

## Monthly Update

The Spire USA ROC Seniors Housing and Medical Properties Fund II (AUD) (the “Fund”) returned -0.76% for the month of March with the unit price closing at \$1.1764.

Negatively affecting the unit price during the month of March was a 0.53% net decrease across the portfolio in the total book value of Bridge Seniors II Investment assets recorded for Q4 2024. Also negatively affecting the unit price during the month of March was the 0.21% decrease in the value of the US dollar against the Australian dollar. The Fund does not hedge currency exposure.

The Unit Price reflects the Q3 Underlying Fund Net Asset Values as at 31 December 2024.

Please see the underlying fund's Q4 2024 CIO report to Limited Partners commencing on page 3.

## Performance (Net of Fees)\*

Ordinary Unit Class as at 31 March 2025

Based upon underlying fund data as at 31 December 2024

1 month	3 months	6 months	1 year	Annualised Performance Since Inception <sup>1</sup>	DPI <sup>2</sup>	TVPI <sup>3</sup>
-0.76%	-1.36%	7.67%	-3.56%	1.11%	0.1732	1.1000

Unit Price Movement Breakdown	
Underlying investments (incl. cash & distributions)	-0.49%
Foreign exchange	-0.20%
Fees and expenses	-0.07%
<b>Total Movement</b>	<b>-0.76%</b>

Unit Price as at 31 March 2025	
Unit price (excluding FITOs)	\$1.1764
FITOs	\$0.0000
Unit price plus FITOs	\$1.1764

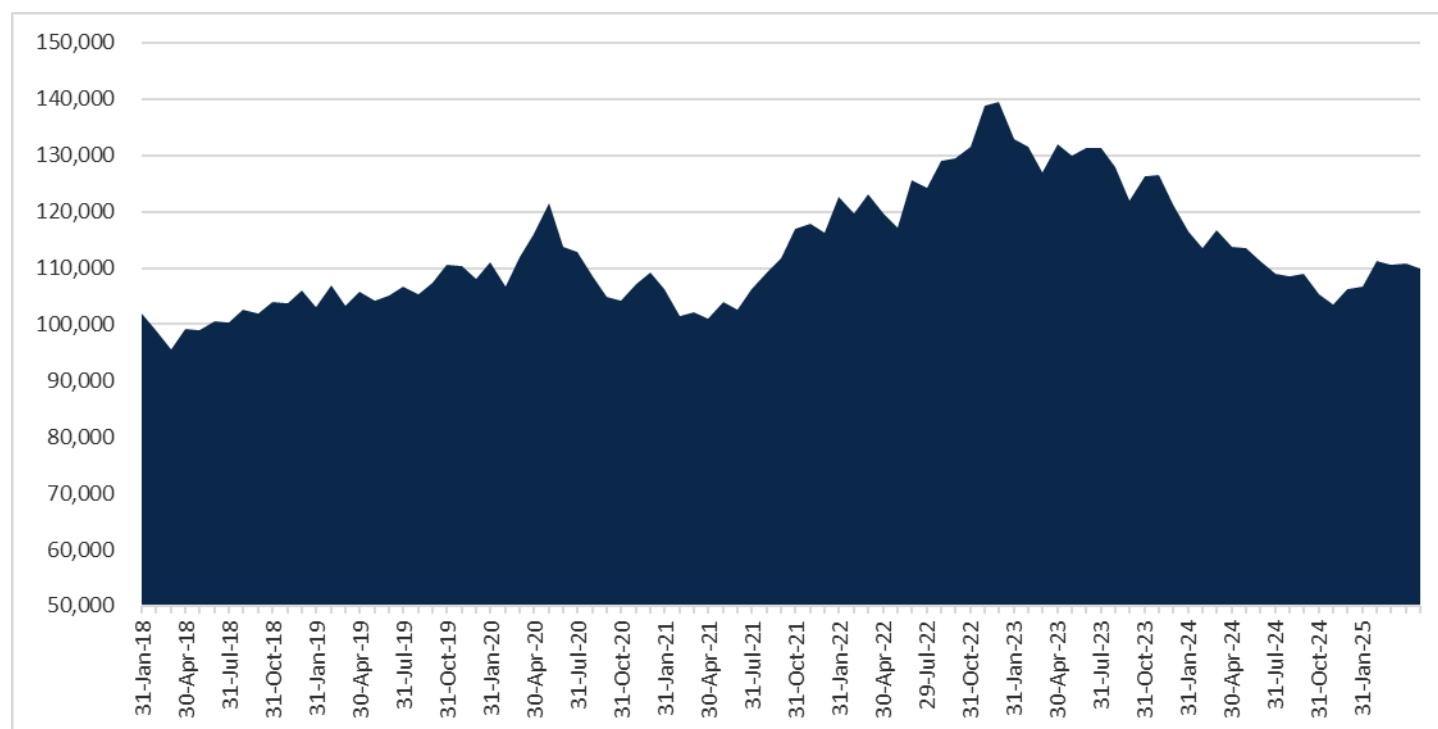
Asset Allocation as at 31 March 2025	
Cash AUD	0.04%
Cash USD	7.87%
Investments USD	92.09%

