



US
SELECT
PRIVATE
OPPORTUNITIES
FUND

Annual Financial Report

FOR THE YEAR ENDED
31 MARCH 2014

ARSN 158 625 284

RESPONSIBLE ENTITY

WALSH & COMPANY
INVESTMENTS LIMITED

**Walsh & Company
Investments Limited**
(ACN 152 367 649) (AFSL 410 443)

DIRECTORY

The Fund's units are quoted on the official list of Australian Securities Exchange (**ASX**).

US Select Private Opportunities Fund

(ARSN 158 625 284)

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Responsible Entity

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Tom Kline

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Tristan O'Connell
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REPORT TO UNITHOLDERS

For the year ended 31 March 2014

Dear Unitholders

It is my pleasure to welcome you to the Annual Report for US Select Private Opportunities Fund (**the Fund**) for the financial period ended 31 March 2014. Since inception the Fund, through US Select Private Opportunities Fund, L.P. (**LP**), has secured investments in nine highly attractive US small-to-medium-sized private investment funds. The LP is now fully invested, having committed US\$70 million of its capital, with approximately US\$22.2 million (or 32.0%) drawn down by way of capital calls to date.

Following extensive due diligence, the Fund (via the LP) invested in three additional underlying investment funds during the financial year:

- **DFW Capital Partners** invests in lower middle market healthcare, business services and industrial services companies. DFW's investment strategy takes a long term approach seeking to add value primarily through improvements in financial management, business strategy, and strategic acquisitions and exit planning. The LP committed US\$5 million to DFW Capital Partners IV, L.P.
- **Fort Point Capital** invests in lower-middle-market, service-oriented companies in the US and Canada, typically with US\$3 million to US\$10 million of EBITDA at acquisition. Fort Point is led by private investment professionals with considerable experience and demonstrated track records. The LP committed US\$4 million to FPC Small Cap Fund I, L.P.
- **Peppertree Capital Management** is a private investment fund manager focused on growth equity, recapitalisation and buyout opportunities, primarily in telecommunication infrastructure companies. The LP committed US\$3 million to Peppertree Capital Fund IV, L.P.

On 7 March 2014, following a change in investment strategy of Prometheus Partners IV, L.P., the LP and Prometheus mutually agreed to reduce the LP's commitment from US\$10 million to US\$5 million, of which the net drawn down amount called to date is US\$3.7 million.

The quality of the underlying portfolio of managers is testament to US Select Private Opportunities Fund, GP's (Investment Manager) robust platform for sourcing and screening potential investments. The Fund's relationship with Cordish Private Ventures has facilitated investment into these funds, many of which are inaccessible to even the most established and well-recognised institutional investors.

The Investment Manager and Responsible Entity remain positive on the outlook for the segments of the US markets the Fund has focused on. The US economy finished 2013 strongly. As consumer spending continues to be healthy, many analysts feel growth will continue to pick up in 2014. The fading effects of higher income taxes put in place at the start of 2013, ongoing gains in employment and the positive wealth effects from rising equities and home prices have left household balance sheets in a position to support faster spending growth. The recent labour market data shows unemployment is now at the lowest level since 2008, while corporate profits and cash are at record levels and the equity and credit markets continue to be strong. The Responsible Entity sees many compelling opportunities in the market, and expects this to continue throughout 2014.

As at 31 March 2014, the Fund had net assets of \$63,068,251, representing \$1.62 per Unit.

During the period, the Fund made a profit of \$4,278,593, which was primarily made up of a foreign exchange gain of \$5,713,148, relating to translation of US denominated cash funds held during the year, and a \$1,039,476 fair value movement loss incurred on the Fund's investment in the LP.

I would like to thank fellow board members of the Responsible Entity, the Advisory Board and local US management for their dedicated efforts towards achieving excellent results for the Fund. I would also like to thank Unitholders for their continued support as we look to further enhance Australian investors' exposure to small-to-mid-market US-based private investment firms.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alex MacLachlan', with a stylized flourish at the end.

Alex MacLachlan

Director

28 May 2014

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2014

Overview

US Select Private Opportunities Fund (**the Fund**) is a listed managed investment scheme whose units are traded on the Australian Securities Exchange (**ASX**). The Fund has no employees, and its day-to-day functions and investment activities were managed by Dixon Advisory & Superannuation Services Limited (**DASS**), as Responsible Entity of the Fund, and US Select Private Opportunities Fund, GP, in accordance with the relevant management agreements.

Effective 23 April 2014, the Responsible Entity of the Fund changed from DASS to Walsh & Company Investments Limited (**Walsh & Co.**). Walsh & Co., a related entity of DASS, is the Responsible Entity of three other registered managed investment schemes, including US Select Private Opportunities Fund II. On the same date, the manager of the assets of the Fund changed from DASS to Walsh & Company Asset Management Pty Limited (**Walsh AM**). Walsh AM is also a member of the Dixon Advisory Group Limited, the parent company of DASS and Walsh & Co. Walsh AM will utilise the same resources of the Dixon Advisory Group Limited as available to DASS to manage the Fund.

The ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* provides the guidelines for good corporate governance. The directors of the Responsible Entity (**the Board**), recognise the importance of good corporate governance.

The Fund's Corporate Governance Charter, which incorporates the Fund's policies referred to below, is designed to ensure the effective management and operation of the Fund and will remain under regular review. The Corporate Governance Charter is available on the Fund's website www.usselectprivateopportunitiesfund.com.au.

A description of the Fund's adopted practices in respect of the 8 Principles and Recommendations from the ASX Corporate Governance Principles and Recommendations is set out below. All these practices, unless otherwise stated, were in place throughout the year and to the date of this report.

1. Lay solid foundations for management and oversight

BOARD ROLES AND RESPONSIBILITIES

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Fund and, in particular, is responsible for the Fund's growth and success. In meeting its responsibilities, the Board undertakes the following functions:

- providing and implementing the Fund's strategic direction;

- reviewing and overseeing the operation of systems of risk management, ensuring that significant risks facing the Fund are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with;
- ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance;
- reviewing and overseeing internal compliance and legal regulatory compliance;
- ensuring compliance with the Fund's constitution and with the continuous disclosure requirements of the ASX Listing rules and the *Corporations Act 2001*; and
- communicating with and protecting the rights and interests of all unitholders.

The Board has established a formal policy which sets out its functions and responsibilities. A review of the policy is conducted annually.

2. Structure the board to add value

COMPOSITION OF THE BOARD

The Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director at the date of this report are given in the Directors' Report, including the period in office, skills, experience and expertise relevant to the position of director. The directors of the Responsible Entity during the 2013 financial year and as at the date of this report are:

DASS	Walsh & Co.
Daryl Dixon	Alex MacLachlan
Maximilian Walsh	Tristan O'Connell
Alan Dixon	Tom Kline
Chris Brown	
Alex MacLachlan	
Tristan O'Connell	

Having regard to the size of the Fund and the nature of its business, the Board has determined that a Board with three members is the appropriate composition for the Board and will enable it to continue to effectively discharge its responsibilities to the Fund. However, the composition of the Board will be reviewed periodically.

The Fund is committed to diversity in the composition of the Board. The current composition is well-balanced, and it remains the Fund's objective to maintain diversity as well as including members who can add to the skill set of the Fund's Board. The directors will continue to monitor the composition of the Board.

The Fund recognises the ASX Recommendations with respect to establishing remuneration and nomination committees as good corporate governance. However, considering the size of the Fund, the functions that would be performed by these committees are best undertaken by the Board.

The Board will review its view on committees in line with the ASX Recommendations and in light of any changes to the size or nature of the Fund and, if required, may establish committees to assist it in carrying out its functions. At that time, the Board will adopt a charter for such committees in accordance with the ASX Recommendations and industry best practices.

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case-by-case basis and in conformity with the requirements of the ASX Listing Rules and the *Corporations Act 2001*. In accordance with the corporate governance policy, directors are entitled to seek independent advice at the expense of the Fund. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Fund.

