



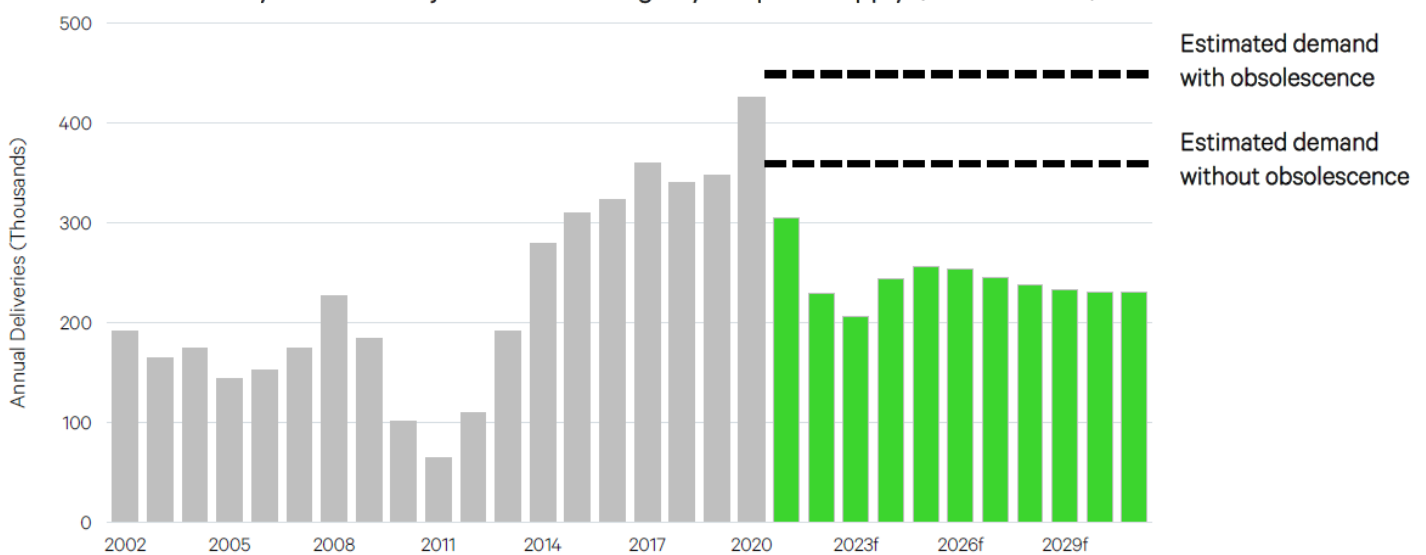
**SPIRE  
CAPITAL**

## Spire Bridge Multifamily Fund V Factsheet

### Overview

Spire Capital Pty Ltd ("Spire") continues to have high conviction in US Multifamily real estate as a resilient source of absolute returns, with low correlation to traditional asset classes. Spire Bridge Multifamily Fund V ("SBMFV") provides an opportunity to capitalise on the continuing thematic of increasing demand in Class B US multifamily housing, driven by an existing undersupply of housing, an ageing population, embedded student debt and the economic flexibility that renting provides. By partnering with Bridge Investment Group ("Bridge"), Spire seeks to leverage upon the strong historical performance and streamlined 'value add' strategy in order to provide attractive returns with a low risk profile.

#### Multifamily Demand Projected to Meaningfully Outpace Supply (2000 - 2030f)<sup>1</sup>



Source: <sup>1</sup>CoStar as of Q 4 2020 Bridge Investment Group Research National Multifamily Housing Council US Apartment Demand A Forward Look May 2017 Bridge Investment Group Research 0 5 obsolescence rate based on conservative analysis a 100 year product lifecycle Third party research estimates that obsolescence rates range from 0 5 90 000 units) to 1 44 241 000 units) of stock per year <sup>2</sup>RealPage as of Q4 2020. Please note that 'f' indicates forecast

As the USA progresses through the COVID-19 crisis, Class B multifamily apartments have experienced higher and more stable occupancy rates than their Class A counterparts, driven by the affordability factor. Given this, and resultant of the success of Bridge's predecessor multifamily funds, 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 multifamily space.