**\*Past performance is not an indicator of future performance.** The performance table is based on the aggregated total application amount and units issued during the capital raising period and includes Unit Price growth from commencement of NAV based unit pricing following completion of capital raising in November 2017. Unit Price and performance do not include the value of Foreign Income Tax Offsets (FITOs) which have been accrued. Individual investor performance will vary according to the Issue Price at which they were issued Units in the Fund, which in turn was based upon the AUD / USD exchange rate applicable in the month in which an investment was made. Returns stated above assume distributions are re-invested to the fund and hence may differ to actual returns for individual investors.

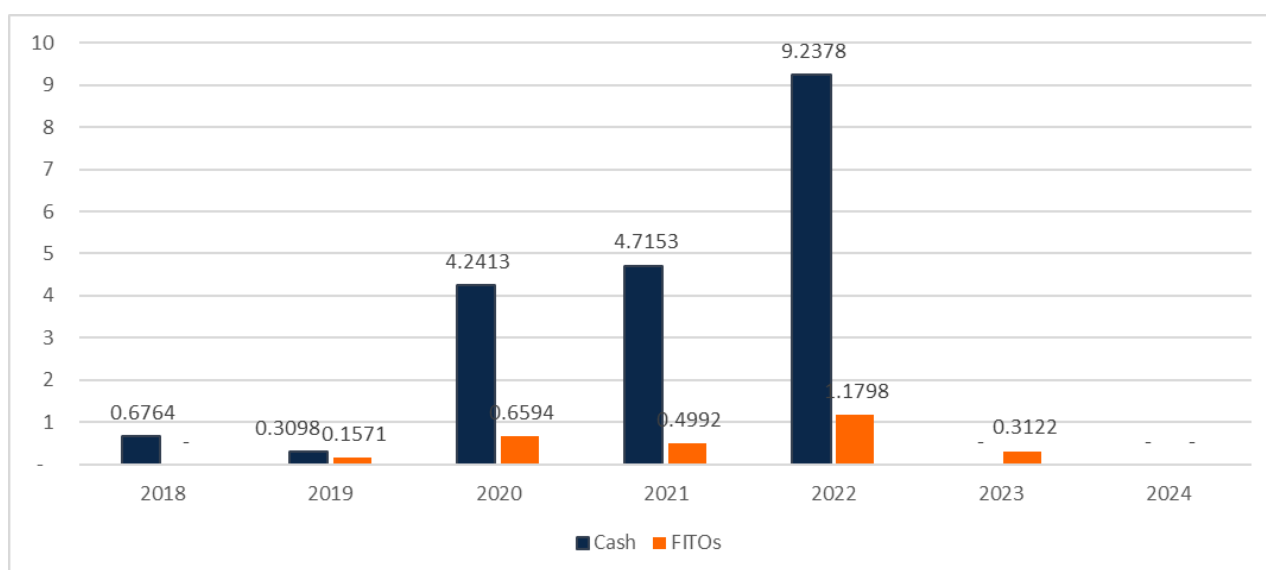
**<sup>1</sup>Performance Since Inception** – Inception date (29 November 2017) occurred from the commencement of NAV based unit pricing, following the completion of capital raising in November 2017. Please note, however, that each investor's performance numbers are calculated on an individual basis from their time of application and may differ from the above. “Performance since inception” is measured as the Internal Rate of Return since inception. The IRR is the annualised rate of return that equates the amount and timing of irregular cashflows since inception with the period end value. For the purposes of the monthly report, the IRR replaces the time weighted return since inception effective 30 June 2023.