PERFORMANCE EVALUATION

The performance of directors is assessed and reviewed by the Board at intervals it considers appropriate. This process includes consideration of feedback provided by directors via a questionnaire.

3. Promote ethical and responsible decision making

CODE OF CONDUCT

The Board has adopted a Code of Conduct to define the basic principles of business conduct of the Fund and the Responsible Entity. This Code requires the Fund's personnel to abide by the policies of the Fund and the law. The Code is a set of principles giving direction and reflecting the Fund's approach to business conduct and is not a prescriptive list of rules for business behaviour.

UNIT TRADING POLICY

The Board of the Fund has established a Unit Trading Policy to apply to trading in the Fund's units on the ASX. This policy outlines the permissible dealing of the Fund's units while in possession of price sensitive information and applies to all directors of the Responsible Entity and the Investment Manager.

The Policy imposes restrictions and notification requirements, including the imposition of blackout periods, trading windows and the need to obtain pre-trade approval.

INSIDER TRADING POLICY

The Board of the Responsible Entity has established an Insider Trading Policy to apply to trading in the Fund's units on the ASX. This policy applies to all directors, executives and employees of the Responsible Entity, Investment Manager and their parent company, Dixon Advisory Group.

All directors, executives and employees of the Responsible Entity, Investment Manager and their parent company must not deal in the Fund's units while in possession of price sensitive information. In addition, the general Unit Trading Policy sets out additional restrictions which apply to directors and executives of the Responsible Entity, Investment Manager, and their parent company.

4. Safeguard integrity in financial reporting

COMPLIANCE COMMITTEE

As a registered managed investment scheme, the Fund has a compliance plan that has been lodged with Australian Securities and Investments Commission (ASIC). The compliance plan is reviewed comprehensively every year to ensure the way in which the Fund operates protects the rights and interests of unitholders and that major compliance risks are identified and properly managed.

The Responsible Entity has formed a Compliance Committee to ensure the Fund complies with the relevant regulations and its constitution. The committee meets and reports to the Board of the Responsible Entity on a quarterly basis.

The committee is structured with three members, the majority of which are independent. Details of the Compliance Committee members are as follows:

TRISTAN O'CONNELL (INTERNAL MEMBER)

Refer to Information on directors (page 15).

MICHAEL BRITTON (INDEPENDENT MEMBER)

Michael has over 35 years of commercial and financial services experience, initially with Boral Limited (ASX: BLD) and culminating in 12 years as General Manager of the corporate businesses of The Trust Company Limited (ASX: TRU), where he established the company's reputation as a leader in the delivery of independent Responsible Entity services. He has represented The Trust Company as a director on the boards of both domestic and offshore operating subsidiary companies and a large number of special purpose companies, delivering the Responsible Entity function in both conventional and stapled, ASX listed and unlisted managed investment schemes. Michael has acted as a Responsible Manager, a member of committees of inspection in relation to large insolvency administrations and as an independent compliance committee member for substantial investment managers with portfolios of managed investment schemes. He is an independent director on the board of the unlisted Knights Capital Group Limited, a Perth-based investor and property fund manager, and he is also a Panel Member for the Financial Ombudsman Service Limited.

Michael holds degrees in Jurisprudence and Law from the University of New South Wales and is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

BARRY SECHOS (INDEPENDENT MEMBER)

Barry is a Director of Sherman Group Limited, a privately owned investment company, and is responsible for managing the legal, financial and operational affairs of Sherman Group Limited. Barry has 25 years' experience in corporate law and finance, having spent seven years as a banking and finance lawyer at Allen Allen & Hemsley (Sydney, Singapore and London) and eight years as a Director of EquitiLink Funds Management and Aberdeen Asset Management Australia. Barry is also a Director of See-Saw Films, a film production and finance group and winner of the 2011 Academy Award for Best Picture, DIF Capital Partners Limited, a licensed funds management company, and a Director of Sherman Contemporary Art Foundation, a charitable cultural organisation.

The Board, having considered their overall responsibilities, the size and structure of the Fund and other duties performed by the Compliance Committee, does not consider it appropriate, at this time, to establish an audit committee.

5. Make timely and balanced disclosure

The Board is committed to complying with its continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules, as well as releasing relevant information to the market and unitholders in a timely and direct manner to promote investor confidence in the Fund and its securities.

The Fund has adopted a Continuous Disclosure Policy to ensure the Fund complies with its continuous disclosure requirements. The policy is administered by the Board and monitored by the Compliance Committee.

6. Respect the rights of unitholders

The Fund promotes effective communication with unitholders. The Board has developed a strategy within its Continuous Disclosure Policy to ensure unitholders are informed of all major developments affecting the Fund's performance, activities and state of affairs. This includes using a website to facilitate communication with unitholders.

Information is communicated to unitholders through announcements to ASX, releases to the media and dispatch of financial reports. Unitholders are provided with an opportunity to access such reports and releases electronically; copies of all such ASX announcements are linked to the Fund's website at usselectprivateopportunitiesfund.com.au.

These include:

- monthly net asset value estimates
- monthly fund updates
- half-year report

- annual report
- occasional announcements to the ASX made in compliance with the Fund's continuous disclosure requirements
- occasional correspondence sent to unitholders on matters of significance to the Fund.

The Board encourages full participation of unitholders at the general meetings held by the Fund to ensure a high level of accountability and identification with the Fund's strategy.

7. Recognise and manage risk

The Board has accepted the role of identification, assessment, monitoring and managing the significant areas of risk applicable to the Fund and its operations. It has not established a separate committee to deal with these matters because the directors believe the size of the Fund and its operations do not warrant separate committee at this time. The Board also monitors and appraises financial performance, including the approval of annual and half-year financial reports and liaising with the Fund's auditor.

The Board receives a letter half-yearly from the Fund's external auditor regarding their procedures and reporting that the financial records have been properly maintained and the financial statements comply with the Accounting Standards.

The Responsible Entity receives half-yearly assurances that the declarations made under Section 295A of the *Corporations Act 2001* are founded on a sound system of risk management and internal control that is operating effectively in all material respects in relation to financial reporting risks.

Details of the Fund's financial risk management are set out in the notes to the financial statements in the annual report.

8. Remunerate fairly and responsibly

Due to the relatively small size of the Fund and its operations, the Board does not consider it appropriate at this time to establish a formal remuneration committee.

Directors of the Fund are remunerated by the Responsible Entity. In accordance with the Fund's constitution, the Responsible Entity is entitled to a management fee for services rendered. Details of the Fund's related party transactions are disclosed in the notes to financial statements within the Annual Report. The Fund's constitution is available to unitholders on the Fund's website.

DIRECTORS' REPORT

For the year ended 31 March 2014

The directors of Walsh & Company Investments Limited (**Walsh & Co.**), the Responsible Entity of the US Select Private Opportunities Fund (**the Fund**) as at the date of this report, present their report together with the financial report of the Fund for the year ended 31 March 2014.

Effective 23 April 2014, the Responsible Entity of the Fund changed from Dixon Advisory & Superannuation Services Limited (**DASS**) to Walsh & Co. Walsh & Co., a related entity of DASS, is the Responsible Entity of three other registered managed investment schemes, including US Select Private Opportunities Fund II. On the same date, the manager of the assets of the Fund changed from DASS to Walsh & Company Asset Management Pty Limited (**Walsh AM**). Walsh AM is also a member of the Dixon Advisory Group Limited, the parent company DASS and Walsh & Co. Walsh AM utilises the same resources of the Dixon Advisory Group Limited as available to DASS to manage the Fund.

The directors of the Responsible Entity at any time during or since the end of the financial year are listed below:

DASS (resigned effective 23 April 2014)	Walsh & Co. (appointed effective 23 April 2014)
Daryl Dixon	Alex MacLachlan
Maximilian Walsh	Tristan O'Connell
Alan Dixon	Tom Kline
Chris Brown	
Alex MacLachlan	
Tristan O'Connell	

Directors were in office since the start of the financial year to the date of this report unless otherwise stated.

