

Reference document

This reference document (**Reference Document**) contains extracts from the product disclosure statement issued by Walsh & Company Investments Limited (ACN 152 367 649) as responsible entity for the US Select Private Opportunities Fund III (ARSN 612 132 813) (**Fund**) dated 15 June 2016 (**IPO PDS**) and is intended to be read with the product disclosure statement for the offer of Units in the Fund dated 11 August 2017 (**PDS**).

Copies of the IPO PDS and PDS are available of the Fund's website at www.uspof.com.au.

This Reference Document is dated 11 August 2017 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on that date. Neither ASIC, ASX Limited nor their respective officers take responsibility for the contents of this Reference Document.

Except where defined in the Reference Document, capitalised terms have the meaning set out in the PDS. Headings and section numbers used in this Reference Document correspond with the headings and section numbers in the IPO PDS unless otherwise specified.

Privacy

By filling out an Application Form to apply for Units or applying through the online portal, you are providing personal information to the Responsible Entity and the Registry. The Responsible Entity and the Registry, on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application. This is to service your needs as a Unitholder, provide facilities and services that you need or request to manage and maintain the Registry and the Responsible Entity's relationship with you, verify your identity and information and carry out appropriate administration.

If you do not provide the information requested in the Application Form or through the online portal, then the Responsible Entity and the Registry may not be able to process or accept your Application. Your personal information may be provided to the Responsible Entity's service providers. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and handling mail;
- market research companies for the purpose of analysing the Unitholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisors for the purpose of administering and advising on the Units, and for associated actions.

The Corporations Act requires the Fund to include information about Unitholders (including name, address and details of the Units held) in its register of members. The information contained in the register of members must remain there even if that person ceases to be a Unitholder. Information contained in a register of members is also used to facilitate distribution payments and corporate communications and compliance by the Fund with legal and regulatory requirements.

An Applicant has a right to gain access to, and update, his or her personal information that the Fund and the Registry holds about that person, and make complaints, subject to certain exemptions under law. A fee may be charged for access. Access can be requested in writing to info@uspof.com or by calling 1300 454 801.

By submitting an Application, you agree that the Responsible Entity and the Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer. When you apply to invest in the Fund, you acknowledge and agree that:

- a) you are required to provide the Fund with certain personal information to:
 - i) facilitate the assessment of an Application;
 - ii) enable the Fund to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - iii) carry out appropriate administration.
- b) the Fund may be required to disclose this information to:
 - i) third parties who carry out functions on behalf of the Fund on a confidential basis;
 - ii) third parties if that disclosure is required by law; and
 - iii) related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Fund.

Under the Privacy Act 1988 (as amended), Applicants may request access to their personal information held by (or on behalf of) the Fund. Applicants may request access to personal information by telephoning or writing to Walsh & Company.

A copy of the privacy policy of Walsh & Company is available on the Fund's website.

5.1 Overview of the Fund

The US Select Private Opportunities Fund III has been established to provide Unitholders with the opportunity to benefit from a family office style of investment focused on small and mid-market private investment opportunities in the US. The Fund's investments are made in its capacity as a limited partner in the LP.

Under Cayman Islands law, an exempted limited partnership may be established between two or more persons wishing to conduct business operations with a view to profit. At its inception, an exempted limited partnership requires at least one general partner and one limited partner. An exempted limited partnership is not an entity with a separate legal existence and, therefore, it cannot own property in its own right. Rather, the assets of an exempted limited partnership are held by the general partner upon trust for the benefit of the limited partners in accordance with the terms of the partnership agreement and Cayman Islands law. The GP does not act as a custodian holding scheme property of the Fund under Australian law. A general partner often performs the functions usually undertaken by an investment manager. Accordingly, the GP will have responsibility to manage the affairs of the LP as its general partner, which includes making and holding investments on behalf of the exempted limited partnership for the benefit of the limited partners themselves (noting that the GP has engaged the Investment Manager to undertake and realise investments as its delegate).

Under the law of the Cayman Islands, an exempted limited partnership must be registered with the Registrar of Exempted Limited Partnerships to attain limited liability status for the limited partners. The LP has been registered by the GP.

The GP acts as general partner of the LP. The GP is a Delaware limited liability company and jointly owned by DGP Inc. (a member of the same group as Walsh & Company) and two affiliates of Cordish Private Ventures. Details of the responsibilities of the GP to manage and operate the LP are set out in the LP Agreement.

