



CORDISH
DIXON

PRIVATE EQUITY PARTNERS

February 2017

DISCLAIMER

This presentation may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. Where the presentation relates to the purchase of a particular product you should obtain a copy of the relevant product disclosure statement before making any decisions in relation to the product.

The past performance of any product is not a guarantee of the future performance.

This presentation may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of the US Select Private Opportunities Fund I (ARSN 158 625 284), II (ARSN 162 057 089) or III (ARSN 612 132 813), the Responsible Entity, the Investment Manager, its officers, employees, agents, advisers nor any other person named in this presentation (**Parties**) makes any representation as to the accuracy or likelihood of fulfilment of the forward looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and the Parties assume no obligation to update that information.

The Parties give no warranty, representation or guarantee as to the accuracy or completeness or reliability of the information contained in this presentation. The Parties do not accept, except to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This presentation may not be distributed or released in the United States. The securities will not be registered under the US Securities Act of 1933 (**US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States.

1. Track Record & Performance



INVESTMENT FOCUS

Invest in Private U.S. Small Businesses
(\$3M to \$15M of profits)

Fund Investments

- Small funds raising less than US\$500M

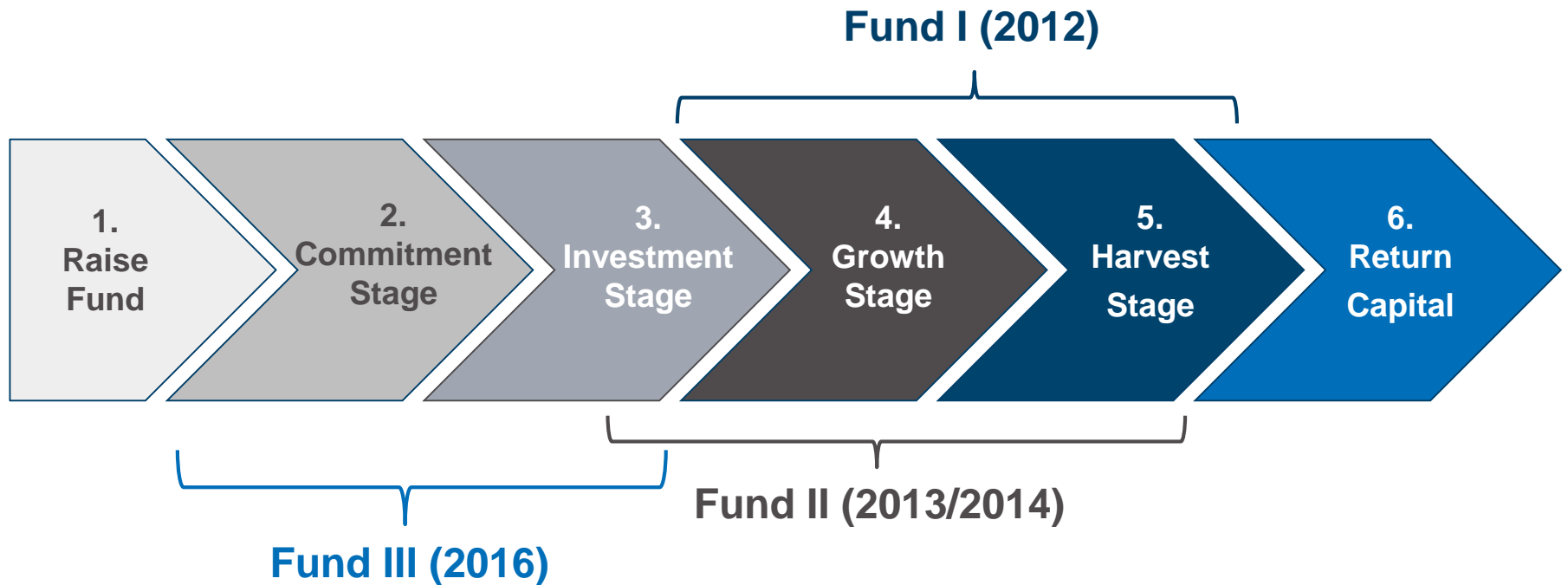
Direct Company Investments

- Alongside funds and other partners

*All figures are quoted in USD.

