

**US
SELECT
PRIVATE
OPPORTUNITIES
FUND**

Annual Financial Report

FOR THE YEAR ENDED
31 MARCH 2016

ARSN 158 625 284

RESPONSIBLE ENTITY

WALSH & COMPANY

INVESTMENTS LIMITED

Walsh & Company
Investments Limited

(ACN 152 367 649) (AFSL 410 433)

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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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Report to Unitholders

For the year ended 31 March 2016

Dear Unitholders,

It is my pleasure to present to you our Annual Report for US Select Private Opportunities Fund (**the Fund**) for the financial period ended 31 March 2016 (**FY16**). The Fund posted a net profit of \$3.9 million or 10.01 cents per Unit in FY16 and announced its maiden distribution of 10 cents per Unit on 12 February 2016. The Fund's net assets were \$2.09 per Unit as at 31 March 2016, representing a gain of 4.8% for the year inclusive of distribution.

Since inception, the Fund's strategy has been to invest in a portfolio of best-in-class private investment partnerships that primarily focus on acquiring controlling interests in small operating businesses in the United States (**US**). At 31 March 2016, through US Select Private Opportunities Fund, L.P. (**LP**), the Fund has investments in nine highly attractive US small-to-medium-sized private investment funds with total commitments of US\$69.8 million, with the Fund's proportionate share being approximately US\$59.7 million (an 85.5% share). Of the capital committed to the LP, US\$52.5 million, or 75.5% has now been called.

The Fund through its managers have made good progress in deploying the committed capital. During FY16, the LP called US\$5.0 million of capital as the managers of our underlying funds made 17 new investments and meaningful progress in implementing their plans. At 31 March 2016, the Fund's portfolio consisted of exposure to 69 companies. Three of our underlying fund managers, Encore Consumer Capital Fund II, L.P., KarpReilly Capital Partners II, L.P., and Peppertree Capital Fund IV, L.P., have completed their platform investments and have called the majority of their committed capital. We expect DFW Capital Partners IV, L.P., Incline Equity Partners III, L.P., and FPC Small Cap Fund I, L.P. to complete their final investments in 2016, and Trivest Fund V, L.P. and U.S. Select Direct Private Equity (US), L.P. are anticipated to be substantially invested by the middle of 2017. Pleasingly, given most funds are provided five years to complete their investment periods, all of our underlying fund managers are well ahead of schedule and are now fully into the company-building and execution stages for their funds. Given current developments at the Fund, we expect to announce at least one distribution in the year ahead.

As an asset class, private equity has performed solidly over recent years. As confirmed in a recent study by industry research firm Preqin, private equity continues to generate superior net returns compared with other asset classes over the longer term. Momentum is positive and we believe the outlook for private equity over the remainder of 2016, and specifically our portfolio, is bright.

The US economy continued to provide a tailwind with gross domestic product (**GDP**) increasing 2.4% in 2015, the same rate as in 2014. Encouragingly, US companies continued to hire workers at a healthy rate and consumer spending remained strong. During the year, the Fund made a profit of \$3.9 million which followed a \$18.3 million profit in 2015. The key component of this result was a \$4.8 million fair value movement gain on the Fund's investment in the LP. As at 31 March 2016, the Fund had net assets of \$81.3 million.

I would like to thank fellow board members of the Responsible Entity, the Advisory Board and the Investment Management team 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,



Alex MacLachlan

Chairman of the Responsible Entity

26 May 2016

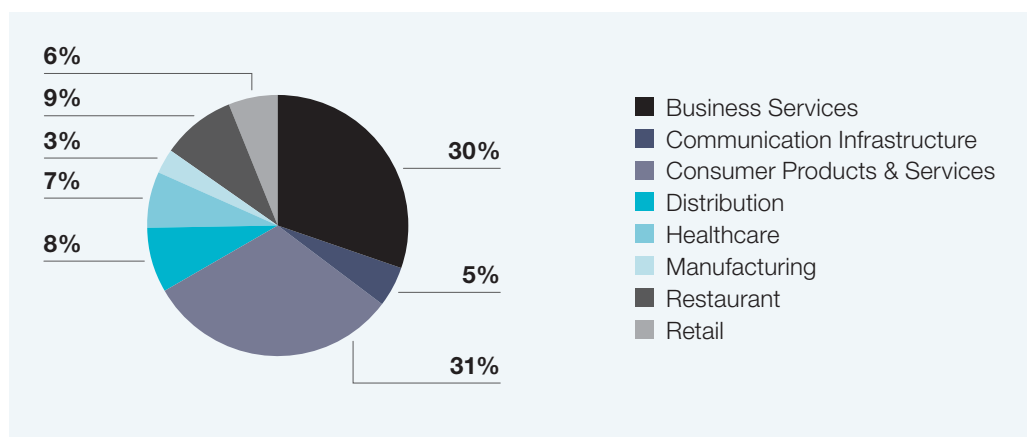
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Manager's Report

For the year ended 31 March 2016

At year end, the LP had US\$69.8 million of total capital commitments to nine underlying investment partners. During FY16, these managers made 17 new investments (excludes add-ons for existing investments). A current snapshot of the portfolio by industry exposure is shown below.