A related body corporate of Walsh & Company holds a 42.5% interest in the GP and has the capacity to veto major decisions to be undertaken by the GP. See Section 12.1 of the IPO PDS for more detail. Details of the relationship between the shareholders of the GP are set out in the LLC Agreement; see Section 8.4 of the PDS and Section 12.4 of the IPO PDS.

The GP has in turn engaged the Investment Manager to act as investment manager. The Investment Manager is a member of the same group as Walsh & Company. The Investment Manager has discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP. However, the GP remains subject to a duty to manage and promote the LP's purpose and business on behalf of all limited partners (noting that the shareholders of the GP include a member of the same group as Walsh & Company and two affiliates of Cordish Private Ventures). Accordingly, the GP retains the right to replace the Investment Manager at its sole discretion. The Investment Manager must also act consistently with the investment objectives, policies and restrictions adopted by the GP from time to time. Details of the responsibilities of the Investment Manager are set out in the Investment Advisory Agreement. See Section 8.1 of the PDS and Section 12.3 of the IPO PDS.

The Investment Manager is registered as an investment advisor with the U.S. Securities and Exchange Commission.

Under Cayman Islands law, the liability of a limited partner for debts incurred by the partnership is limited to the capital committed by that limited partner. The limited partners (including the Fund) have no ability to direct the GP or the Investment Manager regarding investments. This structure has been adopted to ensure that the limited partners will not lose limited liability status under Cayman Islands law. Details of the rights and obligations of the limited partners in the LP are set out in the LP Agreement. See Section 8.1 of the PDS and Section 12.1 of the IPO PDS.

The GP has entered into an agreement with Cordish Services, an affiliate of Cordish Private Ventures LLC, the private investments arm of The Cordish Companies. Cordish Services will provide the administrative services and back office infrastructure for the LP on an ongoing basis. See Section 8.1 of the PDS and Section 12.2 of the IPO PDS.

Additional Limited Partners admitted to the LP after the initial close will participate in all of the LP's portfolio investments by contributing to the LP their pro rata share of the investment made prior to their admission. For this purpose, Additional Limited Partners will contribute an amount that equalises the contributed percentage of capital committed by each limited partner, plus a cost of carry rate equal to the WSJ Prime Rate, plus the management fee that would have been charged for the relevant time period from investment of the Fund in the LP.

Any further investment at the LP level by limited partners other than the Fund, will reduce the percentage holding of the Fund in the LP. Additional Limited Partners may, while investing at the amount to equalise the contributed capital percentages plus cost of carry and retrospective Management Fees, detailed above, be introduced on different other terms to the Fund's investment in the LP, including but not limited to, fees charged, rebates and investment hurdles. Walsh Trust and Cordish Private Ventures may also invest further in the LP.

5.3 Investment objectives

The GP and Investment Manager seek to meet the Fund's aim to provide Unitholders with:

- a) exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies predominantly focused in the US; and
- b) capital growth over a five to 10-year investment horizon.

Cordish Private Ventures, as a limited partner in the LP, shares these objectives. There is no guarantee that these objectives will be achieved.

The GP and Investment Manager have confirmed to the Responsible Entity that each will exercise its discretion to make investments consistent with the investment strategy of the Fund outlined in the IPO PDS which will employ an investment strategy that seeks to replicate Fund I, Fund II and Cordish Private Venture's investment strategy of focusing on small and mid-market private investment funds. The LP will invest in a discrete number of underlying private investment funds, a significant portion of which are targeted to be with investment managers with whom either Cordish Private Ventures has previously successfully invested or with whom the Investment Manager or its related entities have an established relationship and have already engaged in active due diligence. While the GP also has discretion to invest in companies directly or via a private investment fund established by the GP or its related entity for that purpose, the Responsible Entity believes that selecting private investment fund managers that have a sustainable strategy for adding value to their investments is critical to achieving a successful investment strategy.

Within the universe of small and mid-market private investment funds, the Investment Manager generally seeks to apply the investment strategy common to Fund I, Fund II and Cordish Private Ventures, which involves focus on funds that exhibit the following characteristics:

- a) consistent focus on niche investment opportunities: funds that have expertise in specific industries, geographic region(s) and/or investment strategies typically overlooked by larger funds. This consistency in the Fund's investment strategy allows for specialised expertise to grow over time, enhancing long-term performance;
- b) operating businesses with existing cash flows: core focus on assets with existing proven cash flow and potential for growth;
- c) appropriate size: funds that only seek to manage pools of capital sized appropriately for the opportunities on which they focus;
- d) judicious and limited use of leverage: funds that seek to generate returns through investments in high quality private businesses with limited debt rather than financial engineering through the use of leverage; and
- e) a hands-on approach: funds where all aspects of the fund's investment process is managed directly by senior fund executives who are intricately involved in the operations of the underlying businesses in which they invest.