WHERE ARE WE TODAY

Partnership formed in 2012; three funds raised to date

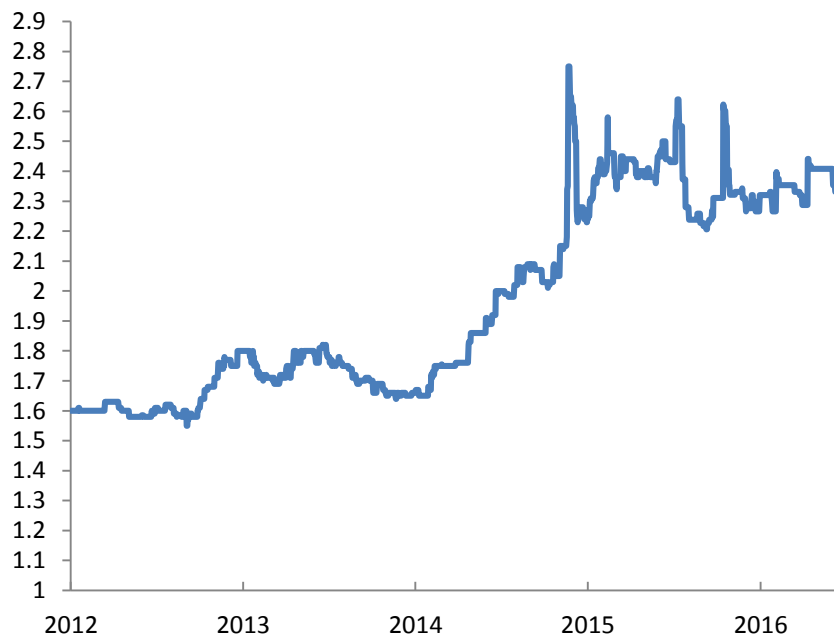


FUND I (USF) PERFORMANCE



Annualised returns of roughly 9% since inception¹

USF Unit Price Returns



Fund I

- First investment June 2012
- Fully committed
- 9 funds; 13 direct company investments
- 83% called
- 84 companies across portfolio

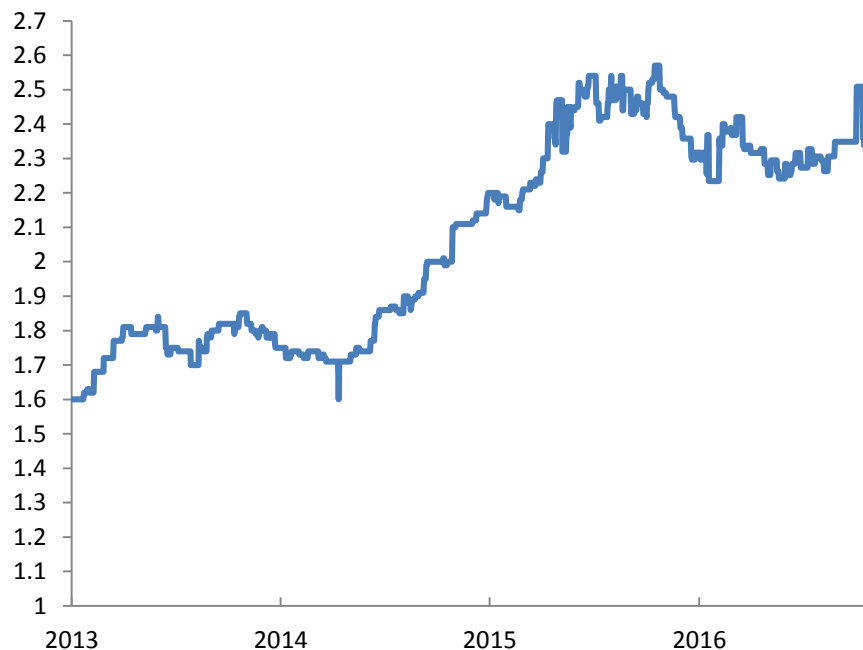
9 successful sales to date returning US\$13 million to Fund I

FUND II (USG) PERFORMANCE



Annualised returns of roughly 11% since inception¹

USG Unit Price Returns



Fund II

- First investment April 2013
- Fully committed
- 12 funds; 13 direct company investments
- 66% called
- 80 companies across portfolio

6 successful sales to date returning US\$8 million to Fund II

Source: Bloomberg. From inception in April 2013 to 31 January 2017

(1) Based on ASX unit prices. Total return calculations assume reinvestment of distributions at unit price, gross of fees.

The past performance of the Fund is not guarantee of the future performance of the Fund.