DFW Capital Partners IV, L.P.

Over FY16, DFW continued to perform well above expectations. It completed two new platform investments, Pediatric Therapy Investors and Superior Controls. Pediatric Therapy Investors is a multi-discipline pediatric therapy company providing physical, occupational, and speech/language therapy to children. Superior Controls is the Northeast US's leading provider of mission-critical systems integration and automation services primarily to the fast-growing biotechnology industry. All six of DFW's underlying companies are valued above cost and continue to make excellent progress creating value, with the most significant gain being DFW's investment in Sebela Pharmaceuticals. In August 2015, Sebela sold one of its assets, Miacalcin, to a large public pharmaceutical company for a substantial gain and made a special distribution to its equity owners.

Encore Consumer Capital Fund II, L.P.

Encore completed three new investments in FY16. In April 2015, Encore acquired an investment in Navitas, LLC, a California-based processor and marketer of branded, sustainably sourced, organic, superfood ingredients. Encore completed an investment in Fantasy Cookie, a leading private label and contract manufacturer of premium, innovative cookie products, in June 2015. During the third quarter, Encore purchased Caterina Foods, a manufacturer of a wide range of shelf-stable pasta products for branded food companies.

FPC Small Cap Fund I, L.P.

While Fort Point Capital (**FPC**) did not complete any acquisitions in FY16, it did complete a successful sale of EPM to a large European engineering firm.

Incline Equity Partners III, L.P.

Incline had a great year, completing one new platform investment. During FY16, Incline acquired Rotating Machinery Services, a leading provider of repair and remanufacturing services for heavy rotating equipment used in a variety of industrial end-markets, including oil and gas refining steel, chemicals and natural gas transmission.

KarpReilly Capital Partners II, L.P.

KarpReilly made four new investments over the period. In May 2015, KarpReilly invested in Eureka Restaurant Group, a 15 unit restaurant concept centered around a chef-driven menu with premium ingredients which features a wide selection of all-natural burgers, gourmet salads and sandwiches. In July 2015, KarpReilly closed two deals: providing a minority investment into Fitlife Foods, an innovative prepared foods retailer; and buying a majority control of Taylor Gourmet, a 10 unit fast casual sandwich chain based in Washington, D.C. KarpReilly made an investment into Salt & Straw, a chef-driven, small batch and hand crafted ice cream concept based in Portland, Oregon, in December 2015.

Peppertree Capital Fund IV, L.P.

Peppertree's strategy is to partner with experienced operators and developers of telecom infrastructure assets and provide those partners with equity capital to build towers. Most of the portfolio companies are groups that Peppertree has known for a number of years and has successfully partnered with in prior funds. In FY16, Peppertree invested ~40% of its capital and is building value across the portfolio. We are confident in its investment thesis as cellular data usage for smartphones and tablets continues to increase substantially and the demand for additional towers is evident. Currently, Peppertree's 13 portfolio companies have built or acquired 1,038 towers across the US and additionally have approximately 1,000 towers under development.

Prometheus Partners IV, L.P.

During 2015, Prometheus sold its remaining assets in IHOP restaurants and distributed proceeds back to the LP. The Fund now has only an immaterial exposure to Prometheus.

Trivest Fund V, L.P.

FY16 proved to be another active year for Trivest, with the firm investing in three new companies. In June 2015, Trivest invested in Xpress Retail, the fastest growing self-service movie rental kiosk operator and the second largest player in the United States. This was followed by investments in both PeopleShare, the fastest growing and one of the largest providers of temporary staffing and outsourced HR services in the Northeast US, and IDMWorke, a top identity and access management consultancy service provider. In February 2016, Trivest sold North Star Seafood to Sysco Corporation.

U.S. Select Direct Private Equity Fund, LP

US Select Direct had another busy year. In May 2015, the firm sold its interest in La Colombe Torrefaction to renowned food entrepreneur Hamdi Ulukaya, the founder of Chobani Yogurt. In August 2015, Sebela sold one of its assets, Miacalcin, to a large public pharmaceutical company for a substantial gain and made a special distribution to its equity owners. US Select Direct also invested in four new platforms during the period. In December 2015, CPF Senior Living Holdings was acquired, a platform of senior living facilities and a management company. US Select Direct invested in Cyara Solutions Corp in January, a provider of the market-leading Omni-channel discovery, testing and monitoring platform which helps enterprises accelerate the delivery of flawless customer experience at scale. In February 2016, an investment was made in EagleRider, the leading global motorcycle experience company specialising in Harley-Davidson, Indian, BMW, Honda and Triumph motorcycle tours, rentals, sales and service. In March 2016, US Select Direct invested in J. America, a leading designer and distributor of decorated and blank apparel and headwear to major retail and wholesale accounts across the United States.