**<sup>2</sup>DPI** - Distributed to Paid-In Capital (DPI) is a term used to measure the total distributions (inc FITOs) that the fund has returned thus far to investors. It is also referred to as the realisation multiple. The DPI value is the cumulative value of all investor distributions expressed as a multiple of all the capital paid into the fund.

**<sup>3</sup>TVPI** – is the “Total Value Paid In” ratio and is, according to the Institutional Limited Partners Association (ILPA) perhaps the best available measure of performance before the end of a (closed-ended) fund's life. TVPI is the total estimated value of the Fund's investments, both distributions received plus the value of the remaining investments in the Fund, divided by the amount of capital paid into the Fund to date. For the purposes of calculating TVPI Spire Capital includes the value of any Foreign Income Tax Offsets in the value of distributions received. This ratio has other names, including Multiple of Investment Capital (MOIC) and the Return on Invested Capital (ROIC).

**Growth of AU\$100,000 Investment\***


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**Distribution CPU**


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**Q4 2024 REPORT TO LIMITED PARTNERS FROM BRIDGE INVESTMENT GROUP.**

*Note: All dollar amount and performance returns quoted are US Dollar denominated, unless otherwise stated. All references to the Fund are to the Underlying Fund*

## BRIDGE SENIORS HOUSING & MEDICAL PROPERTIES FUND II LP

FUND VINTAGE MARCH 2017 | FUND SIZE \$820.5M

**KEY TAKEAWAYS**

- Operations have continued to strengthen, with occupancy gaining 4.0% year-to-date, contributing to a 15.7% YOY growth in NOI, now 16.4% ahead of pre-pandemic NOI on a same-store basis.
- Successful loan modifications resulted in a reduction in near-term maturity exposure from 30.0% to 16.0% of loan maturities in 2025 and increased DSCR to 1.3x.
- The sale of two assets was initiated in Q4, then closed in February, hitting price targets while achieving objective of improving Fund's cash position.
- With improved investor sentiment around seniors housing, we will continuously consider exit alternatives that leverage the Fund's positive operating performance trend.

**TOP 10 MARKETS**

**PORTFOLIO OVERVIEW**

**92.8%**  
CAPITAL CALLED

**21.8%**  
DISTRIBUTIONS  
(DVPI)

**54 / 20**  
TOTAL / REALIZED  
INVESTMENTS

**\$571.0M**  
NET ASSET VALUE

**\$1.47B**  
GROSS ASSET VALUE

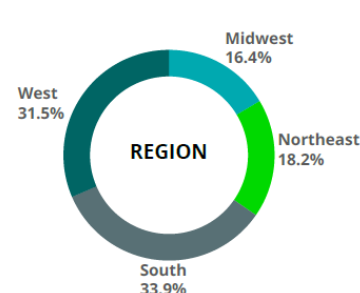
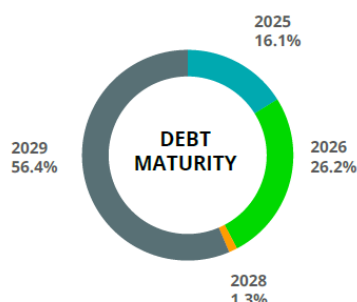
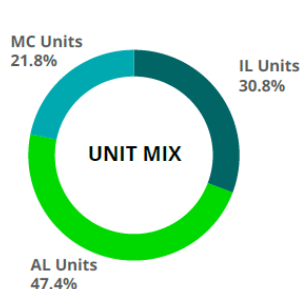
**82.1%**  
OCCUPANCY

**15.6%**  
YOY NOI GROWTH

**57.2%**  
LEVERAGE RATIO

**91.2%**  
FIXED+HEDGED DEBT

**3.1 Years**  
AVG DEBT MATURITY


**OUR PERSPECTIVES ON THE SENIORS HOUSING MARKET**

The Seniors Housing sector is on a clear path to recovery, but it will take more time to fully stabilize. While market occupancy finally reached pre-pandemic levels, margins have not recovered from the historic levels of wage growth and cost inflation. Further, the sector experienced a reset in valuations resulting from prolonged contraction in the credit markets and the significant rise in interest rates. Conversely, there is appropriate optimism in the medium and long-term as the operating environment normalizes and demand increases; however, the cumulative market conditions over the past five years have challenged pre-pandemic investments.