5.5 Investment term

The Fund does not have a set investment term; however, because of the nature of the underlying investments in private investment funds, investors are cautioned that an investment in the Fund should be viewed as long-term.

An investment horizon of less than 10 years in the Fund may not provide sufficient opportunity for an increase in the value of underlying investments of the Fund.

The LP Agreement permits the GP to require any limited partner to withdraw from the LP, if the GP determines that the continued participation of that limited partner would adversely affect the LP or the GP. While the withdrawing limited partner will receive 90% of its capital account on exit with 10% balance payable on completion of the subsequent audit. This provision could result in the Fund being forced to exit from the LP before there has been a liquidity or other event resulting in a capital appreciation of the underlying investments of the LP. An entity associated with the Responsible Entity holds a 42.5% interest in the GP and has capacity to veto major decisions to be undertaken by the GP. See Sections 12.1 and 12.4 of the IPO PDS for details.

5.8 Permitted investments

The LP primarily makes investments by acquiring limited partnership interests in private investment funds although it is permitted to acquire a broad range of investments and has the ability to invest in companies directly.

In addition, the LP may not:

- a) invest more than 25% of the aggregate capital commitment of the LP in any one private investment fund, other than an investment in a company either directly, or indirectly via a private investment fund established by the GP, or related entities, for the purpose of direct investment; the comparable aggregate limit for such direct investments is 33%;
- b) invest more than 15% of the aggregate capital commitment of the LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US; and
- c) invest in any private investment funds whose primary investment objective is to invest in companies located in, or that conduct their principal business, in emerging markets.

While the Investment Manager is identifying suitable investments, or until capital calls are made by the underlying funds, the Responsible Entity may elect to hold cash, term deposits and cash equivalents and interests in cash management trusts. Apart from such direct investments, the Fund's investments will be made in its capacity as limited partner in the LP.

The LP's investment mandate restrictions can only be changed with the unanimous approval of the limited partners. The GP may modify the LP's specific investment methodologies without prior approval if the GP determines that the modification is in the LP's best interest and remains consistent with its objectives and purposes. See Section 12.1 of the IPO PDS for details.

5.10 Borrowings policy

The Fund's policy is not to undertake borrowings directly or through the LP. While the GP does not currently intend to borrow further funds for investment purposes, the LP Agreement permits the GP to borrow.

Underlying funds in which the Fund has invested as limited partner may borrow from time to time. As the Fund will not hold a majority interest in these funds, it will not be in a position to exercise any control over such borrowings.

Circumstances may occur whereby borrowing by the Fund is deemed beneficial and, should this eventuate, the Fund may borrow. The Fund intends that borrowings will be limited to 10% of the total assets of the Fund.

5.11 Risk management policy

The Responsible Entity has a risk management process in place that includes maintaining a compliance plan (which is audited every year) and a compliance committee. The compliance plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund.

The compliance committee, comprising a majority of members who are independent of the Responsible Entity (one representative from the Responsible Entity and two external representatives), monitors compliance with the compliance plan.

The risk management processes of the Fund include a comprehensive framework including compliance policy, training and monitoring elements. The compliance plan of the Fund is audited externally on an annual basis, in addition to an audit of financial statements also to be performed annually.

5.12 Foreign exchange hedging policy

The Fund will receive income streams and may directly or indirectly hold assets which are denominated in US dollars. The Fund's current policy is not to hedge these for currency risk. The Fund may re-evaluate the hedging policy in the event of changes to prevailing exchange rates and economic conditions.

As the majority of the underlying assets of the Fund will be denominated in US dollars and will continue to be denominated in US

dollars, the value of the assets held by the Fund expressed in Australian dollars will fluctuate with changes in the exchange rate between the Australian dollar and the US dollar.

5.13 Cash policy

The Fund's policy is to hold funds in cash, cash equivalents and interests in cash management trusts pending a call for a capital contribution to be made by the Investment Manager. There is no limitation on the amount of cash that may be retained by the Fund.

5.14 Capital management policy

Subject to any restrictions imposed under the Corporations Act, ASX Listing Rules and the Fund's Constitution, the Fund reserves the right to apply active capital management strategies.

The Fund may undertake a buyback of its Units in the event that they trade at a discount to NAV. The Fund will need to obtain Unitholder approval for the buyback and comply with any

Corporations Act, ASX Listing Rules and Constitution restrictions if it intends to buy back more than 10% of the smallest number of Units on issue over the previous 12 months.