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Corporate Governance Statement

For the year ended 31 March 2016

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 are managed by Walsh & Company Investments Limited (**Walsh & Co.**), as Responsible Entity of the Fund, and US Select Private Opportunities Fund, GP, in accordance with the relevant management agreements.

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 usselectprivateopportunitiesfund.com.au.

A description of the Fund's adopted practices in respect of the eight Principles and Recommendations from the 3rd Edition of 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.

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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 and monitoring the Fund's performance;
- overseeing the Manager's implementation of the Fund's strategic directives;
- 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;
- overseeing the integrity of the Fund's accounting and corporate reporting systems, including the external audit;
- 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*;
- overseeing the Fund's process for making timely and balanced disclosures of all material information concerning the Fund; 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 at the date of this report are:

- Alex MacLachlan
- Tristan O'Connell
- Tom Kline

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 current Board is not independent. The Board, however, has established a Compliance Committee with a majority of independent Members who are responsible for monitoring the extent to which the Responsible Entity complies with the Fund's constitution, compliance plan and any relevant regulations. The Committee must provide a report to the Board at least on a quarterly basis and report to ASIC if it is of the view that the Responsible Entity has not complied with the constitution, compliance plan or any relevant regulations.

The Fund recognises the ASX Recommendations with respect to establishing remuneration, audit, risk 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 structure of the Group, 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 practice.

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.

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 the 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 10)

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, governance, activities and state of affairs. Each unitholder is also provided online access to the Registry to allow them to receive communications from, and send communication to, the Responsible Entity and the Registry. This also 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
- quarterly 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. Unitholders who are unable to attend the general meeting are given the opportunity to provide questions or comments ahead of the meeting and where appropriate, these questions are answered at the meeting.

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.

In order to evaluate and continually improve the effectiveness of its risk management and internal control processes, the Responsible Entity has adopted a set of Risk Management Guidelines for the Fund. The Board conducts an annual review of the Fund's Risk Management Guideline to satisfy itself that the Risk Management framework continues to be sound. The last review took place on 25 November 2015.

The Fund does not have a material exposure to sustainability risks.

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 provides declarations required by Section 295A of the *Corporations Act 2001* for all financial periods and confirms that in its opinion the financial records of the Fund have been properly maintained and that the financial statements and accompanying notes comply with the Accounting Standards and give a true and fair view of the financial position and performance of the Fund, based on its review of the internal control systems, management of risk, the financial statements and the letter from the Fund's external auditor.

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.

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Directors' Report

For the year ended 31 March 2016

The directors of Walsh & Company Investments Limited (**Walsh & Co.**), the Responsible Entity of the US Select Private Opportunities Fund (**the Fund**), present their report together with the annual financial statements of the Fund for the financial year ended 31 March 2016.

Directors

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

- Alex MacLachlan
- Tristan O'Connell
- Tom Kline

Information on the directors:



Alex MacLachlan

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

Alex joined Dixon Advisory in 2008 to lead the Funds Management division. He is currently the CEO of Walsh and Company, the Funds Management division of Dixon Advisory 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 (since 2009)
- Australian Masters Corporate Bond Fund No 4 Limited (since 2008, delisted 14 January 2013)
- Australian Masters Corporate Bond Fund No 5 Limited (since 2009)
- Australian Masters Yield Fund No 1 Limited (since 2010)
- Australian Masters Yield Fund No 2 Limited (since 2010)
- Australian Masters Yield Fund No 3 Limited (since 2011)
- Australian Masters Yield Fund No 4 Limited (since 2011)
- Australian Masters Yield Fund No 5 Limited (since 2012)
- Emerging Markets Masters Fund (since 2012)
- Global Resource Masters Fund Limited (since 2008, delisted 11 March 2016)
- US Masters Residential Property Fund (since 2011)
- US Select Private Opportunities Fund II (since 2013)



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 for US Masters Residential Property Fund, Australian Property Opportunities Fund, Australian Property Opportunities Fund II, Emerging Markets Masters Fund, US Select Private Opportunities Fund II and New Energy Solar Fund. Tristan also serves as a director of the New Energy Solar Limited. 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 (since 2012)
- US Masters Residential Property Fund (since 2011)
- US Select Private Opportunities Fund II (since 2013)



Tom Kline

Tom Kline is the Chief Operating Officer of Walsh and Company, 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, New Energy Solar Limited and Fort Street Real Estate Capital, and of the Responsible Entity for Emerging Markets Masters Fund, Australian Property Opportunities Fund, Australian Property Opportunities Fund II, US Select Private Opportunities Fund II, US Masters Residential Property Fund and New Energy Solar Fund.