CURRENT FUND III PORTFOLIO

Raised in August 2016, over US\$50 million committed to seven private equity funds

Existing Relationships



TRIVE CAPITAL

DFW CAPITAL PARTNERS



New Relationships



PEAKSPAN

ELEPHANT

2. U.S. Private Equity





Donald J. Trump

@realDonaldTrump



Follow



Sorry losers and haters, but my I.Q. is one of the highest -and you all know it! Please don't feel so stupid or insecure, it's not your fault

RETWEETS

70,810

LIKES

66,278



6:37 PM - 8 May 2013



6.5K



71K



66K



**CORDISH
DIXON**
PRIVATE EQUITY PARTNERS



Donald J. Trump ✓
@realDonaldTrump

 Follow



The American dream is back. We're going to create an environment for small business like we haven't had in many, many decades!

RETWEETS

20,247

LIKES

99,132



1:07 PM - 30 Jan 2017



18K



20K

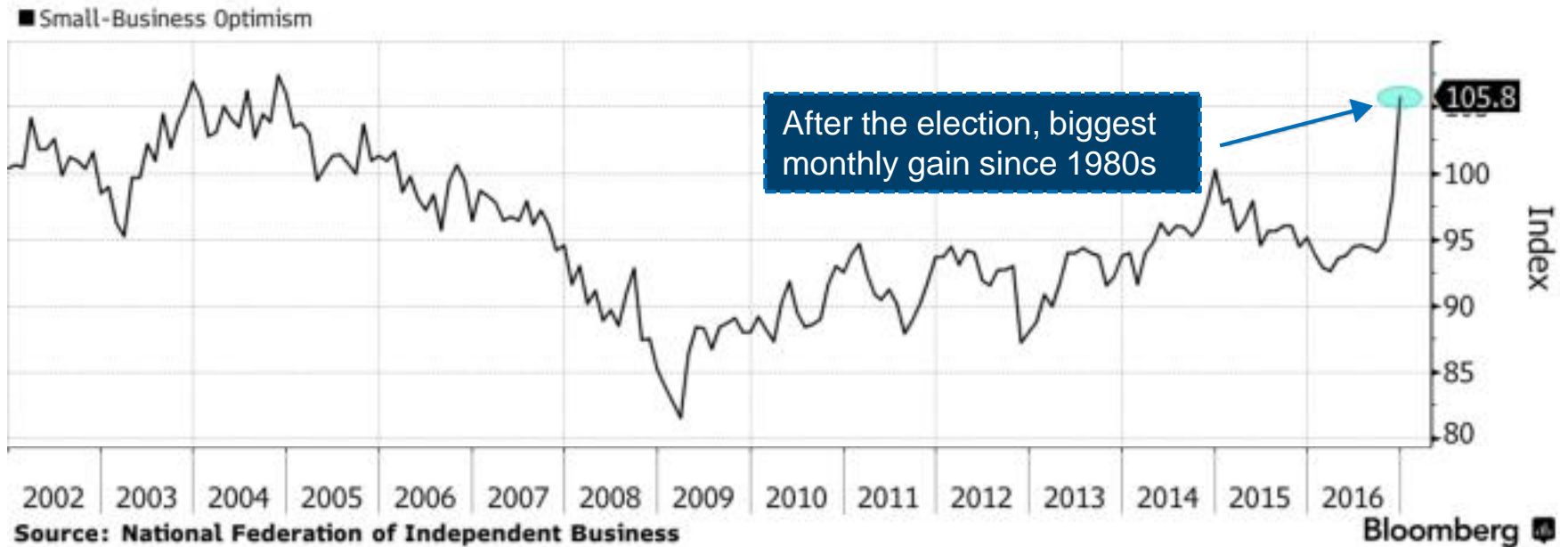


99K



**CORDISH
DIXON**
PRIVATE EQUITY PARTNERS

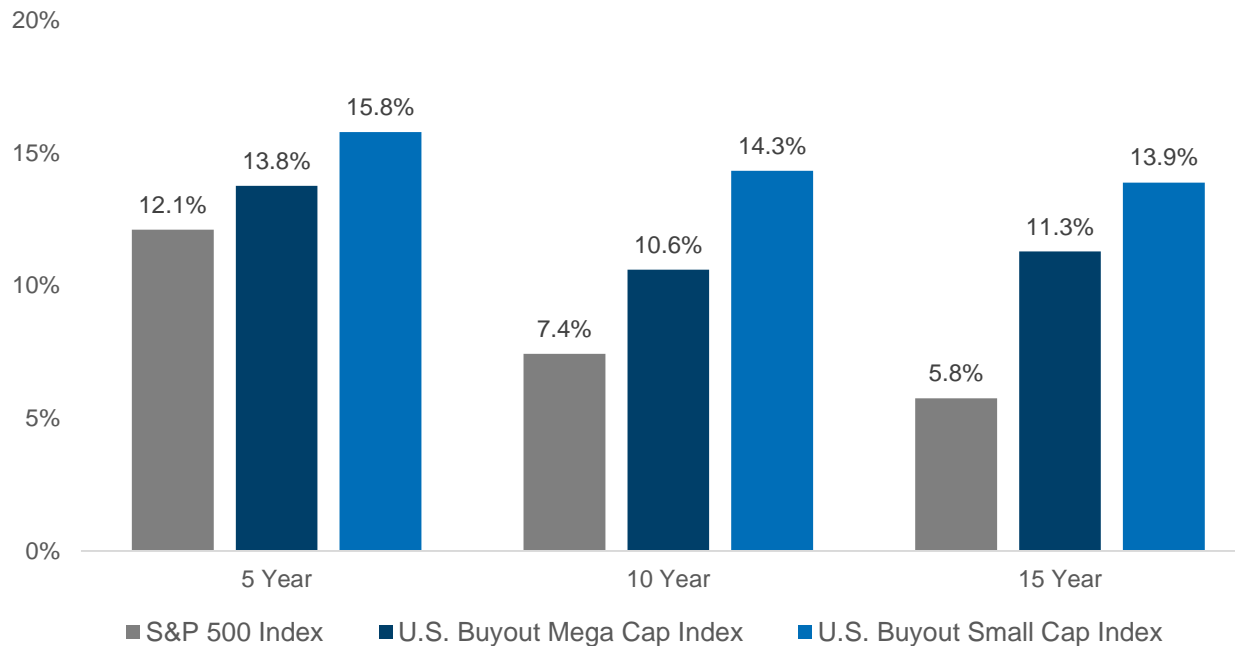
SMALL BUSINESS OPTIMISM INDEX



U.S. SMALL-CAP PRIVATE EQUITY

Historically, small-cap has consistently outperformed mega-cap and public markets indices

S&P 500, Mega-Cap and Small-Cap Private Equity Performance



Source: Cambridge Associates end-to-end Pooled IRR, March 2016