Information on the directors



DARYL DIXON

Daryl is a graduate in economics of Cambridge and Queensland Universities and the founder of Dixon Advisory. Daryl has extensive experience in the areas of taxation, retirement incomes and social welfare policy. He is known in Australia as a leading financial expert, particularly in the area of superannuation.

Daryl has special expertise in personal and self managed super fund strategies, as well as extensive experience as a direct share investor in his own right.

Daryl is Executive Chairman of the Responsible Entity of US Masters Residential Property Fund and a director of the Australian Masters Yield Fund Series 1 to 3 and the Australian Masters Corporate Bond Fund Series. Daryl has worked previously for the International Monetary Fund, the Federal Treasury, Department of Finance and the Social Welfare Policy Secretariat. Daryl was also a member of the Fraser Government's Occupational Superannuation Task Force.

During the past three years, Daryl has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited
- Australian Masters Yield Fund No 3 Limited
- US Masters Residential Property Fund



MAXIMILIAN WALSH

Max is regarded as one of Australia's leading economists and business journalists. He has specialised experience in the areas of business, economics and politics in a journalistic career spanning nearly 50 years.

He has been editor and managing editor of The Australian Financial Review and Editor-in-Chief of The Bulletin. He also served on the board of Northern Star TV (predecessor to Channel Ten) and is presently the Deputy Chairman of the Responsible Entity of US Masters Residential Property Fund. Further, Max serves as Chairman for the Australian Masters Yield Fund Series 1 to 3 and the Australian Masters Corporate Bond Fund Series, and serves as Non-Executive Chairman of Asian Masters Fund Limited and Global Resource Masters Fund Limited. Max also serves as a director of Australian Governance Masters Index Fund Limited.

During the past three years, Max has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Asian Masters Fund Limited
- Australian Governance Masters Index Fund Limited
- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited
- Australian Masters Yield Fund No 3 Limited
- Global Resource Masters Fund Limited
- US Masters Residential Property Fund



ALAN DIXON

Alan has been providing financial advisory services to corporations, institutions and individuals for more than 18 years. Until December 2000, he worked for various investment banks, including ABN AMRO (where he was an Associate Director in Mergers and Acquisitions and Equity Capital Markets) and Ord Minnett Corporate Finance. From January 2001, he operated as a Group Managing Director of the Dixon Advisory Group. Dixon Advisory provides a complete suite of financial services, employs more than 300 people and has close to \$4 billion of funds under administration across over 4,500 self managed super funds.

During 2012, Alan re-located to New York and is now the Managing Director and CEO, Dixon Advisory USA. His primary executive responsibility is the day-to-day management of US Masters Residential Property Fund.

Alan currently serves as a director of the Australian Masters Yield Fund Series 1 to 3, the Australian Corporate Bond Fund Series and a director of the Responsible Entity of US Masters Residential Property Fund.

Alan has a Bachelor of Commerce from the Australian National University and is a Member of the Institute of Chartered Accountants in Australia. He is also a SPAA Accredited SMSF Specialist Advisor™.

During the past three years, Alan has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited
- Australian Masters Yield Fund No 3 Limited
- Van Eyk Three Pillars Limited (resigned on 31 October 2011)
- US Masters Residential Property Fund



CHRIS BROWN

Chris is a director of the Australian Masters Yield Fund Series, the Australian Masters Corporate Bond Fund Series, the Responsible Entity of US Masters Residential Property Fund and serves as Managing Director and Chief Executive Officer at Dixon Advisory.

Prior to joining Dixon Advisory, Chris was an Executive Director at UBS AG in the Investment Banking Division in Sydney. Over his eight years at UBS, he provided capital markets and mergers & acquisitions advice to many different public and private companies in Australia and overseas. Chris specialised in providing this advice to industrial, utility, infrastructure, property and financial companies. Chris spent several years in the UBS Mergers & Acquisitions Group in New York, working on transactions in chemicals, health care, consumer products, media, telecoms, technology, insurance and utilities. Before joining UBS, Chris also worked in the investment banking division of ABN AMRO where he focused on mergers and acquisitions along with capital markets advice to companies in the Australian property sector.

Before his career in investment banking, Chris worked for a Sydney-based property funds management company and a chemical engineering and design company. Chris has a Bachelor of Chemical Engineering with first class honours and a Bachelor of Commerce, both from University of Sydney.

During the past three years, Chris has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited
- Australian Masters Yield Fund No 3 Limited
- Australian Masters Yield Fund No 4 Limited
- Van Eyk Three Pillars Limited (resigned on 31 October 2011)
- US Masters Residential Property Fund



ALEX MACLACHLAN

Alex MacLachlan is currently Chairman of the Responsible Entity for the Fund, Emerging Markets Masters Fund, Australian Property Opportunities Fund and US Select Private Opportunities Fund II and Managing Director of Global Resource Masters Fund and Australian Governance Masters Index Fund Limited. Alex also serves as a director of the Australian Masters Yield Fund Series, the Australian Masters Corporate Bond Fund Series and Asian Masters Fund Limited and of the Responsible Entity for US Masters Residential Property Fund.

Alex joined Dixon Advisory in 2008 to lead the Funds Management division. Following his success in growing the division, Alex moved to New York in mid-2013. He is currently the CEO of Funds Management Dixon Advisory Australia and the Head of Strategy of Dixon Advisory USA.

Before joining Dixon Advisory, Alex was an investment banker specialising in the natural resources sector; most recently serving as head of energy, Australasia, for UBS AG in Sydney and prior to that as an investment banker at Credit Suisse First Boston. During his career as an investment banker, Alex advised many of Australia's and the world's leading natural resources companies, working with over 30 companies on more than \$100 billion in announced mergers and acquisitions and capital markets transactions.

Before specialising in natural resources investment banking, Alex worked in the Japanese Government Bond derivatives markets in London, New York and Sydney.

Alex has a Bachelor of Arts from Cornell University and a Master of Business Administration from The Wharton School, University of Pennsylvania.

During the past three years, Alex has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Asian Masters Fund Limited
- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited

- Australian Masters Yield Fund No 3 Limited
- Australian Masters Yield Fund No 4 Limited
- Emerging Markets Masters Fund
- Global Resource Masters Fund Limited
- Van Eyk Three Pillars Limited (resigned on 31 October 2011)
- US Masters Residential Property Fund
- US Select Private Opportunities Fund II



TRISTAN O'CONNELL

Tristan joined Dixon Advisory in 2005 after 10 years' experience in corporate financial and management roles within the wholesale financial markets industry, and is currently a director of the Responsible Entity of US Masters Residential Property Fund, Australian Property Opportunities Fund, Emerging Markets Masters Fund and US Select Private Opportunities Fund II. Tristan's previous roles included being financial controller of Tullett Prebon in Australia, one of the world's leading inter-dealer broker firms specialising in over-the-counter interest rate, foreign exchange, energy and credit derivatives. Tristan subsequently held senior finance roles for the Tullett Prebon Group in Singapore and London.

Tristan returned to Australia to be responsible for the financial management and growth of Dixon Advisory. Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is a Fellow of the Financial Services Institute of Australasia.

During the past three years, Tristan has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Emerging Markets Masters Fund
- US Masters Residential Property Fund
- US Select Private Opportunities Fund II



TOM KLINE

Tom Kline is the Chief Operating Officer of the Funds Management division of Dixon Advisory. He works closely with the Dixon Advisory Investment Committee and Corporate Finance teams to deliver investment opportunities for Dixon Advisory clients. He is also a director of Australian Masters Yield Fund No 4 Limited, Australian Masters Yield Fund No 5 Limited and Fort Street Real Estate Capital, and of the Responsible Entity for Emerging Markets Masters Fund, Australian Property Opportunities Fund, and US Select Private Opportunities Fund II.