Before Dixon Advisory, Tom worked in the Investment Banking division 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:

- Australian Masters Yield Fund No 4 Limited (since 2012)
- Australian Masters Yield Fund No 5 Limited (since 2012)
- Emerging Markets Masters Fund (since 2012)
- US Masters Residential Property Fund (since 2015)
- US Select Private Opportunities Fund II (since 2013)

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.

Distributions

Distributions paid during the financial year were as follows:

	2016	2015
	\$	\$
Distribution – 10 cents per unit paid on 31 March 2016	3,901,372	–

Review and results of operations

The profit for the Fund after providing for income tax amounted to \$3,906,141 (2015: \$18,276,049).

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 2016, these underlying private investment funds made drawdown requests on the LP to fund their 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 US\$46.6 million.

The Fund has committed capital of 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 2016 was US\$44.9 million (or \$58.6 million).

Total comprehensive income for the year was \$3,906,141 (2015: \$18,276,049). The key components of this result included a foreign exchange gain of \$275,099 (2015: \$6,999,788) relating to translation of US denominated cash funds held during the year, and a \$4,791,888 fair value movement gain (2015: \$11,778,764) incurred on the Fund's investment in the LP during the year. As at 31 March 2016, the Fund had net assets of \$81,349,069 (2015: \$81,344,300), representing \$2.09 per unit (2015: \$2.09 per unit).

The Fund had a basic and diluted profit per unit of 10.01 cents for the year ended 31 March 2016 (2015: 46.85 cents profit per unit).

Events subsequent to the reporting period

No matter or circumstance has arisen since 31 March 2016 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Future developments and expected results of operations

The Fund has committed capital to the LP to fund nine underlying private investment fund investments 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.

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.

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 18 to the financial statements;
- the Responsible Entity did not hold any interests in the Fund at the end of the financial year; and
- details of issued interests in the Fund during the financial year – refer to note 7 to the financial statements.

Options

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

Indemnity 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

Details of the amounts paid or payable to the auditor, Deloitte Touche Tohmatsu, for non-audit services are outlined in note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (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 2001*.

The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

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

On behalf of the directors



Alex MacLachlan

Director

26 May 2016

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Auditor's Independence Declaration

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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

26 May 2016

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 2016, 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 2016

		2016	2015
	NOTE	\$	\$
Revenue	4	111,027	99,627
Foreign exchange gain		275,099	6,999,788
Fair value movements of equity investments	11	4,791,888	11,778,764
Expenses			
Management and administration fees	18	(393,122)	(379,238)
Listing fees		(45,345)	(40,668)
Accounting and audit fees		(92,210)	(75,332)
Custody fees		(28,518)	(4,624)
Share registry fees		(15,094)	(18,111)
Legal, compliance costs and due diligence		(97,797)	(75,672)
Other expenses		(27,968)	(8,485)
Profit before income tax expense		4,477,960	18,276,049
Income tax expense	5	(571,819)	–
Profit after income tax expense for the year		3,906,141	18,276,049
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		3,906,141	18,276,049

	NOTE	CENTS	CENTS
Basic earnings per unit	6	10.01	46.85
Diluted earnings per unit	6	10.01	46.85

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 March 2016

		2016	2015
	NOTE	\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	8	21,426,459	26,887,022
Receivables	10	31,300	14,120
Prepayments		9,922	8,938
Total current assets		21,467,681	26,910,080
<i>Non-current assets</i>			
Other financial assets	11	60,648,614	54,639,172
Total non-current assets		60,648,614	54,639,172
Total assets		82,116,295	81,549,252
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	12	197,763	204,952
Total current liabilities		197,763	204,952
<i>Non-current liabilities</i>			
Deferred tax	13	569,463	–
Total non-current liabilities		569,463	–
Total liabilities		767,226	204,952
Net assets		81,349,069	81,344,300
Equity			
Unit capital	7	59,862,645	59,862,645
Retained profits		21,486,424	21,481,655
Total equity		81,349,069	81,344,300

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 March 2016

	UNIT CAPITAL	(ACCUMULATED LOSSES)/ RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$
Balance at 1 April 2014	59,862,645	3,205,606	63,068,251
Profit after income tax expense for the year	–	18,276,049	18,276,049
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	18,276,049	18,276,049
Balance at 31 March 2015	59,862,645	21,481,655	81,344,300
Balance at 1 April 2015	59,862,645	21,481,655	81,344,300
Profit after income tax expense for the year	–	3,906,141	3,906,141
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	3,906,141	3,906,141
<i>Transactions with owners in their capacity as owners:</i>			
Distributions paid (note 14)	–	(3,901,372)	(3,901,372)
Balance at 31 March 2016	59,862,645	21,486,424	81,349,069

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 March 2016

		2016	2015
	NOTE	\$	\$
Cash flows from operating activities			
Interest income received		102,598	99,878
Net payments to suppliers		(752,967)	(476,177)
Income tax paid		(2,356)	–
Net cash used in operating activities	9	(652,725)	(376,299)
Cash flows from investing activities			
Payment for investments		(6,046,803)	(16,384,823)
Receipts from distributions		4,829,249	–
Net cash used in investing activities		(1,217,554)	(16,384,823)
Cash flows from financing activities			
Payment for distribution		(3,865,383)	–
Net cash used in financing activities		(3,865,383)	–
Net decrease in cash and cash equivalents		(5,735,662)	(16,761,122)
Cash and cash equivalents at the beginning of the financial year		26,887,022	36,648,356
Effects of exchange rate changes on cash and cash equivalents		275,099	6,999,788
Cash and cash equivalents at the end of the financial year	8	21,426,459	26,887,022

The above statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

For the year ended 31 March 2016

1. 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.