The Spire Bridge Multifamily Fund V ("the Fund") serves as an Australian unlisted unit trust that feeds into the Bridge Multifamily Fund V ("the Underlying Fund" or "Fund V"). The Investment Manager for the Underlying Fund is Bridge Multifamily V GP LLC, an affiliate of Bridge Investment Group LLC. The Key Target Metrics are as follows:

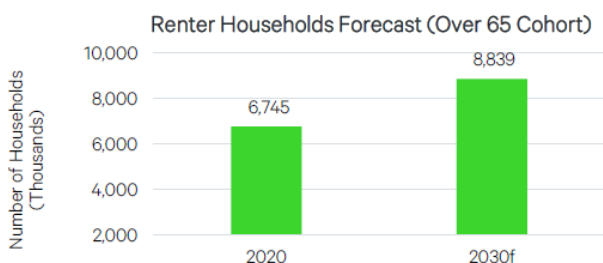
- 12-14% Net IRR
- 1.8x Net Equity Multiple
- To be achieved via a 5 year 'buy, fix, sell' business plan

## Sector Overview - US Multifamily Real Estate

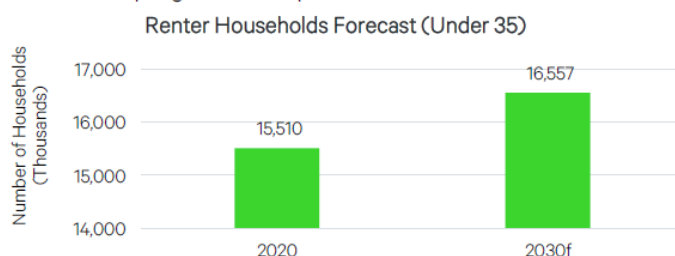
The term 'multifamily' is one that may be unfamiliar to many Australian investors, quite simply because it is an asset class that does not yet exist in Australia. Multifamily describes an apartment complex or community, where all of the occupants are tenants, i.e. there are no owner-occupiers. The property is owned in whole by a single owner, often an institutional investor or family office. These can be large assets, providing between 300 and over 1,200 rental units in a single property. They can either be 'downtown' high-rise, or suburban low-rise, gated, 'garden-style' communities. Larger assets employ on-site property and leasing managers with 24/7 on-site security. Leases are for 12 months, although many tenants stay for much longer periods - from years to decades. Investors like the shorter-term leases in multifamily, as it allows quicker access to market increases than other property types.

Approximately 35% of US households are 'renters' and over the past 30-years, the multifamily market has grown to the point where it is the dominant provider of residential rental accommodation in the US. New household formation, immigration, a transient US workforce, and - increasingly - downsizing seniors, are all important demand drivers.

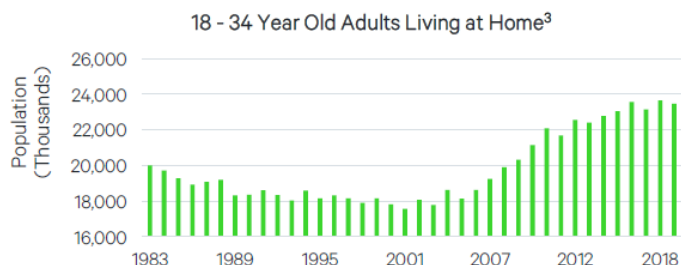
**Seniors:** As seniors households look to downsize, rental households could potentially increase by approximately 30% by 2030.<sup>1</sup>



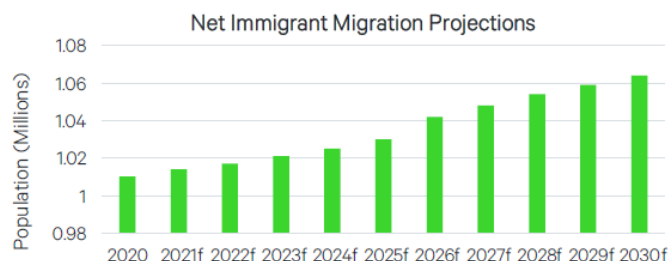
**Under 35:** Could potentially increase by 100,000 households per year through 2030 without young adults decoupling from their parents' home.<sup>2</sup>



**Millennial Preference for Multifamily Rentals:** Affordability of home ownership is increasingly out of reach, driving family-forming millennial households to rent rather than own