5.15 Distribution policy

The LP will focus on investments with the potential to deliver capital growth rather than delivering income. Nevertheless, it is the Fund's policy to distribute 100% of its distributable income for each income year, including realised capital gains, that it receives subject to the Fund's working capital requirements consistent with good fiscal operating policy and management and such other needs as the Responsible Entity, in its reasonable discretion, deems necessary. The Fund intends to make yearly distributions, if any, but may make more regular distributions if appropriate.

The ability of the Fund to distribute income received from investments made by the Investment Manager will depend on the receipt of income from the underlying investments of the LP as well as payment of distributions authorised by the GP to the limited partners and interest income derived by the Fund from investment of its cash, pending calls on its capital commitments to the LP. The Responsible Entity is unable to give specific assurances to investors concerning the future payment of distributions because the timing of realisation of private investments is uncertain.

5.16 Valuation policy

The LP will value its interests in underlying private investments based on the valuations and financial reports provided by the underlying fund managers (in accordance with industry practice), unless the Investment Manager reasonably believes that those amounts should be adjusted. Regular third party valuations of investments of the LP will not be undertaken unless the Investment Manager considers it appropriate.

6.11 Key corporate governance policies

a) Corporate governance

The Directors monitor the business affairs of the Fund on behalf of Unitholders and have formally adopted a Corporate Governance Policy which is designed to focus Directors' attention on accountability, risk management, ethical conduct and conflicts of interest. The Fund has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Fund's needs.

b) Continuous review of corporate governance

The Board of the Responsible Entity will consider on an ongoing basis how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Responsible Entity.

The corporate governance policies of the Fund will require that such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions.

c) Employee trading policy

The Responsible Entity has adopted a Unit Trading Policy that regulates dealings by Directors and key employees involved in the

management of the Fund in Units. The purpose of the Policy is principally to ensure that all Directors and key employees understand the law in relation to “insider trading” (under the Corporations Act) and the legal and Fund imposed restrictions on trading in Units while in possession of price-sensitive information.

d) Continuous disclosure policy

The Fund is a disclosing entity for the purposes of the Corporations Act and will be required to comply with the continuous disclosure regime under the Listing Rules and the Corporations Act. The Responsible Entity has established internal systems and procedures to ensure that timely disclosure is made to support an informed market.

The Fund will also provide periodic reports to Unitholders such as to meet its financial reporting obligations and place announcements on its website where appropriate.

13.2 Complaints

The Responsible Entity seeks to resolve complaints over the management of the Fund to the satisfaction of Unitholders.

You may lodge complaints with us using the details shown on the front cover of the IPO PDS. The Constitution provides that complaints will be acknowledged immediately or as soon as practical and responded to not more than 45 days after receipt by the Responsible Entity.

If you are unsatisfied with the outcome, you can contact the Financial Ombudsman Service– (which is independent from us) on 1800 138 422.

13.3 Instructions

Subject to the requirements outlined, or as stipulated by us, you, or persons authorised by you, can provide instructions (quoting your Investor number) in writing, by facsimile, or by any other method allowed by us from time to time. By investing in the Fund, you authorise us to accept instructions provided by these methods.

13.4 Private information

We collect personal information from you to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you.

13.5 Compliance plan

A compliance plan has been established which sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund. A compliance committee

comprising a majority of members who are independent of the Responsible Entity and Walsh & Company monitors the Responsible Entity's compliance with the compliance plan.

13.6 Interested dealings

Subject to the Corporations Act, the Responsible Entity must act in the best interests of the members, and if there is a conflict between the members' interests and its own interests, give priority to the members' interests.

The Responsible Entity has procedures in place to identify actual or potential conflicts of interest and to implement measures to address such conflicts, including certain monitoring and reporting obligations. These include (among others) internal procedures to identify, assess and evaluate potential and actual conflict of interest, maintaining a schedule of all potential and actual conflicts on a register of conflicts of interest and putting into place intra-firm barriers or Chinese walls where required. Where a conflict is assessed as being likely to have a material impact, it will be disclosed to the parties concerned in a timely fashion.

Subject to the Corporations Act, the Responsible Entity or any officer, employee or associate of the Responsible Entity may:

- a) hold Units in the Fund;
- b) act in any fiduciary, vicarious or professional capacity;
- c) have an interest in, or enter into any contract or transaction with the Responsible Entity (or its associates), a Unitholder of the Fund or any other person (including a person whose units or other securities form an asset of the Fund); and
- d) hold or deal in or have any other interest in an asset of the Fund, and may retain any benefit derived by doing so.