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 Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

The financial statements were authorised for issue by the directors on 26 May 2016. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

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 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010 – 2012 and 2011 – 2013 Cycles)

No new or revised Standards and Interpretations effective for the current year are considered to materially impact the Fund.

Accounting Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The potential impact of the new or revised Standards and Interpretations has not yet been determined, but is not expected to be material.

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 March 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' and 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15'	1 January 2018	31 March 2019
AASB 16 Leases	1 January 2019	31 March 2020
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	31 March 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 March 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	31 March 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2018	31 March 2019

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 March 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 March 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	31 March 2017
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	31 March 2017
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	31 March 2017
AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs'	1 January 2016	31 March 2017
AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2016	31 March 2017

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue, but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017	31 March 2018
Disclosure Initiative (Amendments to IAS 7)	1 January 2017	31 March 2018

2. 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. This is based on an assessment that the primary economic environment in which the Fund operates is Australia.

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 early adopted AASB 9 Financial Instruments, which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets. The revised standard was adopted from the establishment of the Fund in 2012. The Fund has not early adopted subsequent amendments to AASB 9 issued in 2010 and 2013.

(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:

1. where a financial asset is held within a business model for the objective to collect contractual cash flows; and
2. 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 Limited 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. Derivative liabilities are subsequently measured at fair value.

(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. The unlisted partnership investment held by the Fund is valued using a 'proportionate' value method based on the proportion of the total net asset value of the partnership in which the Fund has an interest at balance date.

c) Interest in Limited 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 a financial asset which is recorded at fair value (refer to note 2(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.

Distributions of capital or income received from the LP are recorded against the investment account, reflecting the fact that such amounts would previously have been included in the investment account either through capital contributions made or through fair value movements recognised in respect of unrealised capital or operating profits relating to the underlying investments.

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 Limited 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 it is not a corporate unit trust or public trading trust and its distributable income for each income year is fully distributed to security holders, by way of cash or reinvestment.

The Fund may be liable to pay income tax in the United States of America (**USA**) dependent on the structure of private investment funds in which the Limited Partnership invests and in turn the structure of the underlying investments made by the private investment funds. Rates of tax will vary dependant on the source of income derived.

A deferred tax liability is recognised (at the likely rate of tax in the USA) based on the difference between the fair value and tax cost base of certain underlying investments in respect of which an economic interest is held by the Fund and on which income tax will be payable in the USA on realisation of such investments.

(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.

(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.

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 'financial asset' classification of the interest held by the Fund in the Limited Partnership (refer note 11 (iii)), fair value determination of the interest held by the Fund in the Limited Partnership (refer note 11 (iv)), recognition of a deferred tax liability in respect of likely USA tax obligations which will arise from underlying fund investment realisations (refer note 13), and selection of Australian dollars as the functional currency of the Fund (refer note 2 (a)).

3. 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.

4. Revenue

	2016	2015
	\$	\$
Interest income	111,027	99,627

5. Income tax expense

	2016	2015
	\$	\$
Income tax expense		
Current tax	2,356	–
Deferred tax:		
– In respect of current year	363,761	–
– In respect of prior years	205,702	–
Aggregate income tax expense	571,819	–

Numerical reconciliation of income tax expense and tax at the statutory rate

Profit before income tax expense	4,477,960	18,276,049
Tax at the statutory Australian tax rate of 30%	1,343,388	5,482,815
Tax effect amounts which are not deductible/ (taxable) in calculating taxable income:		
– Income and expenditure of Australian trust not subject to Australian tax	(1,343,388)	(5,482,815)
– Other income subject to USA taxation	2,356	–
– Current year fair value movement likely to be subject to USA taxation on realisation at 35%	363,761	–
– Prior years fair value movement likely to be subject to USA taxation on realisation at 35%	205,702	–
Income tax expense	571,819	–

6. Earnings per unit

	2016	2015
	\$	\$
Profit after income tax attributable to the owners of US Select Private Opportunities Fund	3,906,141	18,276,049
	NUMBER	NUMBER
Weighted average number of ordinary units used in calculating basic earnings per unit	39,013,716	39,013,716
Weighted average number of ordinary units used in calculating diluted earnings per unit	39,013,716	39,013,716
	CENTS	CENTS
Basic earnings per unit	10.01	46.85
Diluted earnings per unit	10.01	46.85

There are no adjustments on the basic earnings per unit for the calculation of diluted earnings per unit and there are no transactions that would significantly change the number of ordinary units at the end of the reporting period.