During the fourth quarter, the seniors housing industry demonstrated operational progress. The confluence of near-term challenges and long-term opportunities are represented by the following factors:

- Industry occupancy for assisted living in primary markets, as reported by NIC, increased by 60 bps during the fourth quarter, ending at 85.7%.
- Market rent growth remains elevated relative to historical levels at 4.3% year-over-year, a trend we anticipate will continue into 2025 due to strong demand increases driven by demographic tailwinds and lack of new supply.
- Expense inflation is moderating; however, labor costs remain a headwind with wage growth at 4.1% year-over-year ending December 2024.
- Transaction activity improved 20.0% over the prior quarter but remains muted relative to historical levels.

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- The 80+ population is anticipated to increase by 49.0% through 2030, and the demographic tailwinds have translated into increased demand in select markets across the Bridge portfolio.
- New construction starts have remained low, with units under construction at 52.0% below peak levels observed in 2017, and annual absorption of 4.4% outpaced annual inventory growth of 1.5% in the fourth quarter.

We anticipate that this imbalance of growing demand and muted supply will allow for continued occupancy recovery and operational improvements, but we are not planning on cap rates recovering during the balance of our contemplated hold period.

#### INVESTMENT ACTIVITY UPDATE

As of December 31, 2024, the Fund has called 92.8% of the Fund's available capital for investments in 54 properties. Investors have received approximately 21.8% of their called capital, primarily in the form of quarterly distributions which occurred over 18 consecutive quarters until interest rates spiked in Q3 2022.

Our return expectation associated with the Q4 2024 performance summary is a 1.14x gross multiple and 0.97x net multiple. We have sold approximately 26.0% of the portfolio, as a percentage of invested equity. As seen in the table below, asset sales fall into the following categories: 1) performing properties sold prior to the 2022 interest rate spike averaging a 1.9x gross multiple and 1.76x regulatory net multiple, 2) properties sold after the 2022 interest rate spike averaging a 0.96x gross multiple and 0.82x regulatory net multiple, reflecting the impact of selling in a down market cycle. The unrealized value of the balance of the portfolio is marked to produce a 1.13x gross multiple and 0.99x regulatory net multiple. Two performing properties closed after the period in early 2025 averaging a 1.1x gross multiple (0.95x regulatory net multiple), which provides sufficient liquidity to maintain a healthy balance sheet through 2025 based on current forecasted cash needs.

The remaining portfolio is comprised of high-quality, newer-vintage assets with superior attributes when compared with market benchmarks with respect to home values, net worth, and growth in the senior population. Nevertheless, the portfolio is still below our stabilized forecast given aforementioned headwinds and our quarterly valuation is nearly flat compared to last quarter. Returns are well below original targets given both the operational and market conditions that have impacted the Fund for several years of the majority of the Fund's hold period.

Disposition Breakdown				
	Percentage of Portfolio (Invested Equity)	Number of Properties	Gross MOIC	Regulatory Net MOIC
Sold: Pre-1Q22 Rate Run Up	3%	3	1.91x	1.76x
Sold: Liquidity Motivated 1Q22 - 2Q24	23%	17	0.96x	0.82x
Sold: Closed in 1Q25	3%	2	1.10x	0.95x
Hold: Balance to Sell 2025 - 2026	71%	32	1.13x	0.99x
<b>Total / Weighted Avg.</b>	<b>100%</b>	<b>54</b>	<b>1.14x</b>	<b>0.97x</b>

#### OPERATIONAL UPDATE

NOI has grown by 34.0% over the past two years. Our focus on enhancements to sales culture, pricing strategies, and revenue management have resulted in both occupancy and rent growth. Demand continues to strengthen, as evidenced by occupancy growth of 4.0% throughout 2024 outpacing the industry growth of 2.1%, ending at 82.1%.