**Immigrants:** Net U.S migration is expected to increase by over 1 million persons per year through 2030.<sup>2</sup>



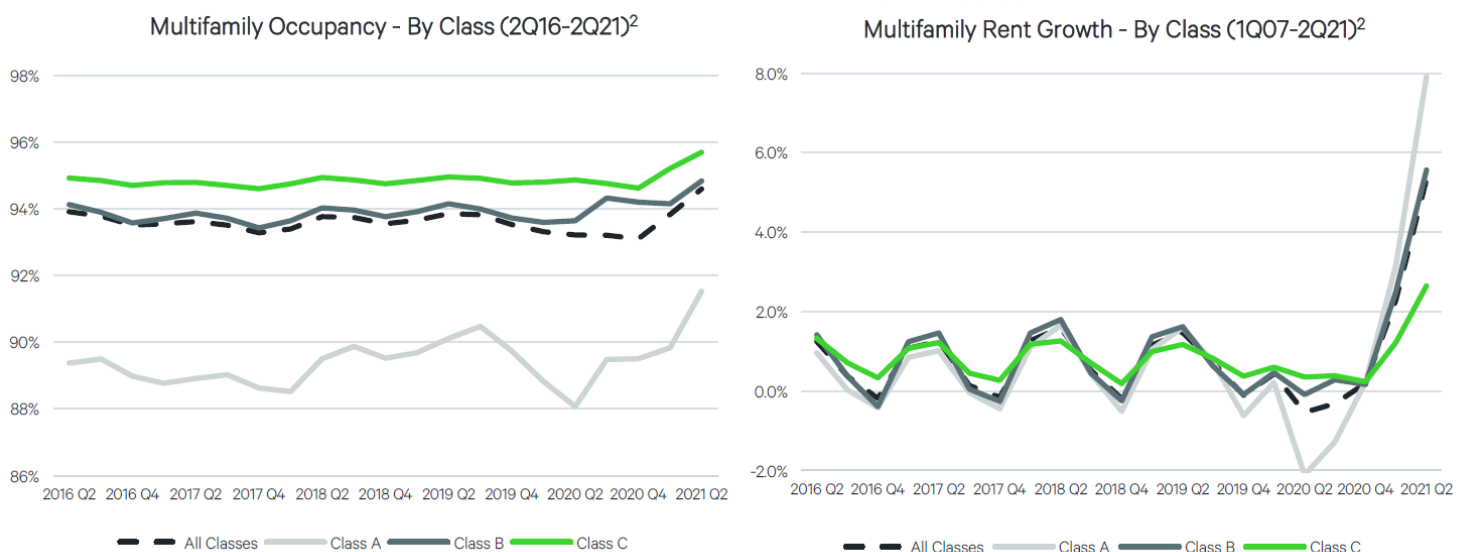
<sup>1</sup> As of December 2019. Forward-looking statements are based upon the current proportion of owner-to-renter in over 65 age cohort, adjusted for census population projection. <sup>2</sup>U.S. Census Bureau, 2017 National Population Projections -September 6, 2018 Revisions. <sup>3</sup>American Fact Finder, American Community Survey, 5 Year Estimates, Tenure by Household Type (Including Living Alone) and Age of Householder. 'f' indicates forecast.

Multifamily has also grown to become the second largest commercial property asset class in the US, second only behind the commercial office market. The US multifamily market has deep liquidity, with over US\$52.7 billion in assets traded in Q2 2021 alone<sup>i</sup>. This liquidity is also supported by many different lenders, including national and regional banks.

Passive, yield focused investors in multifamily are attracted by the low volatile nature of the income streams that stabilised (i.e fully leased at market rates), well managed multifamily apartment communities generate. A multifamily community with 1,000 tenants provides much less vacancy risk and rental volatility than a commercial office or

industrial property of the same leasable area, which may only have a handful of tenants. As such, multifamily has been called the 'gold standard' for institutional property investors since the GFC.

This low risk profile of multifamily is particularly the case with Class-B multifamily properties, as evidenced by the Fund's US Investment Manager, Bridge Investment Group's experience with its portfolio of circa 9,000 Class-B units during the Global Financial Crisis. Their experience was an initial GFC induced fall in Net Operating Income (NOI) of 3%, but recovery into positive territory within 12-months as housing affordability became paramount. Over the past decade, national multifamily vacancy rates have fallen to below 5%, and rents for 'Class-B' assets - where the fund will focus - and have been increasing between 4% and 5% per annum. In addition, most new supply has been in 'Class-A' product, which needs to achieve much higher rents (often 3 to 4 times higher), than Class-B, due to their higher land and construction costs. There is negligible new supply of Class-B product. Also, value-add Class-B multifamily assets, can be acquired at significant discounts to replacement cost, sometimes in the order of 50%. This provides substantial pricing power relative to Class-A and caters to a much broader target market. These are the reasons that Class-B remains the 'smart' choice in US multifamily investing.