3.

Cordish Dixon



THE CORDISH COMPANIES



100+ year old family-owned global business



Real Estate
Development

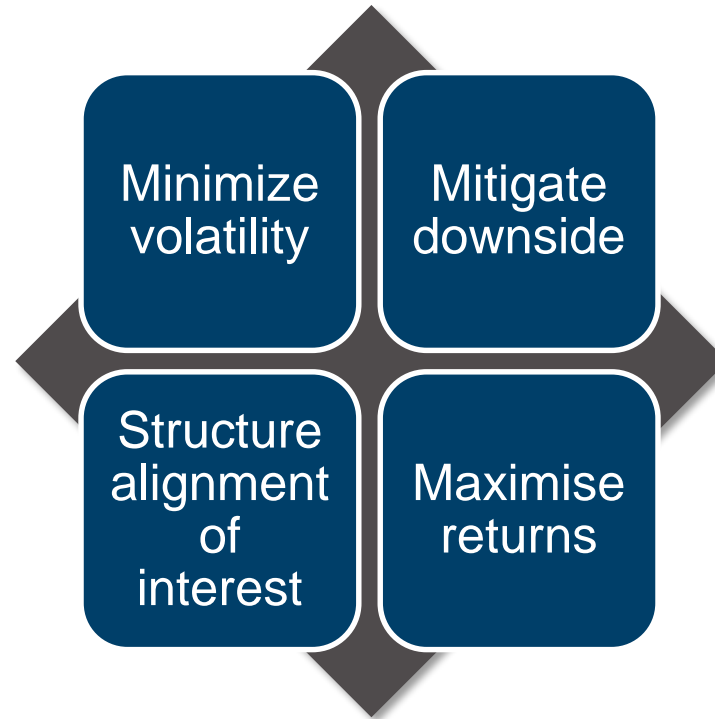
Gaming & Lodging

Entertainment / Sports
Anchored Projects

Private Equity Investing

CORDISH PRIVATE EQUITY

Family office approach to private equity with 18+ years experience



Focus on capital preservation + wealth creation

CORDISH + DIXON

Unique joint venture



Experienced Family Office
Access to top performing funds



Global Asset Manager
Wealth management expertise

Invested ~US\$37 million in Cordish Dixon

Invested ~US\$200 million in Cordish Dixon

CORDISH DIXON TEAM

Team averages more than 20 years investment experience

Investment Team



Jonathan Sinex
Managing Director



Whitney Voute
Principal

Advisory Board



Jonathan Cordish
Partner, The Cordish Companies



David Cordish
CEO, The Cordish Companies



Alan Dixon
CEO, Dixon USA



Alex MacLachlan
CEO, Funds Management,
Dixon Advisory



John Martin
Senior Partner at Aquasia

INDUSTRY RECOGNITION

2016 Preqin Alternative Assets Performance Monitor

Private Equity Funds to Watch

Fig. 3.22: Buyout Funds to Watch (Vintage 2014-2016)