Before Dixon Advisory, Tom was an Associate Director at UBS AG in Sydney. During his time at UBS, Tom was a member of the Infrastructure and Utilities team and advised on a wide range of public and private M&A and capital market transactions.

Prior to joining UBS AG, Tom worked at Deloitte in the Corporate Finance team. While at Deloitte, he worked in the Transaction Services, Business Modelling and Valuation Teams within this division. Tom has a Bachelor of Commerce and Bachelor of Laws (with honours) from Australian National University.

During the past three years, has acted as a non-executive director or director of a Responsible Entity of the following Australian listed entities:

- Emerging Markets Masters Fund
- US Select Private Opportunities Fund II

Principal activities and significant changes in nature of activities

The principal activity of the Fund during the financial year was investing in small-to-mid-market private investment funds and privately held companies with a predominate focus in the US. There were no significant changes in the nature of these activities.

Review and results of operations

The Fund has invested in a Limited Partnership, US Select Private Opportunities Fund, L.P. (**LP**) which, in turn, invests in small-to-medium-sized private investment funds. The LP has committed capital across nine underlying private investment funds which focus on a range of industries including restaurants, consumer products, manufacturing and business services. For the year ended 31 March 2014, eight of the underlying private investment funds made drawdown requests to fund its investments, management fees and operating expenses. Net drawdown requests made by the underlying private investment funds since inception to the end of the year totalled \$22.5 million (US\$20.8 million).

The Fund has committed capital of \$64.2 million (US\$59.5 million), representing an interest of 85.5% in the LP. The Fund's proportionate share of the total capital called as at 31 March 2014 was \$30.0 million (US\$27.8 million).

Total comprehensive income for the year was \$4,278,593 (2013: \$1,072,987 loss). The key components of this result included a foreign exchange gain of \$5,713,148 relating to translation of US denominated cash funds held during the year, and a \$1,039,476 fair value movement loss incurred on the Fund's investment in the LP during the year. As at 31 March 2014, the Fund had net assets of \$63,068,251 (2013: \$58,789,658), representing \$1.62 per unit (2013: \$1.51 per unit).

The Fund had a basic and diluted profit per unit of 10.97 cents for the year ended 31 March 2014 (2013: 3.34 cents loss per unit).

Future developments and expected results of operations

The Fund has committed capital to the LP to fund nine underlying private investment fund investments and is at a relatively early stage of investing and expects to complete its investments as the committed capital is called by the LP. The objective of the Fund is to achieve capital growth over a 5 to 10 years investment horizon from its exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies predominately focused in the US.

Distributions

No distributions were paid or declared during, or since, the end of the financial year.

Events subsequent to reporting period

Other than matters disclosed in note 16 of the financial report, there were no other matters or circumstances that have arisen since the end of the financial period that will significantly affect the Fund's operations, the result of those operations or the state of affairs in future financial years.

Beneficial and relevant interest of directors of the Responsible Entity in units

The following table details each director's relevant interest in the Fund at the date of this report:

Director	No. of units
DASS	
Daryl Dixon	312,500
Maximilian Walsh	62,501
Alan Dixon	1,875,000
Chris Brown	-
Alex MacLachlan	18,750
Tristan O'Connell	6,250
Walsh & Co	
Alex MacLachlan	18,750
Tristan O'Connell	6,250
Tom Kline	2,795

No options were issued over the interests of the Fund.

Other relevant information

The following lists other relevant information required under the *Corporations Act 2001*:

- details of fees paid to the Responsible Entity during the financial year – refer to note 12 to the financial statements
- the Responsible Entity did not hold any interests in the Fund at the end of the financial year
- details of issued interests in the Fund during the financial year – refer to note 9 to the financial statements.

Environmental regulation

The Fund is not subject to any particular and significant environmental regulations under a law of the Commonwealth or a State or Territory.

Options

No options were granted over issued or unissued units in the Fund during, or since, the end of the year.

Indemnities and insurance

Under the Fund's constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

Insurance premiums have been paid, during or since the end of the financial year, for all of the directors of the Responsible Entity of the Fund. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for the auditor of the Fund.

Non-audit services

The directors of the Responsible Entity are satisfied that the provision of non-audit services during the year by the auditor, Deloitte Touche Tohmatsu (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act*.

The directors are of the opinion that the services disclosed in note 13 to the financial statements do not compromise the auditor independence requirements of the *Corporations Act* for the following reasons:

- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES110: Code of Ethics for Professional Accountants set by the Accounting Professionals Ethical Standards Board.

Details of amounts paid or payable to the auditor, Deloitte Touche Tohmatsu, for non-audit services are outlined in note 13 to the financial statements.

Auditor's independence declaration

The auditor's independence declaration is set out on page 23 and forms part of the Directors' Report for the year ended 31 March 2014.

Made in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.

Dated 28 May 2014

A handwritten signature in black ink, appearing to read 'Alex MacLachlan', with a stylized flourish at the end.

Alex MacLachlan

Director

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors
Walsh & Company Investments Limited
as Responsible Entity for:
US Select Private Opportunities Fund
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

28 May 2014

Dear Board Members

US Select Private Opportunities Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of US Select Private Opportunities Fund.

As lead audit partner for the audit of the financial statements of US Select Private Opportunities Fund for the financial year ended 31 March 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

		2014	2013
	Note	\$	\$
Revenue	3	116,201	220,986
Foreign exchange gain		5,713,148	322,151
Fair value movements of equity investments	7	(1,039,476)	(1,058,326)
Management and administration fees	12	(321,143)	(139,333)
Listing fees		(30,270)	(135,083)
Accounting and audit fees		(52,699)	(83,792)
Custody fees		(15,904)	(15,701)
Share registry fees		(12,988)	(8,110)
Legal, compliance costs and due diligence		(70,295)	(172,797)
Other expenses		(7,981)	(2,982)
Profit/(loss) before income tax expense		4,278,593	(1,072,987)
Income tax expense		-	-
Profit/(loss) for the period		4,278,593	(1,072,987)
Other comprehensive income/(loss) for the period (net of tax)			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income/(loss) for the period		4,278,593	(1,072,987)
Earnings per unit			
Basic earnings/(loss) per unit (cents)	4	10.97	(3.34)
Diluted earnings/(loss) per unit (cents)	4	10.97	(3.34)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

		2014	2013
	Note	\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	5	36,648,356	49,623,937
Receivables	6	14,166	38,718
Prepayments		8,259	-
Total current assets		36,670,781	49,662,655
<i>Non-current assets</i>			
Other financial assets	7	26,475,585	9,182,309
Total non-current assets		26,475,585	9,182,309
Total assets		63,146,366	58,844,964
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	8	78,115	55,306
Total current liabilities		78,115	55,306
Total liabilities		78,115	55,306
Net assets		63,068,251	58,789,658
Equity			
Unit capital	9	59,862,645	59,862,645
Retained earnings/(Accumulated losses)		3,205,606	(1,072,987)
Total equity		63,068,251	58,789,658

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Note	Unit Capital	(Accumulated Losses)/ Retained Earnings	Total
		\$	\$	\$
Balance at registration		-	-	-
Loss for the period		-	(1,072,987)	(1,072,987)
Other comprehensive income for the period (net of tax)		-	-	-
Total comprehensive loss for the period		-	(1,072,987)	(1,072,987)
Issue of ordinary units	9	62,421,945	-	62,421,945
Issue costs	9	(2,559,300)	-	(2,559,300)
Balance at 31 March 2013		59,862,645	(1,072,987)	58,789,658
Balance at 1 April 2013		59,862,645	(1,072,987)	58,789,658
Profit for the year		-	4,278,593	4,278,593
Other comprehensive income for the year (net of tax)		-	-	-
Total comprehensive income for the year		-	4,278,593	4,278,593
Balance at 31 March 2014		59,862,645	3,205,606	63,068,251