## Investment Opportunity

The Fund will commit, as a single Limited Partner, capital into the underlying fund progressively during the capital raising period, which is expected to run through until end of Q4 2021. By doing so, the Fund will acquire a proportionate interest in the underlying funds' assets, at the original cost of those investments.

Bridge Multifamily Fund V ("Fund V") is a continuation and expansion of Bridge's historically successful strategy of investing in and adding value to Class B multifamily housing properties in liquid, high-growth secondary markets across the U.S. that feature strong macro-economic prospects.



Equity Invested		Portfolio Allocation	Net Equity Multiple	Net IRR <sup>1</sup>
Bridge Multifamily Fund I) Inception: March 19, 2009 (Liquidated)	\$124.0m	80% Multifamily 20% Office	1.76x	15.3%
Bridge Multifamily Fund II) Inception: April 3, 2012 (Liquidated)	\$555.2m	80% Multifamily 20% Office	1.84x	23.4%
Bridge Multifamily Fund III Inception: January 7, 2015 (Harvesting)	\$868.2m	75% Multifamily 25% Office	1.86x	20.0%
Bridge Multifamily Fund IV Inception: June 1 2018 Note: Fund still in deployment mode.	\$1,101.5m	100% Multifamily	1.35x	26.3%

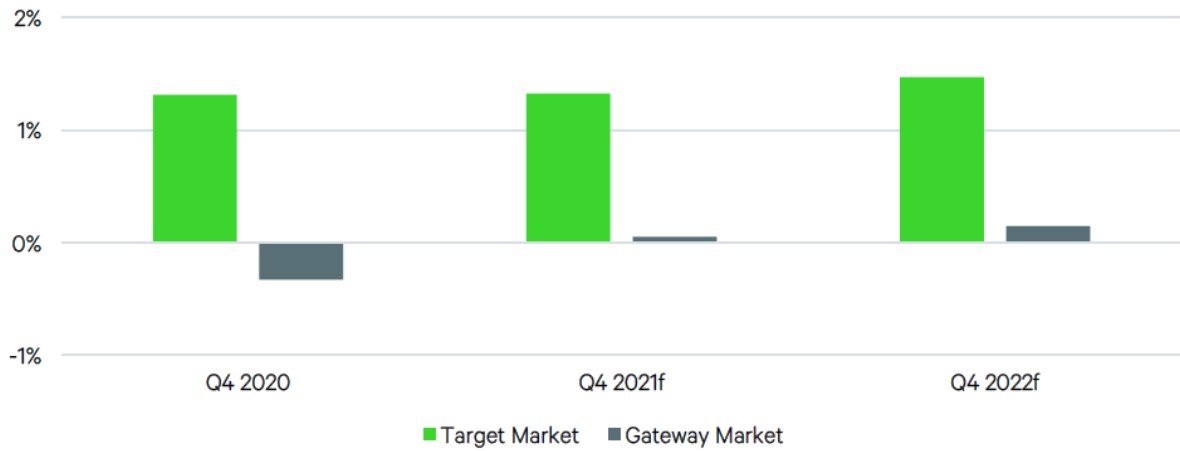
<sup>1</sup>Performance as at Q2 2021

Bridge Investment Group aims to identify specific target markets with a comprehensive, data-driven approach to analysing macroeconomic trends, with the intention of uncovering strong investment opportunities. Analytical metrics include detailed demand forecasts (household and employment growth, rent growth, occupancy gains), supply forecasts (as a % of inventory and with relation to jobs created), and pricing (cap rates, price per square foot) at the local level. Identified "target markets" are projected to have substantially higher household formation growth and employment growth during the next three years compared to the national average.

Bridge also holds a veteran perspective of national market trends, based upon multi-cycle experience. The Fund's senior investment team members' extensive underwriting and transactional experience facilitates sourcing, helps secure less-than-fully-marketed deals, and produces insights that help the Fund avoid or mitigate mistakes that other, less-experienced multifamily investors might make.