Current occupancy levels also reflect the sale of some highly-occupied properties (90%+) over the past two years, which has impacted total occupancy by approximately 2.1%. Rents grew by 5.7% YOY ahead of industry-average rent growth of 4.3%, and outpacing expense per occupied unit growth of 3.8%. As a result, Q4 2024 NOI grew by 15.7% year-over-year, furthering the trend of surpassing pre-pandemic levels by 16.4%.

While rapidly-rising interest rates impacted total fund cash flow, positive operational performance has improved our debt service coverage to 1.3x in Q4. The majority of the loan portfolio is floating rate, however, 91.0% of the Fund's debt is fixed or hedged, resulting in a total effective interest cost of 5.5% as of Q4 2024. We have managed our near-term maturity exposure through extensions and loan modifications bringing the 2025 exposure to 16.0% of the loan portfolio. Liquidity generated from asset sales in early 2025 has put the Fund in a healthy cash position.

Our goal is to resume cash flow distributions by year-end 2025 as operating performance continues to improve. Meanwhile, we will continuously monitor the portfolio alongside market conditions to capture opportunities to exit assets at attractive values.

While we acknowledge the macroeconomic headwinds impacting values and cash flow we are encouraged by continued operational recovery, and remain dedicated to maximizing the return of capital during the remaining years of the fund.



Blake Peeper  
Chief Investment Officer  
Bridge Seniors II

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## Fund Overview

The Fund was established in 2017 and acts as an unhedged Australian feeder fund into the assets of Bridge Seniors Housing & Medical Properties Fund II LP ("Bridge Seniors II"). Bridge Seniors II is a US\$2.0 billion (equity) "buy, fix, sell" private equity real estate fund, investing in value-add US seniors housing and medical properties. The Fund has a US\$49.5 million capital commitment to Bridge Seniors II, of which 93% has now been called and invested. The Fund owns a 6.21% share of a diversified current portfolio of 54 separate seniors housing assets located across 19 US states, providing a total of 6,300 seniors housing units. Bridge Seniors II's Investment Period will run until January 2020, during which the investment portfolio will continue to be aggregated. After this date Bridge Seniors II's Harvest Period will commence, during which portfolio assets will be sold, most likely via a portfolio sale, when the portfolio has been stabilised and value has been maximised.

Bridge's subsidiary fund management companies are registered investment advisers with approximately \$25 billion of AUM. The principals of Bridge have been investing in real estate for 27 years and have experienced success in the multifamily, commercial office, seniors housing and CRE-backed fixed-income sectors. Bridge's subsidiaries manage private equity funds, separately managed accounts, co-investments, and joint ventures. A vertically integrated real estate platform, Bridge and its affiliates employ over 4,000 people across 23 states and 50 metropolitan statistical areas. In 2020, Bridge was again named a Top 50 Private Equity Real Estate firm by PERE, a leading industry publication, moving up to #17 in the rankings. Bridge and its affiliates manage approximately 40,000 multifamily housing units, 12,500 senior housing units and about 14.4 million square feet of commercial office space.

## Fund Details

<b>Fund Size (AUDm):</b>	\$59.48m	<b>Fund Manager:</b>	Spire Capital Limited
<b>Unit Price:</b>	\$1.1764	<b>Investment Manager:</b>	Bridge Investment Group, LLC
<b>APIR Code:</b>	ETL1507AU	<b>Responsible Entity:</b>	Equity Trustees Limited
<b>Commencement:</b>	17 February 2017	<b>Base Management Fee:</b>	0.60% p.a. x NAV
<b>Application Status:</b>	CLOSED	<b>Underlying Fees:</b>	2% of committed equity
<b>Liquidity:</b>	Nil - Closed-ended fund	<b>Underlying Performance Fee:</b>	20% of realised profits after an 8% preferred return is paid to Limited Partners.
<b>Distribution Frequency:</b>	Annually as at 30 June	<b>Zenith Research Rating:</b>	Recommended (Original rating, now lapsed as closed)

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## Important Information

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