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

		2014	2013
	Note	\$	\$
Cash flow from operating activities			
Interest income received		119,095	209,645
Net payments to suppliers		(475,072)	(592,291)
Net cash (used in) operating activities	5	(355,977)	(382,646)
Cash flow from investing activities			
Payments for investments	7	(18,332,752)	(10,240,635)
Net cash (used in) investing activities		(18,332,752)	(10,240,635)
Cash flow from financing activities			
Proceeds from issue of ordinary units	9	-	62,421,945
Payment of issue costs		-	(2,496,878)
Net cash generated by financing activities		-	59,925,067
Net (decrease)/increase in cash and cash equivalents		(18,688,729)	49,301,786
Cash and cash equivalents at the beginning of the year		49,623,937	-
Effect of exchange rate changes on cash and cash equivalents		5,713,148	322,151
Cash and cash equivalents at the end of the year		36,648,356	49,623,937

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

General information

US Select Private Opportunities Fund (**the Fund**) is a Managed Investment Scheme registered and domiciled in Australia. The principal activities of the Fund are to invest in small-to-mid-market private investment opportunities in the United States of America (**US**), through its capacity as a Limited Partner of the US Select Private Opportunities Fund, L.P. (**LP**) registered in the Cayman Islands.

The comparative period is the period from 12 June 2012 (date of registration) to 31 March 2013.

Basis of preparation

The financial statements have been prepared on an accrual basis and are based on historical cost with the exception of financial assets, which are measured at fair value. All amounts are presented in Australian dollars unless otherwise noted.

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures the financial statements and notes to the financial statements of the Fund comply with the International Reporting Standards (**IFRSs**) issued by the International Accounting Standards Board (**IASB**).

The financial statements were authorised for issue by the directors on 28 May 2014.

Adoption of new and revised Accounting Standards

The Fund has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current year.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Fund include:

- AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income'
- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009 –2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'.

With the exception of AASB 101 and AASB 13 (refer below), adoption of the above standards had no material impact on the financial statements.

IMPACT OF AMENDMENTS TO AASB 101 'PRESENTATION OF FINANCIAL STATEMENTS'

The amendment (part of AASB 2011-9) 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed as a 'statement of

profit or loss'. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

- a) items that will not be reclassified subsequently to profit or loss, and
- b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above-mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

IMPACT OF THE APPLICATION OF AASB 13

The Fund has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (for example, net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 April 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Fund has not made any new disclosures required by AASB 13 for the 2013 comparative period. Other than

the additional disclosures, the application of AASB 13 does not have any material impact on the amounts recognised in the financial statements.

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, the adoption of the Standards and Interpretations that were in issue but not yet effective are not considered likely to have a material impact on the Fund's financial statements.

1. Summary of significant accounting policies

The following accounting policies have been adopted in the preparation and presentation of the financial report.

A) FOREIGN CURRENCIES

The functional and presentation currency of the Fund is Australian dollars.

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences arising on translation are recognised in profit or loss in the period in which they arise.

B) FINANCIAL INSTRUMENTS

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instrument.

The Fund has elected to early adopt AASB 9 Financial Instruments, which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets.

(i) Financial assets

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

Financial assets are subsequently measured at amortised cost using the effective interest rate method only if the following conditions are met, otherwise they are measured at fair value:

- where a financial asset is held within a business model for the objective to collect contractual cash flows; and

- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

The Interest held by the Fund in the Private Investment Fund Partnership (refer to (c) below) does not meet the conditions to satisfy subsequent measurement at amortised cost, and is therefore measured at fair value.

Gains and losses on all financial assets at fair value are recognised in profit or loss.

(ii) Financial liabilities

Financial liabilities are classified as derivative and non-derivative instruments as appropriate. The Fund determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

Non-derivative instruments are subsequently measured at amortised cost using the effective interest rate method.

(iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal (or most advantageous) market at balance date under current market conditions. Fair value is determined based on the bid price for all quoted investments in an active market. Valuation techniques are applied to determine the fair value for all unlisted securities and securities in markets that are not active. Unlisted partnership investments held by the Fund are valued using a 'proportionate' value method based on the proportion of total net asset values of the partnership in which the Fund has an interest at balance date.

C) INTEREST IN PRIVATE INVESTMENT FUND PARTNERSHIP

The Fund has entered into a partnership arrangement with Cordish Private Ventures, with a primary strategy of investing in US small-to-mid-market private investment funds. The partnership has been structured through a limited partnership vehicle – US Select Private Opportunities Fund, L.P. (**LP**), in which the Fund has an 85.5% interest. The interest held by the Fund is regarded as an equity instrument which is recorded at fair value (refer to note I(b)(iv) for the fair value valuation basis adopted in respect of the partnership interest held). Subsequent changes in fair value are presented in profit or loss.

D) IMPAIRMENT OF ASSETS

The directors of the Responsible Entity assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount through profit or loss.

No impairment assessment is performed in respect of the Interest in the Private Investment Partnership, where fair value changes are recorded in profit or loss.

E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

F) RECEIVABLES

Receivables are financial assets with a contractual right to receive fixed or determinable payments that are not quoted in an active market. Receivables are recorded at amounts due less any impairment losses.

G) TAXES

(i) Income tax

Under current Australian income tax laws, the Fund is not liable to pay income tax provided its distributable income for each income year is fully distributed to Unitholders, by way of cash or reinvestment.

(ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

The Fund qualifies for reduced input tax credits at a minimum rate of 55%.

H) REVENUE RECOGNITION

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest income is recognised in profit or loss using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Distribution income

Distribution income is recognised when the right to receive a distribution has been established.

I) PROVISIONS

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

J) TRADE AND OTHER PAYABLES

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods or services. The balance is unsecured and is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

K) EARNINGS PER UNIT

Basic earnings per unit is calculated by dividing the profit or loss attributable to unitholders by the weighted average number of units outstanding during the financial period. Diluted earnings per unit is the same as there are no potential dilutive ordinary units.

L) UNIT CAPITAL

(i) Ordinary units

Ordinary units are classified as equity. Issued capital is recognised at the fair value of the consideration received by the Fund. Incremental costs directly attributable to the issue of ordinary units are recognised as a deduction from equity.

(ii) Distributions to unitholders

Distributions payable are recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the board of the Responsible Entity on or before the end of the financial period, but not distributed at balance date.

M) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements include fair value determination and 'financial asset' classification of the interest held by the Fund in the private investment fund partnership.

As set out in note 7, the Fund is exposed to underlying investments held by US private investment funds which typically constitute unlisted equity investments. Because of the absence of any liquid trading market for these underlying investments, it may take longer to liquidate these investments than would be the case for marketable securities and accordingly the prices realised on such sales may differ materially to the estimated fair values at balance date. The values assigned by the investment funds are based on available information, including consideration of the currency of this information, and underlying techniques (such as price/earnings analysis or discounted cash flow methods) which include assumption inputs that are not based on observable market data. As such, the values derived do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstances that cannot reasonably be determined until the individual investments are liquidated.

2. Operating segment

The Fund operates a single reportable segment, that being the business of investing in small-to-mid-market private investments in the United States of America through its interest in a Limited Partnership.

The Responsible Entity of the Fund is the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessing performance of the operating segment.

Revenue, profit or loss, assets, liabilities and other financial information reported and monitored by the CODM of the single identified segment are reflected in the financial statements and notes to financial statements of the Fund.

3. Revenue

	2014	2013
	\$	\$
Interest income	116,201	220,710
Other income	-	276
	116,201	220,986

4. Earnings per unit

	2014	2013
	\$	\$
Earnings used in the calculation of earnings per unit		
Profit/(loss) from continuing operations for the period attributable to ordinary unitholders used to calculate basic and diluted earnings per unit	4,278,593	(1,072,987)
	No.	No.
Weighted average number of ordinary units		
Weighted average number of ordinary units used to calculate basic earnings per unit	39,013,716	32,089,780
Effect of dilution	-	-
Weighted average number of ordinary units used to calculate diluted earnings per unit	39,013,716	32,089,780
Basic and diluted profit/(loss) per unit (cents)	10.97	(3.34)

There are no transactions that would significantly change the number of ordinary units at the end of the reporting period.