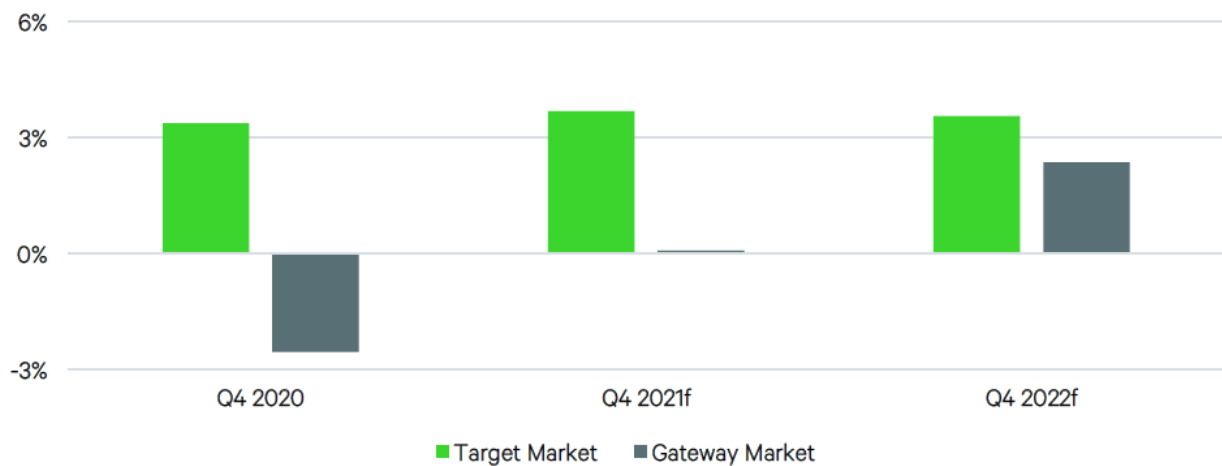
## Household Growth (Q4 2020-Q4 2022f)



Strong fundamentals in Bridge Target Markets have bolstered multifamily rental demand above annual averages seen since the GFC:

- Submarkets within Bridge target markets are selected based upon strong employment/household growth forecasts and limited new competitive development.
- Bridge target markets are forecasted to have higher household growth than the U.S. by 100 basis points during the next two years.
- Accordingly, rent growth is projected to be nearly three times as high than the primary markets during the next two years.

## Effective Rent Growth (Q4 2020-Q4 2022f)



Source: CoStar Analytics as of Q 1 2021 Note Bridge target markets include the Metropolitan Statistical Areas of Atlanta, Austin, Boise, Charlotte, Columbia, Columbus, Dallas Fort Worth, Denver, East Bay, Greensboro, Houston, Inland Empire, Jacksonville, Las Vegas, Minneapolis, Nashville, Orlando, Phoenix, Portland, Raleigh, Reno, Richmond, Sacramento, Salt Lake City, San Diego, Seattle, Tampa, Tucson and Washington DC The General Partner may invest in other markets ..f indicates forecast

Bridge Multifamily Fund V expects to target a blend of light value-add, heavy-lifts value add, and opportunistic investments, aiming to provide investors with a resilient current income stream and strong risk-adjusted total returns. Bridge's integrated team seek to springboard from their experience in location identification, amenitisation enhancement capabilities and property management expertise, which has underpinned the proven success and execution of the four predecessor funds.

The team strives to increase occupancy, lower turnover ratios below the national average, improve resident satisfaction levels and cater to a wide range of potential residents. These factors catalyse the creation of vibrant and thriving communities.

Strategy:	Light Value-Add	Heavy-Lift Value-Add	Development/Opportunistic
Target Allocation:	50-60%	25-35%	5-15%
Investment Thesis:	Amenity enhancements and interior unit renovations to multifamily properties with "good bones" and considerable upside in our target markets	Capital expenditure implementation; intensive management oversight and resident repositioning	Opportunities in which market sales are above replacement cost; or capital/management distress creates higher return opportunities
Target Returns <sup>1</sup> :	14-16% Gross IRR 12-14% Net IRR 5-7% Current Yield	15-17% Gross IRR 13-15% Net IRR 4-7% Current Yield (after stabilization)	16%+ Gross IRR 14% + Net IRR 4-7% Current Yield (after stabilization)
Characteristics:	Stable to near-stable (approx. 90% occupancy); Net Operating Income growth as rents grow and expenses are minimized	Major capital in exterior common areas and interior units. Typically some resident repositioning to improve NOI	New construction or broken investment of some type leading to higher returns

## The Initial Portfolio (As at Q2 2021)

BMF V currently has 1,993 units/8 assets across 6 markets, representing ~\$US175m in total equity commitment with a pro forma Fund IRR of 14.7% (Target Net IRR of 14%) and pro forma Fund multiple of 1.7x (Target Net equity multiple of 1.8x).