Fund	Firm	Vintage	Fund Size (mn)	Geographic Focus	Multiple (X)	Net IRR (%)	Date Reported
ACA Synerov II	ACA Group	2014	5,010 JPY	Asia	2.23	n/m	31-Mar-16
US Select Direct Private Equity Fund	Cordish Private Ventures	2014	28 USD	N. America	1.79	n/m	31-Dec-15
Nautic Capital Partners VII	Nautic Partners	2014	530 USD	N. America	1.62	n/m	30-Sep-15
Portobello Capital Fund III	Portobello Capital	2014	375 EUR	Europe	1.25	n/m	31-Mar-16
Revelstoke Capital Partners	Revelstoke Capital Partners	2015	303 USD	N. America	1.25	n/m	30-Sep-15

Source: Preqin Private Equity Online



**CORDISH
DIXON**
PRIVATE EQUITY PARTNERS

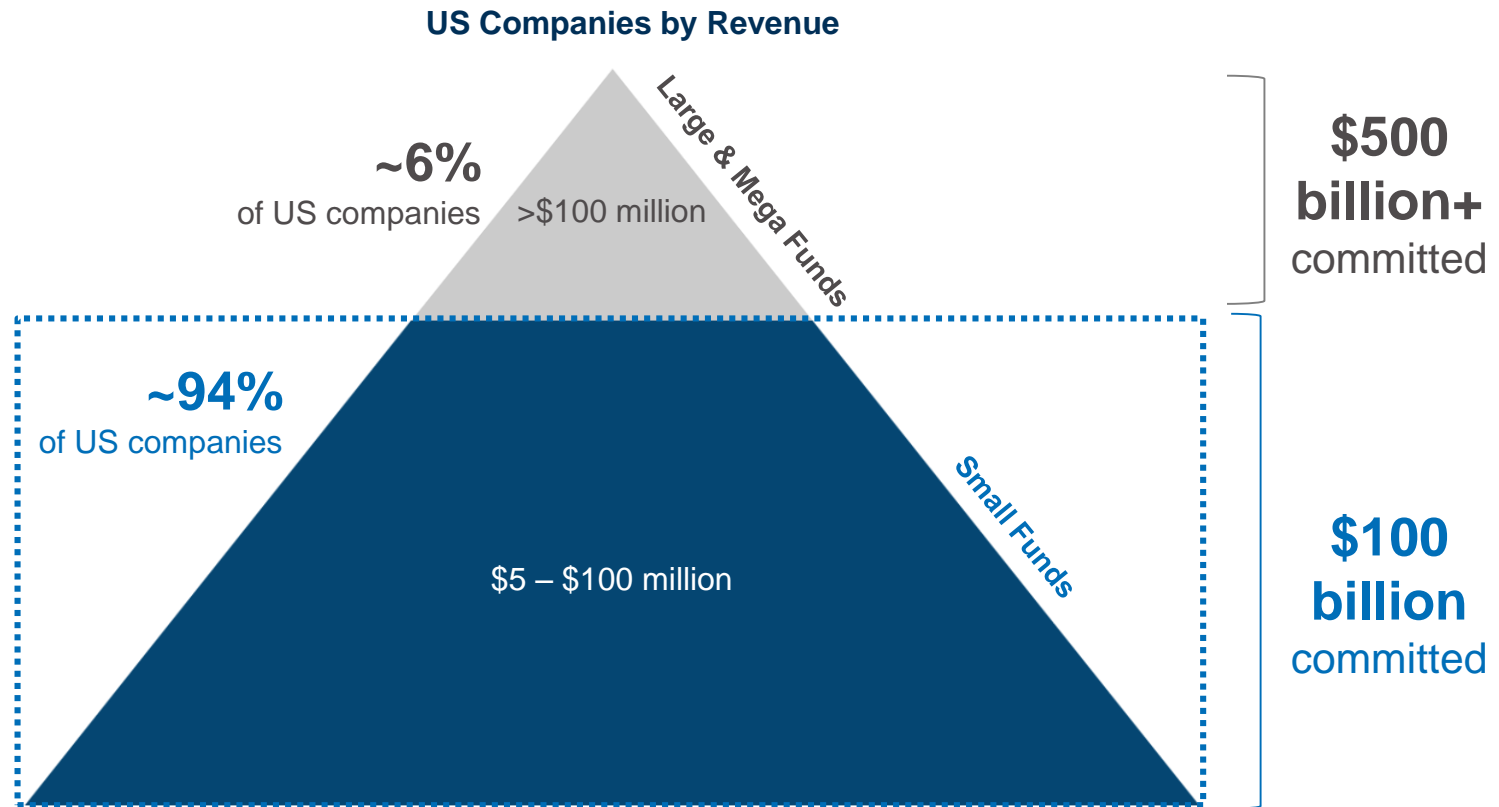
In order to provide a list of funds which may potentially generate high returns, Preqin examined returns information generated by funds with more recent vintages (2014, 2015 and 2016). As these funds are in the early part of their investment cycles, the IRR becomes less relevant; therefore, the multiple is used as the key measure of performance. These 'funds to watch' have the added stipulation that the fund must have called at least 20% of its committed capital.