5. Cash and cash equivalents

	2014	2013
	\$	\$
Cash and cash equivalents		
Cash at bank	36,648,356	49,623,937
	36,648,356	49,623,937

The exposure to interest rate risk and a sensitivity analysis is disclosed in note II to the financial statements.

Reconciliation of cash flows from operating activities

Profit/(loss) before tax	4,278,593	(1,072,987)
Adjustments:		
Fair value movements of equity investments	1,039,476	1,058,326
Net foreign exchange gain	(5,713,148)	(322,151)
Movements in assets/liabilities:		
Decrease/(increase) in receivables	24,552	(38,718)
(Increase) in prepayments	(8,259)	-
Increase in payables	22,809	55,306
Unrecouped GST from investing and financing activities	-	(62,422)
Net cash generated by operating activities	(355,977)	(382,646)

6. Receivables

	2014	2013
	\$	\$
GST receivable	5,719	27,377
Interest receivable	8,447	11,341
	14,166	38,718

There are no balances included in receivables that contain assets that are impaired. All receivables are non interest bearing and are generally receivable on 30 day terms. No receivable amounts are overdue. The receivables are recorded at carrying amounts that are reasonable approximations of fair value. are recorded at carrying amounts that are reasonable approximations of fair value.

7. Other financial assets

(i) Equity investment constituting

Interest in US Private Investment Fund Partnership - at fair value

	2014	2013
	\$	\$
US Select Private Opportunities Fund, LP (LP)	26,475,585	9,182,309
	26,475,585	9,182,309

(ii) Reconciliation

Balance at the beginning of the period	9,182,309	-
Investment at cost	18,332,752	10,240,635
Unrealised movement in fair value through profit or loss*	(1,039,476)	(1,058,326)
Balance at the end of the period	26,475,585	9,182,309

* - Included in the 'unrealised movement in fair value' amount of \$1,039,476 (2013: \$1,058,326) is the Fund's 85.5% share of management fees paid by the LP to the General Partner of the LP, totalling \$1,275,009 (2013: \$856,349) (refer to note 12).

(iii) Fund's interest in assets and liabilities of LP

The 85.5% economic interest held by the Fund is not represented by voting rights or other power vested in the Fund to make decisions relating to the assets and liabilities of the LP. As is common practice with Limited Partnership arrangements in the USA, the General Partner of the LP is considered to be the party who holds the existing rights to direct the relevant activities of the LP, including the acquisition and disposal of investments.

The Fund's 85.5% interest in US Select Private Opportunities Fund, L.P. at 31 March 2014 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	2014	2013
	\$	\$
Cash	8,632,833	1,357,457
Financial assets		
Investment in:		
Prometheus Partners IV	3,295,999	3,096,819
Encore Consumer Capital II	3,042,905	1,462,487
KarpReilly Capital Partners II	3,940,570	1,835,410
Incline Equity Partners III	1,926,676	1,430,187
DFW Capital Partners IV	1,299,617	-
Trivest Fund V	1,220,002	-
US Select Direct Private Equity Fund (US)	2,287,386	-
FPC Small Cap Fund I	1,051,407	-
Payables	(221,810)	(51)
Net Assets	26,475,585	9,182,309

(iv) Valuation

Valuation technique adopted

The fair value of the Fund's interest in the LP is determined using a 'proportionate' value method based on the Fund's 85.5% interest held in the total net asset values of the LP.

The LP holds investments predominately in US private investment funds, and it (the LP) adopts a similar fair value measurement basis, based on the proportionate interest it holds in the total net asset values of the respective investment funds. The investment funds themselves invest typically in US unlisted equity investments, the fair value of which are determined periodically based on market valuation techniques, which may involve methods and unobservable inputs such as price/earnings analysis or discounted cash flow techniques.

The fair value of the Fund's interest in the LP is therefore ultimately based on the market valuation techniques adopted by the investment funds in the measurement of their underlying unlisted equity investments. The fair value is also subject to foreign exchange translation impacts arising from translating the USD denominated interest in the LP to AUD at each balance date. Refer to note 11 for Market Risk sensitivity analysis.

Investment risks

As noted above, the LP has invested in underlying private investment funds in the US market. Because of the absence of any liquid trading market for these types of investments, it may take longer to liquidate these investments than would be the case for marketable securities and accordingly the value obtained on realisation may differ materially to the estimated fair values at balance date. The values assigned by the investment funds are based on available information, including consideration of the currency of this information, and underlying techniques (such as price/earnings analysis or discounted cash flow methods) which include assumption inputs that are not based on observable market data. As such, the values derived do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstances that cannot reasonably be determined until the individual investments are liquidated.

(v) Capital commitments

As at 31 March 2014, the Fund has made capital commitments totalling \$64.2 million (US\$59.5 million) to the LP, of which \$30.0 million (US\$27.8 million) has been called at balance date.

As at 31 March 2014, the Fund has uncalled capital commitments of \$34.2 million (US\$31.7 million) outstanding to the LP. The capital commitments can be called at any time in the future.

The capital commitments referred to above were converted at the year end exchange rate of 0.9264.

8. Trade and other payables

	2014	2013
	\$	\$
Accrued liabilities	53,576	49,839
Trade creditors	24,539	5,467
	78,115	55,306

The average credit period for trade creditors is generally 30 days. No interest is charged on trade creditors from the date of the invoice. The Fund has risk management policies in place to ensure invoices are paid within credit terms.

9. Unit capital

	2014	2013
	\$	\$
(i) Issued capital		
Balance at the beginning of the period	59,862,645	-
Registration unit	-	1
39,013,715 fully paid ordinary units issued at \$1.60	-	62,421,944
Issue costs	-	(2,559,300)
Balance at the end of the period	59,862,645	59,862,645
	No.	No.
(ii) Number of units outstanding		
Balance at the beginning of the period	39,013,716	-
19 July 2012 Fully paid ordinary unit	-	1
02 August 2012 Fully paid ordinary units	-	39,013,715
Balance at the end of the period	39,013,716	39,013,716

All issued units are fully paid. The holders of ordinary units are entitled to one vote per unit at meetings of the Fund and are entitled to receive distributions declared from time to time by the Responsible Entity.

10. Distributions

No distributions were paid or declared for the year ended 31 March 2014.

11. Financial instruments

FAIR VALUE

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets of liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2014	Level 1	Level 2	Level 3
	\$	\$	\$
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund, LP	-	-	26,475,585
Total financial assets carried at fair value	-	-	26,475,585
Total financial liabilities carried at fair value	-	-	-

31 March 2013	\$	\$	\$
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund, LP	-	-	9,182,309
Total financial assets carried at fair value	-	-	9,182,309
Total financial liabilities carried at fair value	-	-	-

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. There were no transfers between hierarchy levels during the year ended 31 March 2014.

Details of the determination of level 3 fair value measurements including the valuation technique adopted and the key underlying unobservable inputs used are set out in note 7.

The Fund has established a control framework with respect to measurement and assessment of fair values. This framework includes a sub-investment committee that has overall responsibility for analysing the performance and fair value movements of underlying US investment fund holdings during each reporting period.

CAPITAL MANAGEMENT

The Fund manages its capital to ensure it will be able to continue as a going concern while maximising the return to unitholders. The capital structure of the Fund consists of issued capital amounting to \$59,862,645. The Fund is not subject to any externally imposed capital requirements.

FINANCIAL RISK MANAGEMENT

Overview

The Fund is exposed to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (market price risk, foreign exchange risk and interest rate risk).