Multifamily Fund V Portfolio & Pipeline												
Name	Location	# of Units	Purchase Price	Price/Unit	Capex/Other	Total Capital	Total Equity	Loan-to-Cost	Total Debt	Pro Forma Fund IRR	Pro forma Fund Multiple	Actual / Target Closing Date
<b>Closed / Awarded</b>												
Arcadia on 49th	Phoenix, AZ	192	\$37,450,000	\$195,052	\$4,625,355	\$42,075,355	\$14,924,105	65%	\$27,151,250	14.7%	1.7x	8/23/21
The District at Fiesta Park	Mesa, AZ	321	\$69,850,000	\$217,601	\$7,237,500	\$77,087,500	\$26,446,250	66%	\$50,641,250	14.6%	1.7x	8/23/21
Park at Tara Lake	Jonesboro, GA	230	\$43,100,000	\$187,391	\$5,257,114	\$48,357,114	\$16,032,114	67%	\$32,325,000	14.7%	1.7x	9/17/21
Saddle Ridge	Tucson, AZ	248	\$50,000,000	\$201,613	\$5,349,715	\$55,349,715	\$22,849,715	59%	\$32,500,000	15.7%	1.8x	9/30/21
Meadow Ridge	Las Vegas, NV	232	\$50,500,000	\$217,672	\$5,845,423	\$56,345,423	\$20,995,423	63%	\$35,350,000	14.9%	1.7x	10/11/21
Retreat at Stonecrest	Lithonia, GA	276	\$51,500,000	\$186,594	\$6,201,695	\$57,701,695	\$33,476,695	42%	\$24,225,000	14.9%	1.7x	10/19/21
Vinings at Hunters Green	Tampa, FL	240	\$57,500,000	\$239,583	\$6,938,594	\$64,438,594	\$24,763,594	62%	\$39,675,000	14.2%	1.7x	10/10/21
San Mateo	Tucson, AZ	254	\$35,036,541	\$137,939	\$4,810,999	\$39,847,540	\$15,322,540	62%	\$24,525,000	14.1%	1.7x	11/10/21
<b>Total</b>		<b>1,993</b>	<b>\$394,936,541</b>	<b>\$198,162</b>	<b>\$46,266,396</b>	<b>\$441,202,937</b>	<b>\$174,810,437</b>	<b>60%</b>	<b>\$266,392,500</b>	<b>14.7%</b>	<b>1.7x</b>	

<sup>1</sup>Asset level gross target returns are calculated for investments in the pipeline and do not reflect any actual valuations or any fund level fees and expenses, including but not limited to management fees, carried interest allocations, transaction costs, fund level taxes or other fund level expenses, which could be material and would reduce such returns. These targets are not a guarantee or prediction of future performance, and the General Partner provides no assurance that it will complete the transactions identified herein on favorable terms or at all.

Key Terms	
Registered Fund Name & APIR Code	Spire Bridge Multifamily Fund V (AUD) – Ordinary Units: APIR: SPI0678AU Spire Bridge Multifamily Fund V (USD) – Ordinary Units: APIR: SPI1478AU
Fund Type	Wholesale Closed-Ended Fund
Term Sheet	AUD Class / USD Class
Commencement	19 August 2021
Target Return (Underlying Fund)	12-14% Net IRR, 1.8x Net Equity Multiple
Investment Manager	Spire Capital Pty Ltd
Underlying Investment Manager	Bridge Multifamily Fund V GP LLC
Applications	Daily during the Offer Period, which is anticipated to run until the end of Q4 2021 (subject to capacity).
Minimum investment	USD 250,000 or AUD 100,000, however the Trustee may accept lower amounts at its discretion.
Capital Calls	USD – progressive Capital Calls. AUD – Fully-paid in (100% of investment funded upfront)
Net Asset Value (NAV) Unit Pricing	NAV unit pricing will commence on a monthly (AUD) and quarterly (USD) basis following the capital raising period.
Distribution Frequency	Annually, commencing June 30, 2022, subject to the terms of the Underlying Fund.
Liquidity	The Investment Manager may identify secondary purchasers of units on a reasonable endeavors basis and resultant liquidity may be provided by these investors who may be interested in buying your Units.
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 0.10% 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 8802