7. Equity – unit capital

	2016	2015	2016	2015
	UNITS	UNITS	\$	\$
Ordinary units – fully paid	39,013,716	39,013,716	59,862,645	59,862,645

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.

There were no movements in unit capital during the year and previous year.

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.

8. Current assets – cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank	21,426,459	26,887,022

The exposure to interest rate risk and a sensitivity analysis is disclosed in note 15 to the financial statements.

9. Reconciliation of profit after income tax to net cash used in operating activities

	2016	2015
	\$	\$
Profit after income tax expense for the year	3,906,141	18,276,049
Adjustments for:		
– Fair value movements of equity investments	(4,791,888)	(11,778,764)
– Net foreign exchange gain	(275,099)	(6,999,788)
Change in operating assets and liabilities:		
– (Increase) / decrease in receivables	(17,180)	46
– (Increase) in prepayments	(984)	(679)
– (Decrease) / increase in payables	(43,178)	126,837
– Increase in deferred tax liabilities	569,463	–
Net cash used in operating activities	(652,725)	(376,299)

10. Current assets – receivables

	2016	2015
	\$	\$
Interest receivable	16,625	8,196
GST receivable	14,675	5,924
	31,300	14,120

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.

11. Non-current assets – other financial assets

(i) Equity investment constituting interest in Limited Partnership – at fair value:

	2016	2015
	\$	\$
US Select Private Opportunities Fund, L.P. (LP)	60,648,614	54,639,172

	2016	2015
	\$	\$

(ii) Reconciliation

Balance at the beginning of the year	54,639,172	26,475,585
Capital invested – at cost	6,046,803	16,384,823
Movement in fair value through profit or loss*	4,791,888	11,778,764
Distributions received from LP	(4,829,249)	–
Balance at the end of the year	60,648,614	54,639,172

* Included in the 'movement in fair value' amount of \$4,791,888 (2015: \$11,778,764) is an unrealised foreign exchange translation loss component of \$449,965 (2015: \$6,246,837 gain). This amount is also net of the Fund's 85.5% share of management fees paid by the LP to the General Partner of the LP, totalling \$1,614,993 (2015: \$1,359,137) (refer to note 18).

(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, 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. (**LP**) at 31 March 2016 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	2016	2015
	\$	\$
Cash	4,064,593	12,183,234
Investment in US private investment funds recorded at fair value:		
– DFW Capital Partners IV LP	6,889,458	4,384,340
– Encore Consumer Capital II LP	11,100,287	8,277,028
– FPC Small Cap Fund I LP	1,758,545	1,895,088
– Incline Equity Partners III LP	6,179,323	4,823,151
– KarpReily Capital Partners II LP	9,462,150	4,792,091
– Peppertree Capital Fund IV LP	2,785,713	997,519
– Prometheus Partners IV LP	119,039	2,780,798
– Trivest Fund V LP	5,516,722	3,659,967
– US Select Direct Private Equity Fund (US) LP	12,785,997	10,845,956
Due to Incline Equity Partners III LP	(13,213)	–
Net assets*	60,648,614	54,639,172

* Net assets of \$60,648,614 (2015: \$54,639,172) are comprised of cash balances totalling \$4,064,593 (2015: \$12,183,234), investments in US private investment funds of \$56,597,234 (2015: \$42,455,938) and amounts due to Incline Equity Partners III LP of \$13,213 (2015: nil).

(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 most recent reported total net asset values of the respective investment funds. There is up to a three month difference between the Fund's reporting date and the date of the most recent reported net assets of the investment funds. The investment funds themselves invest typically in US unlisted equity investments, the fair values 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 15 for Market Risk sensitivity analysis.

Investment risks

As noted above, the LP has invested in underlying private investment funds in the US market who have in turn invested in a portfolio of private equity investments. 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 fair values assigned by the investment funds are based on a range of factors, including but not limited to the price at which the investments were acquired, the nature of the investments, private and public company comparables used to determine enterprise value, and other techniques using unobservable market inputs such as price/earnings multiples and discounted cash flow models. As such, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. These differences would directly impact the value of the interest held by the LP in the underlying investment funds and consequently the value of the interest held by the Fund in the LP. In addition, further investment valuation uncertainty arises as a result of a time lag of up to three months between the Fund's reporting date and the date of the most recent reported net assets of the private investment funds. Estimation uncertainty also arises in relation to likely US tax obligations the Fund will incur in connection with realisation of recorded fair value movements (refer note 13).

(v) Capital commitments

As at 31 March 2016, the Fund has made capital commitments totalling US\$59.5 million to the LP, of which US\$44.9 million has been called at balance date.