4. Market Opportunity



LESS COMPETITIVE SEGMENT

- ~18% of private equity capital is focused on 94% of all US companies

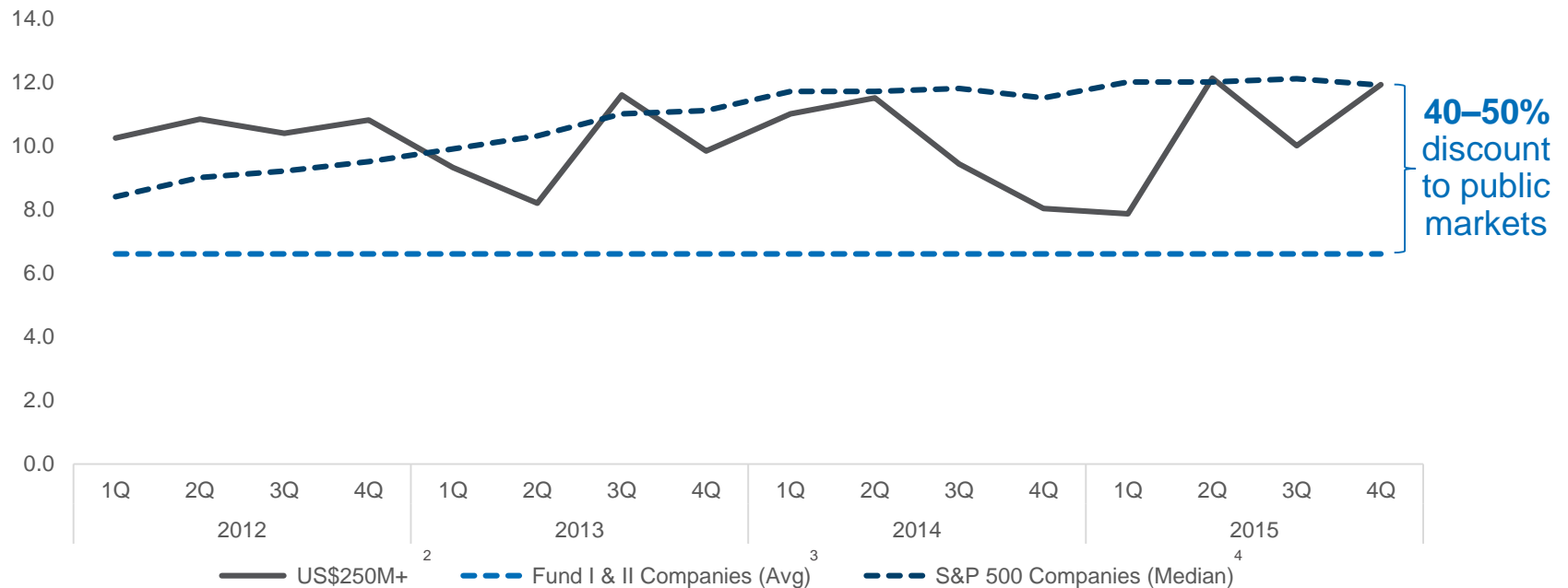


Source: US Census Bureau, SBA Office of Advocacy, Dun & Bradstreet, 2015

LOWER PURCHASE MULTIPLES

Lower up front purchase price multiples enhance upside potential

Median EV/EBITDA Multiples (2012-2015)¹

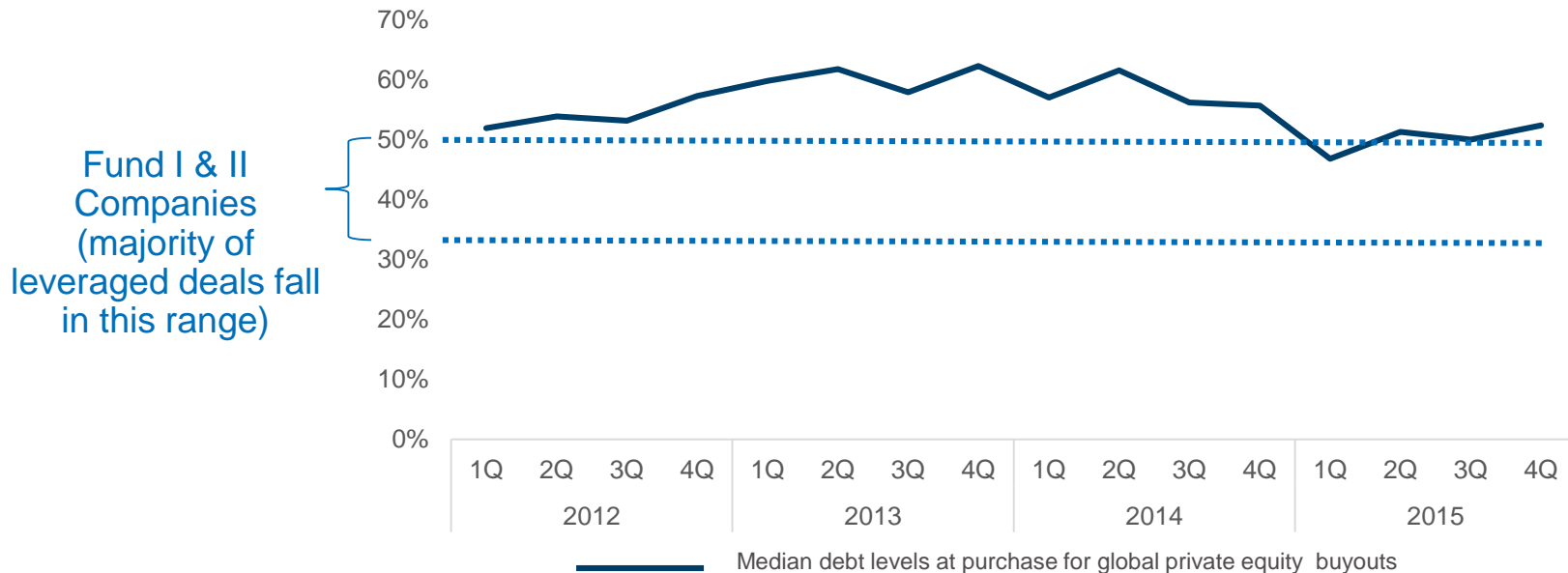


- (1) EV/ EBITDA multiple describes total value of company (EV or enterprise value) versus its profits (EBITDA or earnings before interest, tax, depreciation and amortization)
- (2) PitchBook 2015 Annual Global PE Deal Multiples & Trends Report
- (3) Excludes growth equity investments
- (4) Bloomberg

PRUDENT USE OF DEBT

Downside protection through prudent use of debt; focus on organic growth, not financial engineering

**Median Debt Levels at Purchase
for Global Buyouts**



Source: PitchBook 2015 Annual Global PE Deal Multiples & Trends Report

5. Investment Strategy



INVESTMENT STRATEGY

Diversified portfolio of private small-cap fund and company investments

Fund Investments
(80%)

**Direct Company
Investments**
(20%)



FUND INVESTMENTS

Invest 80% in diversified portfolio of niche fund managers

Fund Investments

Invest in top performing small private equity funds (less than \$500 million) with focus on:

- I. Small-cap “playbook”
- II. Industry / sector expertise
- III. Emerging managers

I. SMALL-CAP “PLAYBOOK”

Goal: double profits in +/- 5 years and sell business to a strategic buyer or larger private equity firm



“PLAYBOOK” CASE STUDY



Small-cap approach:

- Acquire good businesses at reasonable prices
- Enhance management team
- Professionalise internal systems and reporting
- Invest in growth opportunities



Results

- From Q3 2015 to Q3 2016, revenue increased by 18% and profits by 29%

II. INDUSTRY / SECTOR EXPERTISE

Committed \$220 million to 21 fund managers; diversified across industries

Business Services



DFW CAPITAL PARTNERS



Software / Tech

PEAKSPAN

ELEPHANT

Industrials / Manufacturing



Staple Street CAPITAL



TRIVE CAPITAL



Consumer



CONSUMER CASE STUDY

Deep operational and investing experience in consumer branded goods



Consumer Expertise:

- Deep networks / knowledge of industry
- Operating experience
- Track record of growing companies in consumer

LAURA GELLER
NEW YORK

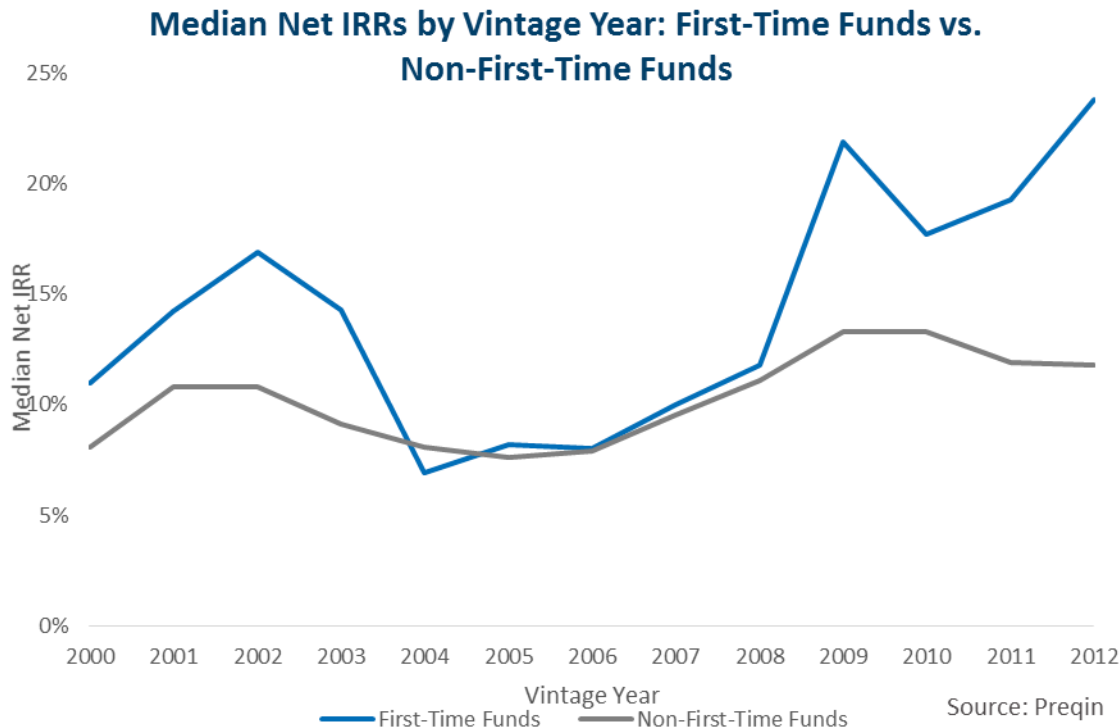


Results

- Sold to a strategic buyer for **2.0x** invested capital in four years

III. EMERGING MANAGERS

Of our 21 fund managers, Cordish Dixon invested in 10 when they were emerging managers



PEAKSPAN



FORT POINT
CAPITAL



TOWER ARCH
CAPITAL



CORDISH
DIXON
PRIVATE EQUITY PARTNERS

EMERGING MANAGER CASE STUDY



Emerging Manager Opportunity

- Outstanding track record at prior firm
- Ambitious team with proven leadership capability
- Strong alignment of interest



Cordish Dixon Value Add

- Reputation for backing emerging managers
- Networks and relationships to support due diligence

Results

- Cordish Dixon invested US\$10 million in Gemspring's first fund

DIRECT COMPANY INVESTMENTS

Invest 20% of capital in diversified portfolio of U.S. small-cap companies

Direct Company Investments

Invest in companies alongside fund managers or other lead sponsors with focus on:

- Small, profitable companies at reasonable prices
- Businesses that need capital and expertise to grow
- Opportunities to partner with family or founder to build business

The Cordish Dixon team has extensive experience sourcing, evaluating and structuring direct equity investments

DIRECT INVESTMENT CASE STUDY



- **Leading 3rd wave coffee company: roaster, distributor and retailer**
 - Strong wholesale business
 - Extremely loyal customer base
 - Exceptional retail unit economics



Results


- **Cordish Dixon's US\$1 million investment was sold for US\$2 million in less than one year**

DIRECT INVESTMENTS PORTFOLIO

Fund I & Fund II invested \$20 million in 13 companies



US\$3.9 million invested in three companies, sold in three years: approximately US\$15 million returned

 Blue boxes indicate investments sold to date (US\$3.9 million invested in these three companies and US\$15 million returned from sales)



CORDISH
DIXON

PRIVATE EQUITY PARTNERS