**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



### Sebastian Madden

Associate – Investor Relations

**Email**

sebastian.madden@spirecapital.com.au

**Mobile** (+61) 421 107 907

## Important Information

Spire Capital Pty Limited ("Spire") ABN 21 141 096 120 and (wholesale) Australian Financial Services License Number 344365 is the Trustee and Fund Manager of the Fund. This Fact Sheet has been prepared by Spire for general information purposes only. It does not contain investment recommendations nor provide investment advice. Neither Spire nor their related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund or the accuracy of information in this document and accepts no liability to any person who relies on it. 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. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should not act in reliance of the information of this Fact Sheet. We strongly encourage you to obtain detailed professional advice and read the relevant product disclosure statement in full before making an investment decision. Applications for an investment can only be made on an application form accompanying a current Information Memorandum ("IM") and Term Sheet.



## Underlying Fund Manager – Bridge Investment Group

Headquartered in Salt Lake City, Utah, Bridge Investment Group is a privately-held real estate investment management firm with \$US 28.7+ bn<sup>2</sup> in assets under management. Bridge combines its 1,600+ person, nationwide operating platform with specialized teams of investment professionals focused on select U.S. real estate verticals, which Bridge believes offer above-market opportunity: multifamily, office, seniors housing, affordable housing, opportunity zones, and fixed income strategies.

**\$28.7** billion in AUM<sup>1</sup>

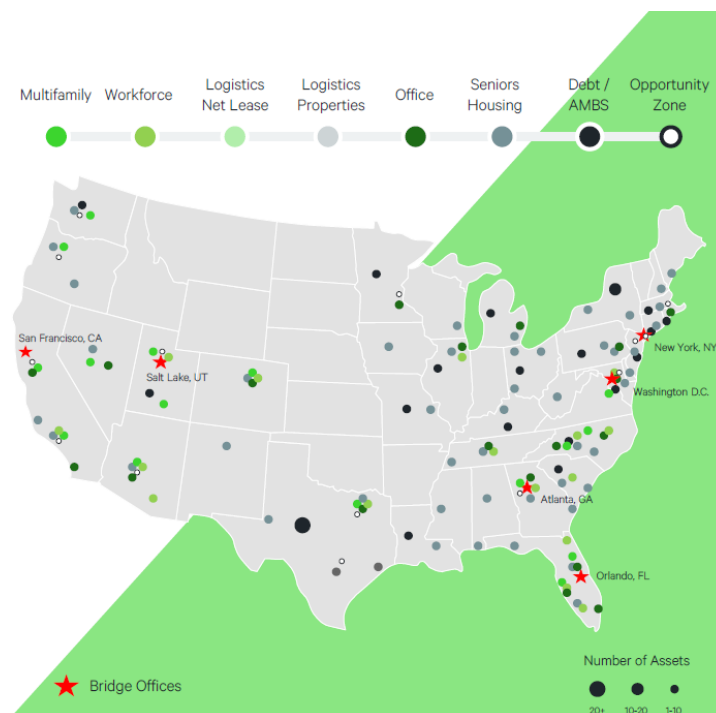
Founded in **2011** by principals that began investing in private real estate in **1991**

Fully vertically integrated operating company with **~1,600** employees<sup>2</sup>

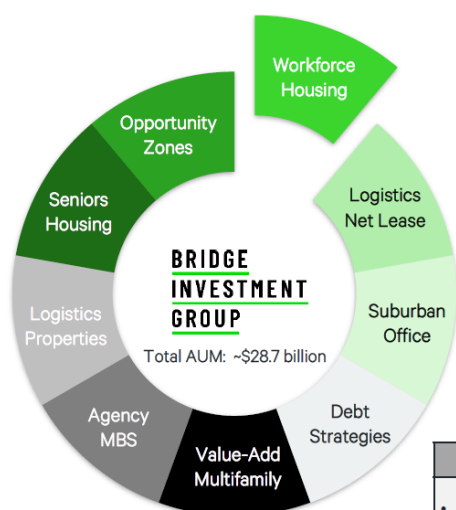
**21** Sponsored closed-end funds and **2** open-end funds across equity and debt<sup>3</sup>