The Responsible Entity has overall responsibility for the establishment and oversight of the risk management framework, including developing and monitoring risk management policies.

a) Credit risk

Credit risk is the risk that contracting parties to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund manages credit risk by ensuring deposits are made with reputable financial institutions. The majority of funds at period end were deposited with Macquarie Bank Limited (Australia).

The carrying amount of financial assets that represents the maximum credit risk exposure at the end of reporting period are detailed below:

	2014	2013
	\$	\$
Summary of exposure		
Cash and cash equivalents	36,648,356	49,623,937
GST receivable	5,719	27,377
Interest receivable	8,447	11,341
	36,662,522	49,662,655

b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have

sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity primarily comprises cash at bank totalling \$36,648,356 at 31 March 2014 which is held to cover its day-to-day running costs and expenditures and to fund its capital commitments to the LP which total \$34,222,021 at balance date.

The following is the contractual maturity of financial liabilities and capital commitments. The table has been drawn based on the undiscounted cash flows of liabilities based on the earliest date on which the Fund can be required to settle the liability.

	Carrying amount	Less than 12 months	On call
	\$	\$	\$
31 March 2014			
Trade and other payables	59,539	59,539	-
Capital commitments*	34,222,021	-	34,222,021
	34,281,560	59,539	34,222,021

*LP commitments may be called at any time in the future up until the first to occur of the date the aggregate commitments have been invested, the fifth anniversary date after the first call or certain other specified termination events.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The Fund is primarily exposed to market risks arising from fluctuations in market price risk, foreign currency and interest rates. Refer to note 7 for further details of risks relating to equity prices.

i. Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency. Foreign exchange rate movements will impact on the Australian dollar value of the Fund's financial assets and liabilities denominated in a currency that is not the Fund's functional currency.

The Fund is exposed to USD foreign exchange risk through its USD denominated cash balances, its investment activities and income derived from these activities.

The table below details the carrying amounts of the Fund's foreign exchange risk as at the end of the reporting period. This represents the Australian dollar exposure, converted at an exchange rate of 0.9264.

	2014	2013
	\$	\$
Summary of exposure		
Cash and cash equivalents	34,305,465	46,875,295
Financial assets (equity investments)	26,475,585	9,182,309
	60,781,050	56,057,604

Sensitivity Analysis

The effect of the foreign exchange risk relating to equity investments (investment in private investment fund partnership) is recorded in profit or loss as part of the overall fair value movement in the investment (refer to note 7). The effect of foreign exchange risk relating to cash and cash equivalents is recorded in profit or loss as a foreign exchange gain or loss.

The Fund considers a 10% movement in the AUD against USD as at 31 March 2014 to be a reasonable possibility at the end of the reporting period. The impact of the strengthening and weakening of AUD against USD in profit or loss and equity is shown by the amounts below as it relates to cash and cash equivalents and equity investments. This analysis assumes that all other variables remain constant.

	2014	2013
	\$	\$
Cash and cash equivalents		
Effect on profit or loss before tax/equity		
+ 10% - Strengthening of AUD against USD	(3,118,679)	(4,261,390)
- 10% - Weakening of AUD against USD	3,811,718	5,208,366
Equity investments		
Effect on profit or loss before tax/equity		
+ 10% - Strengthening of AUD against USD	(2,406,871)	(834,755)
- 10% - Weakening of AUD against USD	2,941,732	1,020,257

ii. Interest Rate Risk

The Fund is exposed to interest rate risk on its variable rate bank deposits. The Fund currently does not hedge against this exposure.

Sensitivity Analysis

The Fund considers a 50 basis point increase or decrease to be a reasonably possible change in interest rates. The impact of a 50 basis point movement in interest rates on profit or loss and equity is shown in the table below.

	2014	2013
	\$	\$
Effect on profit or loss before tax/equity		
+0.50% (50 basis points)	183,242	248,120
-0.50% (50 basis points)	(183,242)	(248,120)

iii. Market Price Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to individual investments or factors affecting all instruments traded in the market.

Sensitivity Analysis

The Fund considers a 10% increase or decrease to be a reasonably possible change in market prices at the reporting date. The sensitivity analysis below reflects the Fund's proportionate exposure to market price risk of the underlying equity investments of the private investment partnership excluding any foreign exchange impact. The impact of a 10% movement in market prices (excluding foreign exchange impact) on profit or loss and equity is shown in the table below:

	2014	2013
	\$	\$
Effect on profit or loss before tax/equity		
+10% - price movement (excluding foreign exchange impact)	1,806,456	782,490
-10% - price movement (excluding foreign exchange impact)	(1,806,456)	(782,490)

12. Related party disclosures

KEY MANAGEMENT PERSONNEL

Daryl Dixon, Maximilian Walsh, Alan Dixon, Chris Brown, Alex MacLachlan, and Tristan O'Connell are directors of the Responsible Entity, Dixon Advisory & Superannuation Services Limited, as at balance date and are deemed to be key management personnel.

The key management personnel do not receive compensation from the Fund or from the Responsible Entity directly for their management function performed for the Fund.

As at 31 March 2014, details of directors who hold units for their own benefit or who have an interest in holdings through a third party and the total number of such units held are listed as follows:

Director	Balance at 31 March 2013	Received as compensation	Other changes	Balance at 31 March 2014
	No.	No.	No.	No.
Daryl Dixon	312,500	-	-	312,500
Maximillian Walsh	62,501	-	-	62,501
Alan Dixon	1,875,000	-	-	1,875,000
Chris Brown	-	-	-	-
Alex MacLachlan	18,750	-	-	18,750
Tristan O'Connell	6,250	-	-	6,250

¹ Effective 23 April 2014, the Responsible Entity of the Fund changed from Dixon Advisory & Superannuation Services Limited (DASS) to Walsh & Company Investment Limited (Walsh & Co.). Please refer to the Directors' Report and note 16 for details.

MANAGEMENT FEES

The Responsible Entity is entitled to receive a Responsible Entity and Administration Fee (in aggregate, referred to as management fees) for the performance of duties under the Fund's Constitution, of up to 2% per annum (exclusive of GST) on the gross asset value of the Fund. The current management fee charged by the Responsible Entity is 0.33% per annum (exclusive of GST). This is comprised of the Responsible Entity Fee of 0.08% per annum and Administration Fee 0.25% per annum. The Responsible Entity has no intentions currently to change these fees. Management fees are paid to the Responsible Entity monthly in advance.

The total management fees paid to the Responsible Entity for the year ended 31 March 2014 was \$213,063 (2013: \$139,333), exclusive of GST. There were no outstanding management fees as at 31 March 2014 (2013: nil).

FUND ADMINISTRATION FEES

Effective from 1 July 2013, Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of the Dixon Advisory Group Limited, the parent of the Responsible Entity, provides fund administration services to the Fund under an agreement with the Responsible Entity. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Time spent by administrative staff is charged to the Fund at agreed market derived rates.

Total fund administration fees paid or payable for the year ended 31 March 2014 were \$90,526 (2013: nil), exclusive of GST.

INVESTMENT MANAGER FEES

US Select Private Opportunities Fund, L.P. (**LP**), in which the Fund holds an 85.5% interest, is required to pay its Investment Manager, US Select Private Opportunities Fund, GP, being an entity associated with the Responsible Entity, for acting on behalf of the limited partnership to acquire, manage and transact on partnership interests within the scope of the limited partnership agreement, a fee equivalent to 2% per annum of the total funds committed by the partners to the LP. The fee is payable quarterly in advance from the funds of the LP. The total fees paid during the year amounted to \$1,491,239 (US\$1,391,392) (2013: \$1,001,578 (US\$1,043,544)). The Fund's 85.5% interest equates to \$1,275,009 (2013: \$856,349). This fee is recorded in the books of the LP.