As at 31 March 2016, the Fund has uncalled capital commitments of US\$14.6 million (or \$19.1 million) outstanding to the LP. The capital commitments can be called at any time in the future.

The uncalled capital commitments referred to above were converted at the year-end exchange rate of 0.7657.

12. Current liabilities – trade and other payables

	2016	2015
	\$	\$
Trade creditors	37,110	54,052
Accrued liabilities	120,900	150,900
Other payables	39,753	–
	197,763	204,952

Refer to note 15 for further information on financial instruments.

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.

13. Non-current liabilities – deferred tax

	2016	2015
	\$	\$
Deferred tax liability	569,463	–

The deferred tax liability has been assessed based on an estimate of likely US tax obligations the Fund will incur upon realisation of recorded fair value movements in connection with certain underlying private equity investments. This estimate is subject to estimation uncertainty as a result of limitations in the availability of information pertaining to the tax structure of the underlying investments in respect of which the Fund has an interest.

14. Equity – distributions

Distributions paid during the financial year were as follows:

	2016	2015
	\$	\$
Distribution – 10 cents per unit paid on 31 March 2016	3,901,372	–

15. Financial instruments

Financial risk management objectives

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

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

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

i) 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 11 for further details of risks relating to equity prices.

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 0.7657.

	ASSETS		LIABILITIES	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash and cash equivalents	19,278,348	24,967,589	-	-
Financial assets (equity investments)	60,648,614	54,639,172	-	-
	79,926,962	79,606,761	-	-

Sensitivity analysis

The effect of the foreign exchange risk relating to equity investments (investment in the Limited Partnership) is recorded in profit or loss as part of the overall fair value movement in the investment (refer to note 11). 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 2016 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.

	AUD STRENGTHENED			AUD WEAKENED		
	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
2016						
Cash and cash equivalents	10%	(1,752,577)	(1,752,577)	(10%)	2,142,039	2,142,039
Equity investments	10%	(5,513,510)	(5,513,510)	(10%)	6,738,735	6,738,735
		(7,266,087)	(7,266,087)		8,880,774	8,880,774

	AUD STRENGTHENED			AUD WEAKENED		
	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
2015						
Cash and cash equivalents	10%	(2,269,781)	(2,269,781)	(10%)	2,774,177	2,774,177
Equity investments	10%	(4,967,197)	(4,967,197)	(10%)	6,071,019	6,071,019
		(7,236,978)	(7,236,978)		8,845,196	8,845,196

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:

	AVERAGE PRICE INCREASE			AVERAGE PRICE DECREASE		
	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
2016						
Equity investments	10%	5,659,724	5,659,724	(10%)	(5,659,724)	(5,659,724)

	AVERAGE PRICE INCREASE			AVERAGE PRICE DECREASE		
	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
2015						
Equity investments	10%	4,245,594	4,245,594	(10%)	(4,245,594)	(4,245,594)

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.

	BASIS POINTS INCREASE			BASIS POINTS DECREASE		
	BASIS POINTS CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	BASIS POINTS CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
2016						
Variable rate bank deposits	50	107,132	107,132	(50)	(107,132)	(107,132)

	BASIS POINTS INCREASE			BASIS POINTS DECREASE		
	BASIS POINTS CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	BASIS POINTS CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
2015						
Variable rate bank deposits	50	134,435	134,435	(50)	(134,435)	(134,435)

ii) 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 year 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:

	2016	2015
	\$	\$
Summary of exposure		
Cash and cash equivalents	21,426,459	26,887,022
GST receivable	14,675	5,924
Interest receivable	16,625	8,196
	21,457,759	26,901,142

iii) 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 \$21,426,459 at 31 March 2016 which is held to cover its day-to-day running costs and expenditures and to fund its capital commitments to the LP which total \$19,065,013 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.

	LESS THAN 12 MONTHS	ON CALL	REMAINING CONTRACTUAL MATURITIES
2016	\$	\$	\$

Non-derivatives

Non-interest bearing

Trade and other payables	197,763	–	197,763
Capital commitments*	–	19,065,013	19,065,013

Total non-derivatives	197,763	19,065,013	19,262,776
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* 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.

	LESS THAN 12 MONTHS	ON CALL	REMAINING CONTRACTUAL MATURITIES
2015	\$	\$	\$

Non-derivatives

Non-interest bearing

Trade and other payables	204,952	–	204,952
Capital commitments*	–	24,811,858	24,811,858

Total non-derivatives	204,952	24,811,858	25,016,810
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16. Fair value measurement

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).

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2016	\$	\$	\$	\$

Financial assets carried at fair value

Other financial assets – equity investment constituting interest in US Select Private Opportunities Fund, LP

	–	–	60,648,614	60,648,614
Total assets	–	–	60,648,614	60,648,614

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2015	\$	\$	\$	\$

Financial assets carried at fair value

Other financial assets – equity investment constituting interest in US Select Private Opportunities Fund, LP

	–	–	54,639,172	54,639,172
Total assets	–	–	54,639,172	54,639,172

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 levels during the financial year.