**9** specialized and synergistic investment teams across **9** platforms

Over **\$360** million of GP commitments across Bridge strategies<sup>4</sup>



## Executing on Above-Market Opportunities



## Open-End Strategies

Logistics Net Lease	Agency MBS
<ul style="list-style-type: none"> <li>2021 Launch</li> <li>Open-End Fund</li> </ul>	<ul style="list-style-type: none"> <li>\$1.9 billion AUM</li> <li>Open-End Fund</li> </ul>
In Market	In Market

## Closed-End Strategies

Value-Add Multifamily	Workforce Housing	Suburban Office
<ul style="list-style-type: none"> <li>\$5.8 billion AUM<sup>3</sup></li> <li>5 Discretionary Fund<sup>4,5</sup></li> </ul>	<ul style="list-style-type: none"> <li>\$3.0 billion AUM</li> <li>2 Discretionary Funds</li> </ul>	<ul style="list-style-type: none"> <li>\$2.6 billion AUM</li> <li>2 Discretionary Funds</li> </ul>
In Market – 5 <sup>th</sup> Vintage	In Market – 2 <sup>nd</sup> Vintage	In Market – 2 <sup>nd</sup> Vintage

Debt Strategies	Seniors Housing	Opportunity Zones	Logistics Properties
<ul style="list-style-type: none"> <li>\$8.3 billion AUM</li> <li>4 Discretionary Funds</li> </ul>	<ul style="list-style-type: none"> <li>\$4.5 billion AUM</li> <li>3 Discretionary Funds</li> </ul>	<ul style="list-style-type: none"> <li>\$2.6 billion AUM</li> <li>4 Discretionary Funds</li> </ul>	<ul style="list-style-type: none"> <li>2021 Launch</li> <li>1 Closed-End Fund</li> </ul>
In Market – 4 <sup>th</sup> Vintage	In Market – 4 <sup>th</sup> Vintage	In Market – 3 <sup>rd</sup> Vintage	In Market



Bridge add value to their assets and seek to create alpha at the asset level through intensive “rolling up their sleeves” property management, including capital investment, leasing, operations, maintenance, and capital structure, as well as the enhancement of amenities and resident services. For their onsite teams, no detail is too small. Every decision—from paint color to the types of on-site recreational facilities to all expenses small and large are carefully managed and ultimately create value for their investors and residents. Bridge has a growing history of successful funds in Multifamily Real Estate, with the four predecessor funds having generated an aggregate combined net IRR of 19.7% and a 1.58x net multiple on realized and unrealized investments as of Q4 2020.

Our Approach	Our Strengths	Our Team
<ul style="list-style-type: none"> <li>Invest in value-add multifamily housing properties in highly liquid Metropolitan Statistical Areas (“MSA”) that feature strong macro-economic prospects</li> <li>Create value through physical improvements and social and community programming</li> <li>Deliver a high-touch approach through Bridge’s fully vertically integrated platform</li> <li>Partner with social and community service providers such as Project Access to drive value and create strong tenant satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Conservative financing strategies with target portfolio-wide Loan-to-Value (“LTV”) ratios of 60-65%</li> <li>Deep relationships with Freddie Mac, Fannie Mae and various banks, which allow for reliable financing at attractive terms</li> <li>Large in-house property management team provides low-cost, value-add process driving strong and immediate operational cash flow</li> <li>Green initiatives promote efficiencies, cost savings and environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>19-person investment team maintains proven market and investment expertise in the Multifamily sector</li> <li>Team has consistently delivered strong risk-adjusted market returns and cash flows to investors, with Bridge Multifamily I and II exceeding their respective targets and Bridge Multifamily III and IV on track to exceed their targets<sup>12</sup></li> <li>Investment team aligns vision with execution, with senior members having worked together for many years</li> <li>Longstanding relationships with market participants, owners, and broker-dealers, which secures attractive deal flow</li> </ul>

Bridge has delivered attractive performance across the Bridge Multifamily platform<sup>1</sup>:  
 Bridge Multifamily I-IV Aggregated Combined Performance: 27.9% Fund Gross IRR (24.8% Fund Total IRR) / 21.2% Net IRR <sup>12,3</sup>

<sup>i</sup> 2021 Real Capital Analytics

