The newest competitor (2016 vintage) was acquired by an institutional equity platform in 2018 demonstrating investor appetite for the MSA
- Vertically Integrated Operations: Bridge Senior Living has operated the community since opening in October 2020. Acquiring the community with existing management capitalises on forward integration, negates transition risk, and allows current momentum to continue to stabilization of 93.6% early in 2022
- Immediate Yield Opportunity: Base case underwriting forecasts attractive yield in the early years of the investment period. Long-term agency financing affords accretive leverage and pricing without covenant exposure typical of short term debt.

Fleming Farms ¹			
Total Capitalization:	\$69,750,000	Est. Occupancy at Close:	90%
Total BSH Equity Investment:	\$22,400,000	Stabilized Cap Rate ² :	7.25%
Location:	Huntsville, AL MSA	Target Project Gross IRR:	16.6%
Age of Construction:	Oct. 2020	Target Project Gross Multiple:	1.9x
Asset Size:	183 units	Target 5-Year CoC:	10.7%





1 Prospective investors should bear in mind that the Fund may not achieve its objectives and may sustain substantial losses. No assurance can be given that the Fund will be successful in acquiring this or similar assets or that target or expected results will be achieved. These target returns are gross and do not reflect fees and expenses, including management fees, carried interest, taxes, and other fund level costs and expenses that could be material and would reduce such returns. Please see the Notice to Prospective Investors at the end of this overview and the risk factors and other disclosures contained within the PPM.

2 Underwritten unlevered yield on cost in year five.



Key Terms							
Registered Fund Name & APIR Code	Spire Bridge US Seniors Housing Fund III (AUD) Hedged- Ordinary Units: APIR: SPI1716AU						
Commencement	6 th September 2022						
Fund Type	Wholesale Closed-Ended Fund						
Eligible Investors	Wholesale investors as defined in the Corporations Act 2001.						
Currency	AUD						
Currency Hedging	<p>The Sub-Trust will operate a dynamic hedging policy, where the Sub-Trust's Net Asset Value (NAV) and forecast income must be hedged within the following matrix:</p> <table border="0"> <tr> <td>Minimum Hedging:</td> <td>25%</td> </tr> <tr> <td>Neutral:</td> <td>62.5%</td> </tr> <tr> <td>Maximum Hedging:</td> <td>100%</td> </tr> </table> <p>The Trustee will appoint specialist Currency Risk Management, Rochford Capital to administer the hedging Strategy. At inception, the Sub-Trust will implement hedging at the "Neutral" level. The Hedging levels will subsequently be adjusted to protect investment returns and overall liquidity. In periods of AUD appreciation, the currency risk manager will shift hedging towards maximum hedging levels and during periods of AUD depreciation the currency risk manager will shift hedging towards the minimum levels of hedging to manage funding requirements of the market to market (MTM) position of the hedging position.</p>	Minimum Hedging:	25%	Neutral:	62.5%	Maximum Hedging:	100%
Minimum Hedging:	25%						
Neutral:	62.5%						
Maximum Hedging:	100%						
Target Return (Underlying Fund)	Min 10-12% Net IRR, 1.8x Net Equity Multiple						
Investment Manager	Spire Capital Pty Ltd						
Underlying Investment Manager	Bridge Seniors Housing Fund Manager LLC						
Applications	Daily during the Offer Period, which will open on Monday 3rd October 2022 and close Friday 27th October 2022						
Minimum investment	AUD \$100,000, however the Trustee may accept lower amounts at its discretion.						
Capital Calls	Fully-paid in (100% of investment funded upfront)						
Net Asset Value (NAV) Unit Pricing	NAV unit pricing will commence on a monthly (AUD).						
Distribution Frequency	Annually, commencing June 30, 2023, subject to the terms of the Underlying Fund.						
Liquidity	The Investment Manager is able to facilitate secondary market transactions via the Primary Markets Platform (see here). Resultant liquidity may be provided by investors interested in purchasing your Units. Secondary Units can only be bought and sold on Primary Markets during trading windows, which occur on a semi-annual basis during the months of April and October.						
Management Fees	0.50% p.a. x NAV (paid monthly) plus GST, payable to Spire Capital Pty Limited at the Master Fund level.						
Sourcing & Structuring Fee	The Investment Manager is entitled to a Sourcing and Structuring Fee of 0.50% plus GST of the total capital commitments made by the Series Sub-Trust into the Underlying Fund. This fee is a one-off fee, and becomes payable when the capital commitment is made to the Underlying Fund. The Sourcing and Structuring Fee is payable out of the assets of the Series.						
Other Operating Expenses	The Trustee estimates direct operating costs and expenses to be 0.18% per annum plus GST based on the NAV of the Master Fund. These costs and expenses are payable from the Fund's assets to the relevant person when incurred or, where initially paid by the Trustee, will be reimbursed to the Trustee at the end of each month.						
Underlying Management Fee	The Underlying Management Fees with respect to the aggregate Capital Commitments made to the Partnership by the Series Sub-Trust will equal 2.0% per annum. The Underlying Management Fee percentage payable by the Fund will be determined by its total capital commitment to the Underlying Fund. During the Investment period for the Underlying Fund, this percentage will be applied to capital that the Series Sub-Trust has committed to the Underlying Fund ('Committed Capital'). Following the Investment period, this percentage will apply to capital that the Underlying Fund has invested into assets ('Invested Capital').						
Underlying Performance Fee	At the Underlying Fund level, 20% of profits, subject to Limited Partners receiving the Preferred Return of 8% IRR. There are no additional Performance Fees at the Series or Sub-Trust levels.						

Contact Our Team



Dale Holmes
Director

Email dale.holmes@spirecapital.com.au
Phone (+61) 2 9047 802
Mobile (+61) 401 146 106



Stuart Haigh
Director

Email stuart.haigh@spirecapital.com.au
Mobile (+61) 413 750 521



Chris Niall
Senior Manager – Investor Relations

Email chris.niall@spirecapital.com.au
Phone (+61) 2 9047 8802
Mobile (+61) 419 011 628



Lachlan Hay-Hendry
Regional Manager (WA/SA) – Investor Relations

Email Lachlan.hay_hendry@spirecapital.com.au
Mobile (+61) 416 025 178



Sebastian Madden
Senior Associate – Investor Relations

Email
sebastian.madden@spirecapital.com.au
Mobile (+61) 421 107 907

IMPORTANT INFORMATION

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