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 11.

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.

17. Key management personnel disclosures

Directors

Alex MacLachlan, Tristan O'Connell and Tom Kline are directors of the Responsible Entity, Walsh & Company Investments Limited, 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 the reporting date, 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:

	2016	2015
	NUMBER	NUMBER
Alex MacLachlan	18,750	18,750
Tristan O'Connell	6,250	6,250
Tom Kline	2,795	2,795
	27,795	27,795

There were no movements in the directors' holdings during the year.

18. Related party disclosures

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Related party investments in the scheme

The Responsible Entity or its associates does not hold any investments in the scheme.

Management fees

The Responsible Entity's duties include establishing the Fund's compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund.

For these services, the Responsible Entity charged management fees of 0.33% per annum (exclusive of GST) on the gross asset value of the Fund. This is comprised of the Responsible Entity Fee of 0.08% per annum and Administration Fee 0.25% per annum. 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 2016 was \$284,901 (2015: \$218,785), exclusive of GST. There were no outstanding management fees as at 31 March 2016 (2015: nil).

Fund administration fees

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. Total fund administration fees paid or payable for the year ended 31 March 2016 were \$95,400 (2015: \$149,475), 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 or payable during the year amounted to \$1,888,881 (US\$1,391,392) (2015: \$1,589,634 (US\$1,391,392)). The Fund's 85.5% interest equates to \$1,614,993 (2015: \$1,359,137). 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 \$12,785,997 (US\$9,790,238) (2015: \$10,845,956 (US\$8,250,519)). 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 2016 amounted to \$176,480 (US\$129,999). The Fund's 85.5% interest equates to \$150,891 (US\$111,150).

19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Fund, and its network firms:

	2016	2015
	\$	\$
Audit services – Deloitte Touche Tohmatsu		
Audit or review of the financial statements	54,250	48,665
Other services – Deloitte Touche Tohmatsu		
Taxation services	7,653	20,265
	61,903	68,930
Other Audit Firms – Deloitte Tax LLP		
Taxation services	28,470	–

20. Capital commitments

Other than the capital commitments disclosed in note 11(v) to the financial statements, the Fund does not have any other capital commitments outstanding for the year ended 31 March 2016.

21. Contingent liabilities

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

22. Events after the reporting period

No matter or circumstance has arisen since 31 March 2016 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

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Directors' Declaration

For the year ended 31 March 2016

In the opinion of the directors of the Responsible Entity:

- the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with the Accounting Standards;
- the financial statements are in compliance with the International Financial Reporting Standards as stated in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 March 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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:

- financial records of the Fund for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- the financial statements and notes for the financial year comply with the Accounting standards; and
- 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

26 May 2016

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
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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 2016, 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 18 to 49.

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.

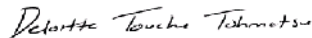
Opinion

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 2016 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.

Emphasis of Matter

Without modifying our opinion attention is drawn to Note 11 to the financial statements, which includes a financial asset representing the Fund's 85.5% interest in a Limited Partnership (LP). The fair value of this asset has been determined based on the LP's proportionate interest in the net assets of a portfolio of US private investment funds in which the LP has an interest totalling \$56,597,234 as at 31 March 2016. Because of the inherent uncertainty of valuation as disclosed in Note 11, the estimated values of the underlying unlisted equity investments held by the US private investment funds may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 26 May 2016

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Unitholder Information

As at 30 April 2016

Distribution of unitholders

39,013,716 fully paid ordinary units on issue are held by 1,714 unitholders.

CATEGORY (SIZE OF HOLDING)	NUMBER OF UNITHOLDERS
1 to 1,000	34
1,001 to 5,000	111
5,001 to 10,000	341
10,001 to 100,000	1,208
100,001 and over	20
Total	1,714
Holding less than a marketable parcel	7

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Top 20 largest holders of units

	NUMBER OF UNITS HELD	PERCENTAGE OF TOTAL (%)
Mr White Pension Fund A/C	937,500	2.40
Kate Dixon Pension Fund A/C	352,960	0.90
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
ISS Superannuation Fund A/C	195,220	0.50
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
Dowjen Super Fund A/C	128,125	0.33
E & E Shaw Super Fund A/C	128,125	0.33
The Gallery Super Fund A/C	125,000	0.32
Riverbank Unit A/C	125,000	0.32
Aristides Family A/C	125,000	0.32
S Dykes & R Maguire S/F 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
Heywood Family S/F Account	103,125	0.26
E Cowan Super Fund A/C	103,125	0.26
Tim Higgins S/F A/C	103,125	0.26
Total	4,041,930	10.34

Substantial unitholders

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

Voting rights

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

Restricted securities

There are no restricted securities issued by the Fund.

Transactions

There were no transactions in securities during the reporting period.

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.

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