US SELECT DIRECT PRIVATE EQUITY FUND (US), LP

At balance date, the Fund's share of the LP's investment in US Select Direct Private Equity Fund (**US**), LP was \$2,287,386 (US\$2,119,034) (2013: nil). The General Partner of this investment is associated with the Responsible Entity of the US Select Private Opportunities Fund. The LP's share of the investment management fees paid to the General Partner for the year ended 31 March 2014 amounted to \$104,431 (US\$97,439). The Fund's 85.5% interest equates to \$89,288 (US\$83,310).

ISSUE COSTS

The Responsible Entity was entitled to receive a Structuring & Arranging fee of 2% (exclusive of GST) and a Handling fee of 2% (exclusive of GST) (collectively referred to as issue costs) on the gross proceeds raised under the Replacement Product Disclosure Statement (RPDS) dated 29 June 2012. There were no issue costs paid to the Responsible Entity for the year ended 31 March 2014 (2013: \$2,496,878, exclusive of GST).

13. Remuneration of auditors

	2014	2013
	\$	\$
Audit & review services		
<i>Deloitte Touche Tohmatsu</i>		
Audit and review of financial reports	47,747	46,960
Other services		
<i>Deloitte Touche Tohmatsu</i>		
Taxation services	4,952	31,832
Other	-	5,000
	52,699	83,792

14. Capital commitments

Other than the capital commitments disclosed in note 7(v) to the financial statements, the Fund does not have any other capital commitments outstanding for the year ended 31 March 2014.

15. Contingent liabilities

The directors of the Responsible Entity are not aware of any potential liabilities or claims against the Fund as at balance date.

16. Events subsequent to the reporting period

Effective 23 April 2014, the Responsible Entity of the Fund changed from Dixon Advisory & Superannuation Services Limited (**DASS**) to Walsh & Company Investments Limited (**Walsh & Co.**). Walsh & Co., a related entity of DASS, is the Responsible Entity of three other registered managed investment schemes, including US Select Private Opportunities Fund II. On the same date, the manager of the assets of the Fund changed from DASS to Walsh & Company Asset Management Pty Limited. Walsh AM is also a member of the Dixon Advisory Group Limited, the parent company of DASS and Walsh & Co. Walsh AM utilises the same resources of the Dixon Advisory Group Limited as available to DASS to manage the Fund. There was no change in the fee structure for the change in the Responsible Entity and Manager.

Other than the matters discussed above, there were no other matters or circumstances that have arisen since the end of the financial period that will significantly affect the entity's operations, the result of those operations or the state of affairs in future financial years.

DIRECTORS' DECLARATION

For the year end 31 March 2014

In the opinion of the directors of the Responsible Entity:

- a) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- b) the financial statements are in compliance with the International Financial Reporting Standards as stated in the notes to the financial statements;
- c) the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund; and
- d) the directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

The directors of the Responsible Entity have declared that:

- a) financial records of the Fund for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- b) the financial statements, and notes for the financial year comply with the Accounting standards; and
- c) the financial statements and notes for the financial year give a true and fair view.

This declaration is made in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors,



Alex MacLachlan

Director

Date: 28 May 2014

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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Independent Auditor's Report to the Unitholders of US Select Private Opportunities Fund

We have audited the accompanying financial report of US Select Private Opportunities Fund ('the Fund'), which comprises the statement of financial position as at 31 March 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Fund as set out on pages 24 to 53.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of US Select Private Opportunities Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of US Select Private Opportunities Fund is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Fund's financial position as at 31 March 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 28 May 2014

ADDITIONAL SECURITIES EXCHANGE DISCLOSURE

As at 30 April 2014

Statement of quoted securities

1. 39,013,716 fully paid ordinary units on issue are held by 1,633 unitholders.
2. The 20 largest unitholders hold 10.67% of the total units on issue between them.

Each ordinary unit is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Substantial Unitholders

There are no substantial unitholders pursuant to the provisions of section 671B of the *Corporations Act 2001*.

Restricted Securities

There are no restricted securities issued by the Fund.

Distribution of unitholders

Category (size of holding)	Number of unitholders
1-1,000	1
1,001-5,000	103
5,001-10,000	315
10,001-100,000	1,195
100,001-and over	19
Total	1,633

Transactions

There were no transactions in securities during the reporting period.

Top 20 largest holders of units

Unitholder name	Number of Units held	Percentage of Total (%)
Mr White Pension Fund A/C	937,500	2.40%
Kate Dixon Pension Fund A/C	368,750	0.95%
Dixon Family S/F A/C	312,500	0.80%
Mr Orange Pty Limited	256,250	0.66%
James Yates Medical S/F A/C	221,875	0.57%
Rosebank Staff S/F A/C	190,625	0.49%
CIMS Retirement Fund A/C	156,250	0.40%
John G King S/F A/C	137,500	0.35%
Diwbheb Super Fund A/C	128,125	0.33%
E & E Shaw Super Fund A/C	128,125	0.33%
Aristides Family A/C	125,000	0.32%
S Dykes & R Maguire S/F A/C	125,000	0.32%
The Gallery Super Fund A/C	125,000	0.32%
Riverbank Unit A/C	125,000	0.32%
The Morton Super Fund A/C	109,375	0.28%
Devabalini Super Fund A/C	106,250	0.27%
E Cowan Super Fund A/C	103,125	0.26%
Heywood Family S/F Account	103,125	0.26%
Tim Higgins S/F A/C	103,125	0.26%
L & S Dunlop Super Fund A/C	100,000	0.26%
Michael Thomas S/F A/C	100,000	0.26%
Mr Mango Pty Ltd	100,000	0.26%
Total	4,162,500	10.67%

Limited Partnership Agreement

US Select Private Opportunities Fund GP, LLC (Investment Manager), Cordish Private Ventures and the Responsible Entity of US Select Private Opportunities Fund (**Fund**), have established an exempted limited partnership, US Select Private Opportunities Fund, L.P. (**LP**), in the Cayman Islands for the purposes of acquiring, directly or indirectly, and dealing with, interests in private investment funds and interests in privately held companies.

Under the terms of the agreement, the Fund, as a limited partner, has agreed to make capital contributions towards the acquisition of investments, as directed by the Investment Manager, up to a maximum contribution amount. The limited partners are permitted to satisfy all, or any, of their outstanding capital commitment by making an in-kind contribution of a portfolio investment with the written consent of the other partners. The in-kind contribution will be credited to the account of the contributing partner in an amount equal to the fair market value of the contributions as at the date of the contribution. The Fund will make all further capital contributions until such time as the capital contributions of both parties equate to the relevant pro rata proportion required.

Under the LP Agreement, it is an event of default to fail to make a capital contribution when due and different consequences may result from an event of default, including (among others) interest being payable on overdue amounts, loss of voting rights or, at the discretion of the Investment Manager, forfeiture of distributions and a 50% reduction in the defaulting partner's capital account (with such amounts to be distributed to the remaining partners in their pro rata proportions).

The Investment Manager must ensure that distributions are made on an annual basis (or more frequently, if so determined by the Investment Manager) in connection with a disposal, interest or other income realised from an investment or income from temporary investments.

In consideration for managing the LP and its investments, the Investment Manager is entitled to an investment management fee of an amount equal to 2% of the aggregate capital commitments made by the partners to the LP which will be payable quarterly in advance for a period of 10 years.

Cordish Private Ventures and the Fund are prohibited from withdrawing from the LP or otherwise disposing of their interest in the LP in any circumstances without the consent of the Investment Manager. The Investment Manager in turn must obtain the consent of the other limited partner prior to effecting such disposal or transfer. The Investment Manager may not withdraw from the LP, resign as general partner or otherwise dispose of its interest in the LP in any circumstances without the consent of the limited partners.

The LP will be dissolved upon the occurrence of certain termination events, which include (among others), the last business day of the fiscal year in which all investments have been disposed of or where the LP is no longer subject to any funding obligations in respect of investments or management fees. The Investment Manager may terminate or wind up the LP with the consent of all limited partners. As a limited partner, the Responsible Entity does not have the ability to amend the LP Agreement in a material respect, or require early termination or wind up of the LP without the consent of all other partners.

